

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.



April 4, 2019

Company name: Japan Post Holdings Co., Ltd.
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Executive Officer, President & CEO
(Code number: 6178, First Section of the Tokyo
Stock Exchange)
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Notice Concerning Partial Disposal of Shares of Common Stock of 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 INSURANCE Co., Ltd., which is its consolidated subsidiary (Code number: 7181, First Section of the Tokyo Stock Exchange) by way of an offering through purchase and underwriting by underwriters (the “Offering”), as described below.

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

1. The details of the Offering

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

168,108,700 shares of common stock of JAPAN POST INSURANCE Co., Ltd.

(2) Offer price: Undetermined

The Company will determine the offer price 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 INSURANCE Co., Ltd. in regular trading on Tokyo Stock Exchange, Inc. (rounding down to the nearest one yen) on a certain date between Monday, April 15, 2019 and Wednesday, April 17, 2019 (the “Pricing Date”) (or the closing price on the day immediately preceding the Pricing Date, if no closing price was recorded on the Pricing Date).

(3) Offering method: Japanese offering through purchase and underwriting by 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 Tuesday, April 23, 2019 and Thursday, April 25, 2019, provided that such date will be the sixth business day following the Pricing Date

Note:

This document is a press release to announce the offering of common stock of JAPAN POST INSURANCE Co., Ltd., and it has not been prepared for the purpose of soliciting investments or other conduct of similar nature whether in Japan or overseas. With respect to investments in Japan, investors are advised to do so based on their sole judgement after reviewing “the Prospectus on the Offering of Shares” (and revisions thereto) prepared by JAPAN POST INSURANCE Co., Ltd. This press release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities referred to in this press release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

The offering of up to 16,891,300 shares of common stock of JAPAN POST INSURANCE 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 factors such as current demand for the Japanese offering through purchase and underwriting by the underwriters (the “offering by way of over-allotment”).

In such a case, the Company will grant the Designated Japanese Underwriter an option to purchase additional shares of common stock of JAPAN POST INSURANCE 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 INSURANCE Co., Ltd. held by it equal to the number of shares acquired by the exercise.

Also, JAPAN POST INSURANCE Co., Ltd. has resolved, at the meeting of its Board of Directors held on Thursday, April 4, 2019, to repurchase up to 50,000,000 shares of common stock of JAPAN POST INSURANCE Co., Ltd. for an aggregate repurchase price of up to ¥ 100.0 billion during the period from Monday, April 8, 2019 through Friday, April 12, 2019, through the Off-Auction Own Share Repurchase Trading system (ToSTNeT-3) of Tokyo Stock Exchange, Inc. In the event that JAPAN POST INSURANCE Co., Ltd. determines to undertake the share repurchase pursuant to the aforementioned resolution, the Company may sell a portion of the shares of common stock of JAPAN POST INSURANCE Co., Ltd. held by it through such share repurchase. In such case, the respective numbers of shares for the Global Offering may decrease.

2. Purpose of the Offering

The Company aims to dispose of its entire equity interest in JAPAN POST INSURANCE Co., Ltd. and JAPAN POST BANK Co., Ltd. (the “two financial companies”) as soon as possible, taking into consideration the effects on the business condition of the two financial companies and the implementation of its universal service obligation and other matters, in accordance with the Postal Service Privatization Act. In order to be in line with this purpose, the Company intends to reduce its equity interest in the two financial companies in multiple stages to around 50% of the outstanding shares of each company.

At this time, in accordance with such policy, the Company has determined to conduct the Offering by considering the stock price of JAPAN POST INSURANCE Co., Ltd., the funding needs of the Company, the possible effects on consolidated operating results of the Company and other matters.

The Company will utilize funds procured by the sale of the shares of common stock of in JAPAN POST INSURANCE Co., Ltd. for the purpose of enhancing its corporate value and other matters.

3. Outlook for the future

After the Offering, it is expected that the percentage of voting rights in JAPAN POST INSURANCE Co., Ltd. held by the Company will decrease to about two-thirds, but JAPAN POST INSURANCE Co., Ltd. will still remain a consolidated subsidiary of the Company. JAPAN POST INSURANCE Co., Ltd. will also remain an important subsidiary of the Company operating its life insurance business.

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, disposal, etc. of common stock of JAPAN POST INSURANCE Co., Ltd. (excluding a sale, transfer, etc. of common stock of JAPAN POST INSURANCE Co., Ltd. associated with the Japanese

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Offering through Purchase and Underwriting by the Underwriters, the International Offering, lending and delivery of common stock of the JAPAN POST INSURANCE Co., Ltd. for the purpose of the offering by way of over-allotment, selling and delivery of common stock of JAPAN POST INSURANCE Co., Ltd. upon exercise of the Green Shoe Option or the acquisition of treasury stock by the JAPAN POST INSURANCE Co., Ltd.) during the period from the Pricing Date to the 180th day (inclusive) following the delivery date (inclusive) of shares through the Global Offering without the prior written consent of the joint global coordinators.

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