

## 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.



October 1, 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)  
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### **Notice Concerning Partial Business Transfer of Japan Post Holdings**

JAPAN POST HOLDINGS Co., Ltd. (“Japan Post Holdings”; Chiyoda-ku, Tokyo; MASUDA Hiroya, Director and Representative Executive Officer, President & CEO) hereby announces that it resolved, at the board of directors meeting held on September 29, to transfer the businesses relating to 32 facilities of the Kanpo-no-Yado hotels it owns to 1) MYSTAYS HOTEL MANAGEMENT Co., Ltd. and Yakushima *Tokutei Mokuteki Kaisha* (“Yakushima TMK”) (each an affiliate of Fortress Investment Group LLC (together with its affiliates, collectively referred to as “Fortress”)), 2) Châteraisé Holdings Co., Ltd., 3) Nozawa World Co., Ltd., and 4) Hita Tansuigyo Center Co., Ltd. (the “Transfer”) and that it entered into an agreement today. The details are as follows.

#### 1. Reasons for the Transfer

Japan Post Holdings took over the Kanpo-no-Yado hotels from Japan Post Corporation (Nippon Yusei Kosha) at the time of postal services privatization in October 2007. Currently, 33 facilities are in operation and Japan Post Holdings engages in the operation and management associated with these facilities (the “Kanpo-no-Yado business”).

The Kanpo-no-Yado business had been suffering chronic deficits since before it was taken over by Japan Post Holdings. After taking over the business, Japan Post Holdings proceeded with the abolishment of unprofitable facilities as the business continued to post an ordinary loss of ¥4.6 billion on average per year, while making other management improvement efforts such as renewing some of the facilities in order to attract customers from a new customer segment. However, the impact of the spread of COVID-19 on the hotel industry since last year has been significant. For the Kanpo-no-Yado business as well, ordinary loss further increased in FY2020, recording an ordinary loss of approximately ¥11.3 billion. Japan Post Holdings expects that the impact of COVID-19 will not be immediately contained going forward, and it is anticipated that a harsh condition will continue for the Kanpo-no-Yado business.

Meanwhile, the Japan Post Group has been facing an extremely severe business environment, with a decline in the number of mail items, the prolonged low interest rate environment and other

factors. Confronted with the need to restore the soundness of business management for maintaining and increasing its corporate value, it is essential for the Group to transform its business portfolio by allocating its management resources for the enhancement and reinforcement of its core businesses and promotion of new businesses.

In light of these circumstances, Japan Post Holdings decided that it would be best to transfer the Kanpo-no-Yado business to business operators, etc. with track records or motivation in the management of hotels and Japanese-style inns, in order for Kanpo-no-Yado to continue to serve as an important hub for attracting customers and creating jobs in the local community in the era of coexistence with COVID-19 and post-COVID-19, and has therefore proceeded with the selection of transferees. As a result, it decided to transfer 32 facilities of the currently operating 33 facilities separately to 1) MYSTAYS HOTEL MANAGEMENT Co., Ltd. and Yakushima TMK, 2) Châteraisé Holdings Co., Ltd., 3) Nozawa World Co., Ltd., and 4) Hita Tansuigyo Center Co., Ltd., and entered into a business transfer agreement, etc. with each of the companies.

Regarding Kanpo-no-Yado Ena, Japan Post Holdings plans to conduct negotiations with relevant local municipalities in the future.

