

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.

February 27, 2023

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

Notice Concerning Partial Disposal of Shares of Common Stock of a 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 BANK Co., Ltd., which is its consolidated subsidiary (Code number: 7182, Tokyo Stock Exchange Prime Market) 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 BANK Co., Ltd. dated as of today.

1. The details of the Offering

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

975,365,300 shares of common stock of JAPAN POST BANK Co., Ltd.

(2) Offer price: Undetermined

The offer price will be determined 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 BANK Co., Ltd. in regular trading on Tokyo Stock Exchange, Inc. (rounding down to the nearest one yen) on a certain date between Monday, March 13, 2023 and Thursday, March 16, 2023 (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 the 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 Monday, March 20, 2023 and Friday, March 24, 2023, provided that such date will be the fifth business day following the Pricing Date

Note:

This document is a press release to announce the partial disposal of shares of common stock of JAPAN POST BANK 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 BANK 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 113,634,700 shares of common stock of JAPAN POST BANK 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 BANK 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 BANK Co., Ltd. held by it equal to the number of shares acquired by the exercise.

(Reference: Share Repurchases by JAPAN POST BANK CO., Ltd.)

Also, JAPAN POST BANK Co., Ltd. has resolved, at the meeting of its Board of Directors held on Monday, February 27, 2023, to repurchase (i) up to 80,000,000 shares of common stock of JAPAN POST BANK Co., Ltd. for an aggregate repurchase price of up to ¥ 70.0 billion during the period from Wednesday, March 1, 2023 through Friday, March 10, 2023, through an off-auction own share repurchase trading on the Tokyo Stock Exchange Trading NeTwork system (ToSTNeT-3) (the “Off-Auction Share Repurchase”) and (ii) up to 90,000,000 shares of common stock of JAPAN POST BANK Co., Ltd. for an aggregate repurchase price of up to ¥ 80.0 billion during the period from the business day following the delivery date through Friday, May 12, 2023 (However, no share repurchase will be made from Monday, March 27, 2023 through Friday, March 31, 2023), in the open market under discretionary transaction contracts with respect to the repurchase of shares (the “Market Share Repurchase” and together with the Off-Auction Share Repurchase, the “Share Repurchases”). (the “Resolution”).

In the event that JAPAN POST BANK Co., Ltd. determines to undertake the Share Repurchases pursuant to the Resolution, the Company is expecting to sell a portion of the shares of common stock of JAPAN POST BANK Co., Ltd. held by the Company in response to the Off-Auction Share Repurchase. The Company does not intend to sell any shares of common stock of JAPAN POST BANK Co., Ltd. during the period of the Market Share Repurchase. In such case, however, the number of shares to be offered in the Global Offering will not decrease as a result thereof.

2. Purpose of the Offering

The Postal Service Privatization Act requires that the Company dispose of its shares in JAPAN POST BANK Co., Ltd. and JAPAN POST INSURANCE Co., Ltd. (together, the “Two Financial Companies”) within the earliest possible timeframe, with the aim of disposing of its entire shares, in light of business conditions of the Two Financial Companies and any impact on the ability to fulfill the obligations to ensure universal services.

Further, the Company announced in Japan Post Group’s medium-term management plan entitled “JP Vision 2025” in May 2021 that it aims to lower the holding ratio of its equity interest in the Two Financial Companies to 50% or less as early as possible during the five-year period ending March 31, 2026.

At this time, in light of the above policy and given that JAPAN POST BANK Co., Ltd. does not satisfy the “Tradable Share Ratio” as one of the standards required for listing on the Prime Market of Tokyo Stock Exchange, Inc., the Company has determined to conduct the Offering considering the stock price of JAPAN POST BANK Co., Ltd., the funding needs of the Company, the possible effects on consolidated operating results of the Company and other matters, with a view to contributing to improve such ratio of the JAPAN POST BANK Co., Ltd.

The Company intends to utilize funds procured by the sale of the shares of common stock of JAPAN POST BANK Co., Ltd. for growth investments, and also for share repurchases by the Company to enhance shareholder returns and improve

Note:

This document is a press release to announce the partial disposal of shares of common stock of JAPAN POST BANK 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 BANK 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.

capital efficiency, and thereby enhance the Company's corporate value.

3. Outlook for the future

After the Offering and sale of a portion of the shares of common stock of JAPAN POST BANK Co., Ltd. held by the Company in response to the Off-Auction Share Repurchase (if JAPAN POST BANK Co., Ltd. determines to undertake the Off-Auction Share Repurchase pursuant to the Resolution, the same hereinafter), it is expected that the percentage of voting rights in JAPAN POST BANK Co., Ltd. held by the Company will decrease to about below 65 percent (before the Offering: 89%), but JAPAN POST BANK Co., Ltd. will still remain a consolidated subsidiary of the Company. JAPAN POST BANK Co., Ltd. will also remain an important subsidiary of the Company operating its banking business.

After the Offering and sale of a portion of the shares of common stock of JAPAN POST BANK Co., Ltd. held by the Company in response to the Off-Auction Share Repurchase, depending on the offer price and sales price, the Company may record income or loss on sales of shares of affiliates (extraordinary income or loss) in its non-consolidated financial statements. Such income or loss on sales of shares of affiliates will be eliminated in the consolidated financial statements, and will have no impact on the Company's consolidated financial results.

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 or disposal, etc. of shares of common stock of JAPAN POST BANK Co., Ltd. (excluding the Japanese offering through purchase and underwriting by the underwriters, the international offering, lending and delivery of shares of common stock of JAPAN POST BANK Co., Ltd. for the purpose of the offering by way of over-allotment, selling and delivery of shares of common stock of JAPAN POST BANK Co., Ltd. upon exercise of the Green Shoe Option, a sale or transfer of shares of common stock of JAPAN POST BANK Co., Ltd. in response to share repurchases by JAPAN POST BANK Co., Ltd., etc.) during the period from the Pricing Date to the 180th day (inclusive) following the delivery date (inclusive) of shares for the Global Offering without the prior written consent of the joint global coordinators.

Note:

This document is a press release to announce the partial disposal of shares of common stock of JAPAN POST BANK 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 BANK 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.