

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.



May 14, 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 Regarding Partial Disposal of Shares in a Consolidated Subsidiary

JAPAN POST HOLDINGS Co., Ltd. (the “Company”) hereby announces that its consolidated subsidiary JAPAN POST INSURANCE Co., Ltd. (Code number: 7181, First Section of the Tokyo Stock Exchange) resolved at its Board of Directors’ meeting held on Friday, May 14, 2021 matters concerning the acquisition of its treasury stock (common stock of JAPAN POST INSURANCE Co., Ltd.) up to a total of 162,906,300 shares and total acquisition amount of 439,847,010,000 yen, through off-auction own share repurchase trading (ToSTNeT-3) of the Tokyo Stock Exchange, Inc. to be performed on Monday, May 17, 2021.

The Company plans to perform a partial disposal of its shares of common stock of JAPAN POST INSURANCE Co., Ltd. by selling the shares in response to the company’s acquisition of treasury and establishing a stock disposal trust as described below when JAPAN POST INSURANCE Co., Ltd. has decided on the implementation and conditions (acquisition price) of the acquisition of treasury stock based on the resolution.

This disposal of shares does not involve any change in the status of subsidiaries.

1. Outline of the disposal of shares

- (1) Total number of shares scheduled to be disposed of 163,306,300 shares of common stock of JAPAN POST INSURANCE Co., Ltd.
(The ratio to the total number of shares issued (excluding treasury stock): 29.03%)
- (2) Method of disposal Through methods ① and ② below:
 - ① Sale of shares in response to the acquisition of treasury stock by JAPAN POST INSURANCE Co., Ltd.
JAPAN POST INSURANCE Co., Ltd. (Code number: 7181, First

Note:

This document is a press release for public announcement of the partial disposal of common stocks of JAPAN POST INSURANCE Co., Ltd. and has not been prepared for the purpose of soliciting investments or other conduct of similar nature whether in Japan or overseas.

Section of the Tokyo Stock Exchange) resolved at its Board of Directors' meeting held on May 14, 2021 matters concerning the acquisition of its treasury stock (common stock of JAPAN POST INSURANCE Co., Ltd.) up to a total of 162,906,300 shares, through off-auction own share repurchase trading (ToSTNeT-3) of the Tokyo Stock Exchange, Inc. on May 17, 2021. The Company shall place a sell order of 162,876,300 shares of common stock of JAPAN POST INSURANCE Co., Ltd. in response to the company's acquisition of treasury stock when JAPAN POST INSURANCE Co., Ltd. has decided on the implementation and conditions (acquisition price) of the acquisition of treasury stock based on the resolution.

If the Company's holding ratio of voting rights in JAPAN POST INSURANCE Co., Ltd. falls below 50%, the number of shares of the sell order in response to the aforementioned acquisition of treasury stock shall be 162,876,300, in consideration of the requirement to obtain prior permission of the insurance company's major shareholders pursuant to Article 271-10, paragraph (1) of the Insurance Business Act.

② Disposal by establishing a stock disposal trust

A stock disposal trust shall be established for the 162,906,300 shares, less the number of shares sold as a result of the transaction in ① above, and further added by 400,000 shares. Under the trust agreement on disposal of shares of other companies, voting rights of the disposed shares shall be exercised by the trustee, whereby the Company shall no longer retain voting rights of the shares disposed of by the aforementioned stock disposal trust.

Trustee: Sumitomo Mitsui Trust Bank, Limited

Purpose of trust: Disposal of shares of other companies

Scheduled date to conclude agreement: Undecided (but after authorization of the insurance company's major shareholders pursuant to Article 271-10, paragraph (1) of the Insurance Business Act and the completion of procedures to prepare for concluding the trust agreement)

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|-----|----------------------------|---|
| (3) | Total amount of disposal | Undecided |
| (4) | Scheduled date of disposal | (2) ① above: May 17, 2021
(2) ② above: Undecided (but the trust for disposal of shares of other companies will be established after authorization of the insurance company's major shareholders pursuant to Article 271-10, paragraph (1) of the Insurance Business Act) |

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Regarding the acquisition of treasury stock by JAPAN POST INSURANCE Co., Ltd. in (2) ① above, its details were announced today by JAPAN POST INSURANCE Co., Ltd. in its “Notice Regarding Acquisition of Treasury Stock and Purchase of Treasury Stock through Off-auction Own Share Repurchase Trading (ToSTNeT-3).”

2. Purpose of the disposal of shares

Under the Postal Service Privatization Act, the Company is required to dispose as soon as possible of its shares in JAPAN POST INSURANCE Co., Ltd. and JAPAN POST BANK Co., Ltd. (collectively, “Japan Post Bank and Japan Post Insurance”), taking into account factors including the impact on the business condition as well as the fulfillment of universal service obligation of Japan Post Bank and Japan Post Insurance, with a view to eventually dispose of all shares therein. In such context, the Company has a policy to sell its shares in Japan Post Bank and Japan Post Insurance as early as possible in the period until 2025 to the extent that its holding ratio of voting rights comes to 50% or less.

JAPAN POST INSURANCE Co., Ltd. has announced that it would acquire its treasury stock, with an aim not only to improve capital efficiency and enhance shareholder returns but also to materialize progress in postal service privatization along with mitigation of legal constraints under the Postal Service Privatization Act that are not imposed on industry peers, through reducing the Company’s holding ratio of voting rights in JAPAN POST INSURANCE Co., Ltd. to 50% or less.

As the Company’s response to the acquisition of treasury stock by JAPAN POST INSURANCE Co., Ltd. is in line with the aforementioned policy, contributing to the growth of the Japan Post Group, the Company has decided to respond to such acquisition of treasury stock and establish a stock disposal trust. Thus, the Company’s holding ratio of voting rights in JAPAN POST INSURANCE Co., Ltd. shall fall below 50%.

The Company plans to utilize the funds earned from this disposal of shares for purposes such as the enhancement of corporate value of the Company and the Japan Post Group.

3. Future outlook

While the Company’s holding ratio of voting rights in JAPAN POST INSURANCE Co., Ltd. is expected to become 49.90% as a result of this disposal of shares (as compared with 64.48% before this disposal of shares), falling below 50%, JAPAN POST INSURANCE Co., Ltd. shall remain a consolidated subsidiary of the Company according to the effective control standard, while also remaining an important subsidiary responsible for life insurance business of the Group. Details of the disposal of shares in the future is yet to be determined.

When the Company’s holding ratio of voting rights in JAPAN POST INSURANCE Co., Ltd. becomes 49.90% as a result of this disposal of shares, the Company will, pursuant to the provisions of Article 62, paragraph (2) of the Postal Service Privatization Act, notify the Minister for Internal Affairs and Communications of the disposal of one half or more of the shares in JAPAN POST INSURANCE Co., Ltd. On and after the date on which the Company notified the Minister for Internal Affairs and Communications, JAPAN POST INSURANCE Co., Ltd. will, pursuant to Article 138-2 of the Act, no longer be required to obtain authorization under Article 138 of the Act, but if it intends to engage in new businesses or other certain businesses prescribed in the same act, it will be required to determine the

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details of such business and notify the Prime Minister and the Minister for Internal Affairs and Communications.

At the same time, the Company will, with its holding ratio of voting rights in JAPAN POST INSURANCE Co., Ltd. falling below 50%, no longer fall under a holding company whose subsidiary companies include an insurance company (insurance holding company) set forth in the Insurance Business Act.

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