## 2. Overview of the Transfer

### (1) Transferees and hotels to be transferred to each transferee

#### 1) MYSTAYS HOTEL MANAGEMENT Co., Ltd. and Yakushima TMK

Name of hotels	Location
Kanpo-no-Yado Ichinoseki	147-5 Horyu, Genbicho, Ichinoseki-shi, Iwate Prefecture
Kanpo-no-Yado Oarai	7986-2 Isohama-cho, Oarai-machi, Higashiibaraki-gun, Ibaraki Prefecture
Kanpo-no-Yado Itako	1830-1 Mizuhara, Itako-shi, Ibaraki Prefecture
Kanpo-no-Yado Shiobara	1256 Shiobara, Nasushiobara-shi, Tochigi Prefecture
Kanpo-no-Yado Tochigi Kitsuregawa Onsen	5296-1 Kitsuregawa, Sakura-shi, Tochigi Prefecture
Kanpo-no-Yado Yorii	2267 Sueno, Yorii-machi, Osato-gun, Saitama Prefecture
Kanpo-no-Yado Asahi	2280-1 Nittama, Asahi-shi, Chiba Prefecture
Kanpo-no-Yado Kamogawa	1137 Nishi-cho, Kamogawa-shi, Chiba Prefecture
Kanpo-no-Yado Oume	3-668-2 Komaki-cho, Oume-shi, Tokyo
Kanpo-no-Yado Fukui	43-17 Fuchi-machi, Fukui-shi, Fukui Prefecture
Kanpo-no-Yado Atami	(Main Building) 2-12-3 Minaguchi-cho, Atami-shi, Shizuoka Prefecture (Annex) 2-13-77 Minaguchi-cho, Atami-shi, Shizuoka Prefecture
JP Resort Izukogen	1104-5 Yawatano, Ito-shi, Shizuoka Prefecture
Kanpo-no-Yado Yaizu	1375-2 Hamatome, Yaizu-shi, Shizuoka Prefecture
Kanpo-no-Yado Chitamihama	39 Suhara, Okuda, Mihama-cho, Chita-gun, Aichi Prefecture
Kanpo-no-Yado Toba	1200-7 Arashima-cho, Toba-shi, Mie Prefecture
Kanpo-no-Yado Hikone	3759 Matsubara-cho, Hikone-shi, Shiga Prefecture
Kanpo-no-Yado Tondabayashi	880-1 Ryusen, Tondabayashi-shi, Osaka Prefecture
Kanpo-no-Yado Yamato Heguri	2-16-1 Kamisho, Heguri-cho, Ikoma-gun, Nara Prefecture

Kanpo-no-Yado Nara	3-9-1 Nijo-cho, Nara-shi, Nara Prefecture
Kanpo-no-Yado Kii-Tanabe	24-1 Mera, Tanabe-shi, Wakayama Prefecture
Kanpo-no-Yado Arima	1617-1 Arima-cho, Kita-ku, Kobe-shi, Hyogo Prefecture
Kanpo-no-Yado Ako	883-1 Misaki, Ako-shi, Hyogo Prefecture
Kanpo-no-Yado Awajishima	824 Toshima, Awaji-shi, Hyogo Prefecture
Kanpo-no-Yado Hikari	31-1 Murozumi Higashinosho, Hikari-shi, Yamaguchi Prefecture
Kanpo-no-Yado Kanonji	1101-4 Ikenoshiri-cho, Kanonji-shi, Kagawa Prefecture
Kanpo-no-Yado Ino	1569 Hakawa, Ino-cho, Agawa-gun, Kochi Prefecture
Kanpo-no-Yado Kitakyushu	2829 Oaza Arige, Wakamatsu-ku, Kitakyushu-shi, Fukuoka Prefecture
Kanpo-no-Yado Yanagawa	10-1 Yashiro-machi, Yanagawa-shi, Fukuoka Prefecture
Kanpo-no-Yado Aso	5936 Miyaji, Ichinomiya-machi, Aso-shi, Kumamoto Prefecture

\* Includes company housing and other facilities attached to each facility.

\* Real estate is to be transacted with Yakushima TMK in the form of trust beneficiary rights. Some real estate that could not be converted to trust beneficiary rights separately acquired by Fuji Godo Kaisha, an affiliate of Fortress, in the form of actual real estate.

2) Châteraisé Holdings Co., Ltd.

Name of hotel	Location
Kanpo-no-Yado Isawa	348-1 Matsumoto, Isawa-cho, Fuefuki-shi, Yamanashi Prefecture

\* Includes company housing and other facilities attached to the above facility.

