

## UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.



February 27, 2025

Company name:	Japan Post Holdings Co., Ltd.
Representative:	MASUDA Hiroya, Director and Representative Executive Officer, President & CEO (Securities Code: 6178, Tokyo Stock Exchange Prime Market)
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### **Notice Concerning Partial Disposal of Shares of Common Stock of a Consolidated Subsidiary**

Japan Post Holdings Co., Ltd. (the “Company”) hereby announces that it has determined to dispose of a portion of the shares of common stock of JAPAN POST BANK Co., Ltd., which is its consolidated subsidiary (Securities Code: 7182, Tokyo Stock Exchange Prime Market) by way of an offering through purchase and underwriting by underwriters (the “Offering”), as described below. In the event JAPAN POST BANK Co., Ltd. determines to undertake the Share Repurchases (as defined in “1. The details of the Offering” below) pursuant to the Resolution (as defined in “1. The details of the Offering” below), the Company expects to sell a portion of the shares of common stock of JAPAN POST BANK Co., Ltd. it holds in response to the Off-Auction Share Repurchase (as defined in “1. The details of the Offering” below).

For the details of the Offering, please see “Notice Concerning the Offering of Shares” announced by JAPAN POST BANK Co., Ltd. dated as of today.

#### **1. The details of the Offering**

(1) Class and number of shares to be offered:

361,795,800 shares of common stock of JAPAN POST BANK Co., Ltd.

(2) Offer price: Undetermined

The offer price will be determined on the Pricing Date (as defined below) in accordance with the method set forth in Article 25 of the Rules Concerning Underwriting, Etc. of Securities of the Japan Securities Dealers Association, after taking into account market demand and other conditions, based on the preliminary pricing terms calculated by multiplying by a factor between 0.90 and 1.00, the closing price of the shares of common stock of JAPAN POST BANK Co., Ltd. in regular trading on the Tokyo Stock Exchange, Inc. (in increments of 0.5 yen, and any fraction less than 0.5 yen is rounded down to the nearest unit of 0.5 yen) on a certain date between Monday, March 10, 2025 and Wednesday, March 12, 2025 (the “Pricing Date”) (or the closing price on the day immediately preceding the

**Note:**

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Pricing Date, if no closing price was recorded on the Pricing Date).

(3) Offering method:

Japanese offering through purchase and underwriting by the underwriters and international offering (together with the offering by way of over-allotment (as defined below), the “Global Offering”).

(4) Delivery date:

A certain date between Monday, March 17, 2025 and Wednesday, March 19, 2025, provided that such date will be the fifth business day following the Pricing Date

The offering of up to 54,269,300 shares of common stock of JAPAN POST BANK Co., Ltd. to be borrowed by one of the Japanese underwriters (the “Designated Japanese Underwriter”) from the Company may be carried out in Japan, taking into consideration market demand and other conditions for the Japanese offering through purchase and underwriting by the underwriters (the “offering by way of over-allotment”).

In such case, the Company will grant the Designated Japanese Underwriter an option to purchase additional shares of common stock of JAPAN POST BANK Co., Ltd. (the “Green Shoe Option”) up to the number of shares in the offering by way of over-allotment. Upon exercise of the Green Shoe Option, the Company will sell to the Designated Japanese Underwriter the shares of common stock of JAPAN POST BANK Co., Ltd. held by it equal to the number of shares acquired by the exercise.

(Reference: Share Repurchases by JAPAN POST BANK CO., Ltd.)

Also, JAPAN POST BANK Co., Ltd. has resolved, at the meeting of its Board of Directors held on Thursday, February 27, 2025, to repurchase (i) up to 20,000,000 shares of common stock of JAPAN POST BANK Co., Ltd. for an aggregate repurchase price of up to 20.0 billion yen during the period from Monday, March 3, 2025 through Friday, March 7, 2025, through an off-auction own share repurchase trading on the Tokyo Stock Exchange Trading NeTwork system (ToSTNeT-3) (the “Off-Auction Share Repurchase”) and (ii) up to 40,000,000 shares of common stock of JAPAN POST BANK Co., Ltd. for an aggregate repurchase price of up to 40.0 billion yen during the period from the business day following the delivery date through Wednesday, May 14, 2025 (However, no share repurchase will be made from Tuesday, March 25, 2025 through Monday, March 31, 2025), in the open market under discretionary transaction contracts with respect to the repurchase of shares (the “Market Share Repurchase” and together with the Off-Auction Share Repurchase, the “Share Repurchases”). (the “Resolution”).

