

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 28, 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)

Business Alliance of Japan Post Group and Rakuten Group: **Progress Update**

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. President & CEO: KINUGAWA Kazuhide, hereinafter "Japan Post") and Rakuten Group, Inc. (Setagaya-ku, Tokyo. Chairman, President and CEO: MIKITANI Hiroshi, hereinafter "Rakuten") today shared a progress update regarding the business alliance agreement announced on March 12, 2021, between Japan Post Holdings, Japan Post and Rakuten.

1. Business alliance overview

Both Groups have agreed on the following business alliance collaboration items (as of April 28, 2021):

Logistics

- Creation of shared fulfillment centers
- Creation of shared delivery and pick-up centers
- Collaborations and initiatives between Japan Post and Rakuten to expand usage of Rakuten Fulfillment Centers and Japan Post's "Yu-Pack" parcels
- Establishment of a new joint venture by Japan Post and Rakuten to conduct the above initiatives, and joint commercialization of a digital transformation platform for logistics (Target: July 2021)

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 post office and delivery network for marketing initiatives
- Conducting trials ahead of nationwide implementation of above initiatives. Trials planned to start at approximately 10 post offices in May 2021.

Digital transformation

- Consultation and discussion on Japan Post Group and Rakuten Group personnel exchange to support the digital transformation of Japan Post Group
- Additional support from Rakuten Group to support the digital transformation of Japan Post Group

Financial services

- Preparations to offer a Japan Post Bank design branded Rakuten Card in 2021
- Consultation and discussion regarding a credit card to be issued by Japan Post Bank using the Rakuten Card platform, based on progress of Japan Post Bank design branded Rakuten Card
- Consultation and discussion on other cashless payment-related collaboration
- Consultation and discussion on collaboration in the insurance field

E-commerce

- Consultation and discussion on sales of products offered by Japan Post on Rakuten-operated websites
- Consultation and discussion on accepting order applications for products sold on Rakuten Ichiba at post offices

In addition to the items outlined above, both Groups will discuss and consider other strategic collaborations that contribute to increasing their respective corporate value.

2. Overview of the counterparty of business alliance

(As of December 31, 2020)

(1) Company Name	Rakuten Group, Inc. * Company name was changed from Rakuten, Inc. on April 1, 2021
(2) Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo
(3) Name and title of representative	Chairman, President and CEO, MIKITANI Hiroshi
(4) Business description	Internet services, FinTech and mobile businesses, etc.
(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	As of April 28, 2021, Japan Post Holdings holds 8.32% of the issued shares of Rakuten
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 April 28, 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)

3. 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.