3) Nozawa World Co., Ltd.

Name of hotel	Location
Kanpo-no-Yado Iwaki	60 Shibazaki, Tairafujima, Iwaki-shi, Fukushima Prefecture

\* Includes company housing and other facilities attached to the above facility.

4) Hita Tansuigyo Center Co., Ltd.

Name of hotel	Location
Kanpo-no-Yado Hita	685-6 Nakanoshima-machi, Hita-shi, Oita Prefecture

\* Includes company housing and other facilities attached to the above facility.

(2) Operating results of the hotel business

	Hotel business (a)	Consolidated financial results for the fiscal year ended March 31, 2021 (b)	Ratio (a/b)
Ordinary income	¥7,613 million [¥1,452 million]	¥11,720,403 million	0.06%
Ordinary expenses	¥18,928 million [¥2,194 million]	¥10,806,238 million	0.18%
Net ordinary income	¥(11,314) million [¥(742) million]	¥914,164 million	—%

\* "Hotel business (a)" includes the businesses of Kampo-no-Sato, Rafre Saitama, and Yuupouto Setagaya Reccenter, which are outside the scope of the Transfer, in addition to

Kanpo-no-Yado. Figures in brackets refer to the operating results of businesses and facilities outside the scope of the Transfer.

\* “Consolidated results for the fiscal year ended March 31, 2021 (b)” are the consolidated financial results for the fiscal year ended March 31, 2021 of Japan Post Holdings.

(3) Amount of assets and liabilities transferred

While the amount of assets and liabilities transferred will not be disclosed based on the agreement between the parties concerned, the carrying value of assets related to the business transfer at the end of the previous fiscal year was less than 30% of consolidated net assets on the same date, and therefore falls under the minimal standard criteria.

(4) Transfer price and means of settlement

Transfer price (total amount)	Approximately ¥8.8 billion
Means of settlement	Cash

The transfer price of the individual companies will not be disclosed based on the agreement between the parties concerned.

3. Overview of transferees

(1) Trade name	MYSTAYS HOTEL MANAGEMENT Co., Ltd.
(2) Location	Roppongi Hills North Tower 14th Floor, 6-2-31 Roppongi, Minato-ku, Tokyo
(3) Name and title of representative	YAMAMOTO Shunsuke, Chairman and Representative Director SHIROTA Ryoichi, President and Representative Director
(4) Business description	Operation and management of hotels and Japanese-style inns
(5) Paid-in capital	¥100 million
(6) Date of establishment	July 1999
(7) Relationship between the listed company and the company concerned	
Capital relationship	Not applicable
Personnel relationship	Not applicable
Business relationship	Not applicable
Applicability to related parties	Not applicable

(1) Trade name	Yakushima Tokutei Mokuteki Kaisha
(2) Location	C/O EP Consulting Services Corporation 1-2-9 Nishi-shimbashi, Minato-ku, Tokyo
(3) Name and title of representative	MEGURO Masayuki, Director
(4) Business description	<ul style="list-style-type: none"> <li>• Businesses related to the acquisition as well as management and disposal of specified assets pursuant to asset liquidation plans based on laws related to liquidation of assets</li> <li>• Any and all businesses incidental to the above businesses related to liquidation of specified assets</li> </ul>
(5) Paid-in capital	Amount of specified capital: ¥100,000 in cash
(6) Date of establishment	February 5, 2021
(7) Relationship between the listed company and the company concerned	
Capital relationship	Not applicable
Personnel relationship	Not applicable

	Business relationship	Not applicable
	Applicability to related parties	Not applicable

