

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.



March 12, 2021

Company name: Japan Post Holdings Co., Ltd.
Representative: MASUDA Hiroya
Director and Representative Executive Officer,
President & CEO
(Code number: 6178, First Section of the
Tokyo Stock Exchange)
Contact: IR Office (Phone: +81-3-3477-0206)

Capital and Business Alliance of Japan Post Group and Rakuten Group

Japan Post Holdings Co., Ltd. (Chiyoda-ku, Tokyo. Director and Representative executive Officer, President & CEO, MASUDA Hiroya, hereinafter "Japan Post Holdings"), Japan Post Co., Ltd. (Chiyoda-ku, Tokyo. Representative: KINUGAWA Kazuhide, hereinafter "Japan Post") and Rakuten, Inc. (Setagaya-ku, Tokyo. Chairman and CEO: MIKITANI Hiroshi, hereinafter "Rakuten") today signed a business alliance agreement to strengthen their collaborations across a range of fields, including logistics, mobile, digital transformation and more.

In addition, Japan Post Holdings and Rakuten announced today that the two companies have signed an agreement for the allotment of shares through an investment in Rakuten by Japan Post Holdings aimed at strengthening ties between the Japan Post Group and the Rakuten Group.

With a solid foundation built on a nationwide chain of post offices and a shipping network that covers all of Japan, the Japan Post Group serves as an essential part of social infrastructure for daily life. At the same time, the Rakuten Group provides a portfolio of more than 70 services to more than 100 million members in Japan that together make up the Rakuten Ecosystem.

Through this new capital and business alliance, the Japan Post Group and the Rakuten Group will seek to maximize synergies by effectively leveraging the business resources and expertise of both Groups to provide greater convenience for customers, give back to local communities, and grow their businesses.

Both Groups will continue to explore the broader potential for deepening their collaborative relationship.

1. Business alliance overview

Both Groups will consider business alliance collaboration on the items below:

Logistics

- Creation of shared logistics centers
- Creation of shared delivery and pick-up systems
- Sharing of data held by Japan Post and Rakuten
- Joint commercialization of digital transformation platform for logistics, including the establishment of a new company
- Collaborations and initiatives between Japan Post and Rakuten to expand usage of Rakuten Fulfillment Centers and Japan Post's "Yu-Pack" parcels

Mobile

- Utilization of post office event space to create customer counters to accept new signup applications for Rakuten Mobile and other functions
- Utilization of Japan Post Group's delivery network to conduct marketing initiatives

Digital transformation

- Dispatch of digital transformation specialists from Rakuten Group to Japan Post Group
- Additional support from Rakuten Group to support the digital transformation of Japan Post Group

Additionally, both Groups will consider the launch of new business alliances on the following items:

Financial services

- Collaboration in cashless payments and other fields
- Collaboration in the insurance field

E-commerce

- Collaboration on product sales

2. Investment overview

- Investment method: Acceptance of share subscription via third-party allotment capital increase
- Shares received: 131,004 thousand shares
- Investment amount: 149,999 million yen
- Shareholding ratio: 8.32%
- Investment payment date: Monday, March 29, 2021 (Planned)

3. Overview of the counterparty of capital and business alliance

(as of December 31, 2020)

(1) Company Name	Rakuten, Inc.
(2) Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo
(3) Name and title of representative	Chairman and CEO, MIKITANI Hiroshi
(4) Business description	Internet services, FinTech and mobile businesses
(5) Stated capital	205,924 million yen
(6) Date of establishment	February 1997
(7) Number of issued shares	1,434,573,900 shares
(8) Fiscal year end	December 31

(9)	Number of employees	23,841		
(10)	Major shareholders and shareholding ratios (percentage of shares held to total number of issued shares excluding treasury shares)	Crimson Group, LLC. (16.62%) MIKITANI Hiroshi (12.94%) MIKITANI Haruko (9.73%) The Master Trust Bank of Japan, Ltd. (Trust account) (6.00%) Custody Bank of Japan, Ltd. (Trust account) (3.48%) NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY (2.12%) Custody Bank of Japan, Ltd. (Trust account 7) (1.51%) THE BANK OF NEW YORK MELLON 140051 (1.40%) Culture Convenience Club Co., Ltd. (1.17%) STATE STREET BANK WEST CLIENT - TREATY 505234 (1.09%)		
(11)	Relationships between parties			
	Capital relationship	Not applicable		
	Personnel relationship	Not applicable		
	Business relationship	Japan Post Holdings and Rakuten have concluded an agreement for a business alliance covering strategic partnerships in the logistics, fintech, mobile and other areas. (as of March 12, 2021)		
	Applicability to related parties	Not applicable		
(12)	Business and financial performances for the most recent three years			
	Fiscal year (consolidated)	Year ended December 31, 2018	Year ended December 31, 2019	Year ended December 31, 2020
	Total equity	776,207	737,200	629,014
	Total assets	7,345,002	9,165,697	12,524,438
	Equity per share attributable to owners of the Company (yen)	572.83	542.43	446.78
	Revenue	1,101,480	1,263,932	1,455,538
	Operating income	170,425	72,745	(93,849)
	Net income (loss)	141,889	(33,068)	(115,838)
	Net income (loss) attributable to owners of the Company	142,282	(31,888)	(114,199)
	Basic earnings (loss) per share (yen)	105.43	(23.55)	(84.00)
	Dividend per share (yen)	4.50	4.50	4.50

(Unit: million JPY, unless otherwise noted)

4. Future outlook

At present, it remains to be seen whether the capital and business alliance may have any specific impact on Japan Post Holdings' financial performance. We will promptly announce any matters that require disclosure in the future.