In the event JAPAN POST BANK Co., Ltd. determines to undertake the Share Repurchases pursuant to the Resolution, the Company expects to sell a portion of the shares of common stock of JAPAN POST BANK Co., Ltd. it holds in response to the Off-Auction Share Repurchase.

The number of shares to be offered in the Global Offering will decrease depending on the result thereof. In consideration of the authorization of JAPAN POST BANK Co., Ltd.’s major shareholders that will be required under Article 52-9, Paragraph (1) of the Banking Act in advance if the ratio of voting rights held by the Company in JAPAN POST BANK Co., Ltd. falls below 50%, the Company plans to set a number of shares to be offered that will result in the ratio of voting rights held in JAPAN POST BANK Co., Ltd. to not fall below 50% depending on the outcome of the sale of shares in response to the repurchase of shares by the Company through ToSTNeT-3.

The Company does not intend to sell any shares of common stock of JAPAN POST BANK Co., Ltd. in the open market during the period of the Market Share Repurchase that would be conducted by JAPAN POST BANK Co., Ltd. However, after obtaining the aforementioned statutory authorization, and depending on the ratio of voting rights represented by the shares of common stock of JAPAN POST BANK Co., Ltd. held by the Company after the completion of the Market Share Repurchase, the Company plans to establish a stock disposal trust (the “Trust”) for the shares of common stock of

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JAPAN POST BANK Co., Ltd. held by the Company and contribute shares of common stock of JAPAN POST BANK Co., Ltd. to the Trust, so that the ratio of voting rights held by the Company in JAPAN POST BANK Co., Ltd. will fall below 50%. It is intended that the agreement regarding the Trust will contain a provision such that the shares of common stock of JAPAN POST BANK Co., Ltd. will not be sold in the open market during the Lock-up Period (as defined in “4. Lock-up period” below). However, the voting rights of the disposed shares will be exercised by the trustee, and thereby causing the voting rights of the disposed shares to not be retained by the Company. Therefore, the ratio of voting rights held by the Company in JAPAN POST BANK Co., Ltd. will fall below 50% as a result of the contribution by the Company to the Trust of the shares of common stock of JAPAN POST BANK Co., Ltd.

## **2. Purpose of the Offering**

The Postal Service Privatization Act requires that the Company dispose of its shares in JAPAN POST BANK Co., Ltd. and JAPAN POST INSURANCE Co., Ltd. (together, the “Two Financial Companies”) within the earliest possible timeframe, with the aim of disposing of its shares in its entirety, in light of business conditions of the Two Financial Companies and any impact on the ability to fulfill the obligations to ensure universal services.

Further, the Company announced in the “Public Offerings of Three Japan Post Group Companies” published in December 2014 that it intended to sell shares of the Two Financial Companies incrementally so that its ownership ratio will be around 50%, with a goal of, among other considerations, increasing the management flexibility of the Two Financial Companies, securing the Japan Post Group’s unity and demonstrating the Japan Post Group’s comprehensive capabilities.

To meet this goal, the Company announced in Japan Post Group’s medium-term management plan entitled “JP Vision 2025+ (Plus)” in May 2024 that it aims to lower the holding ratio of its equity interest in each of the Two Financial Companies to 50% or less by the fiscal year ending March 31, 2026.

At this time, in light of the above policy, the Company has determined to conduct the Offering considering the stock price of JAPAN POST BANK Co., Ltd., the funding needs of the Company, the possible effects on consolidated operating results of the Company and other factors.

The Company intends to utilize funds procured by the sale of the shares of common stock of JAPAN POST BANK Co., Ltd. for growth investments in industries such as logistics, and also for enhancement of shareholder returns and improvement of capital efficiency, and thereby enhance the Company’s corporate value.