(1)	Trade name	Fuji Godo Kaisha
(2)	Location	C/O EP Consulting Services Corporation 1-2-9 Nishi-shimbashi, Minato-ku, Tokyo
(3)	Name and title of representative	General Incorporated Association Fuji, Engagement Partner
(4)	Business description	<ul style="list-style-type: none"> <li>• Acquisition, holding, management and disposal of specified investments and other investment assets based on laws related to monetary receivables, securities (including deemed securities), shares of various companies, equity interests, and liquidation of assets</li> <li>• Acquisition, holding, leasing, management and disposal of real estate</li> <li>• Acquisition, holding, management and disposal of real estate trust beneficiary rights</li> <li>• Operation, investment management and management of investment partnership property intended for the above businesses</li> <li>• Any and all businesses incidental or related to the above businesses</li> </ul>
(5)	Paid-in capital	Amount of paid-in capital: ¥100,000 in cash
(6)	Date of establishment	July 30, 2021
(7)	Relationship between the listed company and the company concerned	
	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Applicability to related parties	Not applicable

(1)	Trade name	Châteraisé Holdings Co., Ltd.
(2)	Location	3440-1 Shimosone-cho Kofu-shi, Yamanashi Prefecture
(3)	Name and title of representative	SAITO Hiroshi, Chairman and Representative Director SAITO Takako, President and Representative Director
(4)	Business description	Planning and management of corporate groups mainly engaged in businesses related to confectionery, wineries, hotels, and golf
(5)	Paid-in capital	¥70 million
(6)	Date of establishment	February 1964
(7)	Relationship between the listed company and the company concerned	
	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Applicability to related parties	Not applicable

(1) Trade name	Nozawa World Co., Ltd.
(2) Location	3846 Mawatari Nishiyatsu, Hitachinaka-shi, Ibaraki Prefecture
(3) Name and title of representative	NOZAWA Toshinobu, Representative Director
(4) Business description	Golf course business, renewable energy-related business, civil engineering and construction business, forest development, solar power sales business, real estate leasing business, restaurant business, hotel business, recycling business, vehicle leasing business, swimming schools, social welfare support
(5) Paid-in capital	¥10 million
(6) Date of establishment	March 1993
(7) Relationship between the listed company and the company concerned	
Capital relationship	Not applicable
Personnel relationship	Not applicable
Business relationship	Not applicable
Applicability to related parties	Not applicable

(1) Trade name	Hita Tansuigyo Center Co., Ltd.
(2) Location	647 Oaza Shode, Hita-shi, Oita Prefecture
(3) Name and title of representative	ISHII Yoshitoki, Representative Director
(4) Business description	Development, leasing and management of office buildings and commercial facilities, etc., development and asset management of real estate for profit, development of residential land and industrial land, real estate sale and intermediation, consulting business, etc.
(5) Paid-in capital	¥16 million
(6) Date of establishment	November 1967
(7) Relationship between the listed company and the company concerned	
Capital relationship	Not applicable
Personnel relationship	Not applicable
Business relationship	Not applicable
Applicability to related parties	Not applicable

#### 4. Schedule of the Transfer

Date of resolution of the board of directors	September 29, 2021
Date of the business transfer agreement	October 1, 2021
Date of execution of the Transfer	April 1 and 5, 2022 (scheduled)

\* Transfer to Châteraisé Holdings Co., Ltd., Nozawa World Co., Ltd. and Hita Tansuigyo Center Co., Ltd. is scheduled on April 1, and transfer to MYSTAYS HOTEL MANAGEMENT Co., Ltd. and Yakushima TMK is scheduled on April 5.

## 5. Future outlook

Due to the Transfer, Japan Post Holdings expects to post losses on impairment of fixed assets and extra amounts of retirement allowance, etc. associated with the transfer of employees as extraordinary losses in the consolidated financial results for the fiscal year ending March 31, 2022. However, as the extra amounts of retirement allowance, etc. have not been determined, the amount of extraordinary losses to be posted due to the Transfer has yet to be determined at this point in time. While this posting of extraordinary losses falls under the minimal standard criteria of timely disclosure, Japan Post Holdings is currently examining the impact of the Transfer as well as other factors on the consolidated financial results forecast for the fiscal year ending March 31, 2022. We will make an announcement immediately if it is found that there will be a significant impact on the consolidated financial results forecast.