

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.



August 28, 2018

Company name: Japan Post Holdings Co., Ltd.  
Representative: Masatsugu Nagato, Director and Representative Executive Officer, President & CEO  
(Code number: 6178, First Section of the Tokyo Stock Exchange)  
Contact: IR Office, Corporate Planning Division  
(Phone: +81-3-3504-4245)

**Notice Regarding the Succession of Business Through Company Split (Simple Absorption-Type Split)**

Japan Post Holdings Co., Ltd. (the “Company”) decided at the Board of Directors’ meeting held on August 28, 2018 that effective on October 1, 2018 (tentative), Japan Post Real Estate Co., Ltd. shall succeed the Company’s business to develop, plan and manage its own properties with high development potential, and the business to administer and manage its rental properties through a company split. The detail of this succession shall be as follows.

Disclosure items and contents of this company split are partially omitted, as it falls under a simple absorption-type split as stipulated in Article 784, Paragraph 2 of the Companies Act.

**1. Purpose of the company split**

On April 2, 2018, the Company established Japan Post Real Estate Co., Ltd., an entity conducting the real estate business of the Japan Post Group.

The company split is essential in establishing the management basis of Japan Post Real Estate Co., Ltd. by transferring at an early stage the Company’s business to develop, plan and manage its own properties (Gotanda and Kuramae) with high development potential, and the business to administer and manage its rental properties (MIELPARQUE), along with the ownership of all the concerned properties, to Japan Post Real Estate Co., Ltd. (As for the Company’s employees engaged mainly in the aforementioned businesses, we will take measures including the secondment to Japan Post Real Estate Co., Ltd.)

**2. Summary of the company split**

(1) Time schedule of the company split

Approval by the Board of Directors of the company split agreement	August 28, 2018
Date of execution of the agreement	August 28, 2018 (tentative)
Date of application for approval to the Ministry of Internal Affairs and Communications	August 28, 2018 (tentative)
Scheduled date of the split (effective date)	October 1, 2018 (tentative)
Date of registration of the split	October 1, 2018 (tentative)

\*This company split shall be carried out without a resolution on the approval of the general meeting of shareholders, as it falls under a simple absorption-type split as stipulated in Article 784, Paragraph 2 of the Companies Act.

(2) Method for the company split

This shall be a simple absorption-type split in which the Company is a splitting company and Japan Post Real Estate Co., Ltd. is a succeeding company.

(3) Allotment associated with the company split

The Company expects to receive one share of the common stock to be newly issued by Japan Post Real Estate Co., Ltd. in consideration of this company split.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights concerning the company split

Not applicable.

(5) Change in capital stock due to the company split

There will be no change in capital stock due to this company split.

(6) Rights and obligations to be succeeded by the succeeding company

Of the rights and obligations concerning this company split, such as assets, liabilities and contractual status, those set out under the absorption-type company split contract shall be succeeded.

(7) Prospect of the fulfillment of obligations

It is believed that this company split will pose no question to the prospect of the fulfillment of obligations to be borne by the Company and the succeeding company.

### 3. Summary of the companies concerned in the split

	Splitting company	Succeeding company
(1) Company name	Japan Post Holdings Co., Ltd.	Japan Post Real Estate Co., Ltd.
(2) Location	3-2, Kasumigaseki 1-chome, Chiyoda-ku, Tokyo (Scheduled to be changed on September 3, 2018, to 3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo)	3-2, Kasumigaseki 1-chome, Chiyoda-ku, Tokyo (Scheduled to be changed on September 3, 2018, to 3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo)
(3) Position and name of representative	Masatsugu Nagato Director and Representative Executive Officer, President & CEO	Yoshifumi Iwasaki President & CEO
(4) Business description	Formulation of the Group's management strategies, etc.	<ul style="list-style-type: none"> <li>Ownership, leasing and management of real estate</li> <li>Development, preparation, and sales of residential, commercial and industrial land, etc.</li> </ul>
(5) Paid-in capital	¥3,500,000 million	¥1,500 million
(6) Date of establishment	January 23, 2006	April 2, 2018
(7) Total number of shares issued	4,500,000,000 shares	60,000 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratio	Minister of Finance 56.87%	Japan Post Holdings Co., Ltd. 100%
(10) Financial results and financial condition in the immediate previous fiscal year		
	Japan Post Holdings Co., Ltd. (consolidated)	Japan Post Real Estate Co., Ltd. (non-consolidated)
Fiscal year end	Fiscal year ended March 31, 2018	
Consolidated net assets	14,743,234	
Consolidated total assets	290,640,154	
Consolidated net assets per share (yen)	3,278.11	
Consolidated net sales	12,920,375	
Consolidated net ordinary income	916,144	
Net income attributable to Japan Post Holdings	460,623	
Consolidated net income per share (yen)	112.97	

(Millions of yen, unless specified otherwise)

### 4. Summary of the business divisions to be split or succeeded

#### (1) Description of the business of divisions to be split or succeeded

- Development, planning and management of the Company's own properties (Gotanda and Kuramae) with high development potential
- Administration and management of the Company's rental properties (MIELPARQUE)

#### (2) Financial results of the divisions to be split or succeeded (as of March 31, 2018)

Net sales	¥2,931 million
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(3) Items and amounts of assets and liabilities to be split or succeeded (as of March 31, 2018)

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	¥975 million	Current liabilities	¥243 million
Non-current assets	¥46,240 million	Long-term liabilities	¥1,346 million
Total	¥47,216 million	Total	¥1,589 million

**5. Changes after the company split**

This company split shall make no changes to the trade name, type of business, head office location, representatives, capital stock nor fiscal year end of the Company.

**6. Outlook**

This company split will have minimal impact on the Company's consolidated financial results.