## **3. Outlook for the future**

After the Offering, the sale of a portion of the shares of common stock of JAPAN POST BANK Co., Ltd. held by the Company in response to the Off-Auction Share Repurchase (if JAPAN POST BANK Co., Ltd. determines to undertake the Off-Auction Share Repurchase pursuant to the Resolution, the same hereinafter), and the contribution by the Company to the Trust of shares of common stock of JAPAN POST BANK Co., Ltd., it is expected that the percentage of voting rights in JAPAN POST BANK Co., Ltd. held by the Company will decrease to about 49.90% (before the Offering: 61.5%). Even if the ratio of voting rights held by the Company in JAPAN POST BANK Co., Ltd. falls below 50%, JAPAN POST BANK Co., Ltd. will still remain a consolidated subsidiary of the Company according to the effective control standard. JAPAN POST BANK Co., Ltd. will also remain an important company of the Company, operating its banking business.

After the Company contributes shares of common stock of JAPAN POST BANK Co., Ltd. to the Trust such that the ratio of voting rights held by the Company in JAPAN POST BANK Co., Ltd. decreases to about 49.90%, the Company will notify the Minister for Internal Affairs and Communications of the disposal of one half or more of its holding of shares in JAPAN POST BANK Co., Ltd. pursuant to Article 62, Paragraph (2) of the Postal Service Privatization Act. From the date

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on which the Company notifies the Minister for Internal Affairs and Communications, JAPAN POST BANK Co., Ltd. will, pursuant to Article 110-2 of the Postal Service Privatization Act, no longer be required to obtain authorization under Article 110 of the Postal Service Privatization Act. Instead, if JAPAN POST BANK Co., Ltd. intends to engage in new businesses or other businesses prescribed in Article 110 of the Postal Service Privatization Act, the Company will be required to determine the details of such business and notify the Prime Minister and the Minister for Internal Affairs and Communications. At the same time, the Company will, with its ratio of voting rights in JAPAN POST BANK Co., Ltd. having fallen below 50%, no longer be a holding company whose subsidiary companies include a bank (bank holding company) as provided in the Banking Act.

After the Offering, the sale of a portion of the shares of common stock of JAPAN POST BANK Co., Ltd. held by the Company in response to the Off-Auction Share Repurchase, depending on the offer price and sales price, and the contribution of shares of common stock of JAPAN POST BANK Co., Ltd. to the Trust by the Company, the Company may record income or loss on sales of shares of affiliates (extraordinary income or loss) in its non-consolidated financial statements. Such income or loss on sales of shares of affiliates will be eliminated in the consolidated financial statements and will have no impact on the Company's consolidated financial results.

#### **4. Lock-up period**

With respect to the Global Offering, the Company has reached an agreement with the joint global coordinators that the Company will not carry out a transfer or disposal, etc. of shares of common stock of JAPAN POST BANK Co., Ltd. (excluding the Japanese offering through purchase and underwriting by the underwriters, the international offering, lending and delivery of shares of common stock of JAPAN POST BANK Co., Ltd. for the purpose of the offering by way of over-allotment, selling and delivery of shares of common stock of JAPAN POST BANK Co., Ltd. upon exercise of the Green Shoe Option, a sale or transfer of shares of common stock of JAPAN POST BANK Co., Ltd. in response to share repurchases by JAPAN POST BANK Co., Ltd., and establishment of the Trust and contribution of shares of common stock of JAPAN POST BANK Co., Ltd. to the Trust by the Company, etc.) during the period from the Pricing Date to the 180<sup>th</sup> day (inclusive) following the delivery date (inclusive) of shares for the Global Offering (the "Lock-up Period") without the prior written consent of the joint global coordinators.

Please also note that even if a contribution of shares of common stock of JAPAN POST BANK Co., Ltd. is made to the Trust by the Company, the parties to the trust agreement for the Trust intend to agree thereunder such that no market sale of shares of common stock of JAPAN POST BANK Co., Ltd. by the Trust will be allowed during the Lock-up Period.

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