



## Japan Post mulls buying Nomura Real Estate Group seeks added income sources as postal operations weaken

① TOKYO -- Japan Post Holdings is considering buying Nomura Real Estate Holdings, aiming to strengthen its property development business amid declining demand for core snail-mail delivery operations. (mull 熟考する snail-mail かたつむり郵便(Eメールに対して, 普通の郵便))

② Multiple sources familiar with the matter confirmed the proposed deal, under which the Japanese postal group could pay several hundred billion yen for share acquisition.

"We are considering various possibilities for a new capital partnership," Japan Post said in a statement Friday night.

③ The leading option is for the postal giant to launch a tender offer for Nomura Real Estate shares, but may opt to simply acquire a partial stake. (tender offer 株式公開買付け opt (選んで) <... すること>に決める)

The size of the stake and the method of acquisition have yet to be finalized. In light of huge impairment losses associated with the company's ill-advised purchase of an Australian company in 2015, some are urging caution. (in light of... を考慮して[すれば] impairment loss 減損損失, 評価損 ill-advised 思慮に欠けた, 軽率な)

④ Nomura Real Estate has a market capitalization of around 390 billion yen (\$3.44 billion). As of September 2016, Japanese securities brokerage leader Nomura Holdings was the top shareholder, holding a stake of more than 33% through an affiliate. The Tokyo-based company, which is known for its Proud brand of condominiums, generated 77.3 billion yen in operating profit in fiscal 2016, on sales of 569.7 billion yen. (capitalization 資本金 brokerage 仲買(業), 証券会社)

⑤ With the rise of the internet, Japan Post's core mail-delivery business has suffered a steady decline of mail, although its handling of packages has reached a record. Real estate development is seen as a promising new source of income. And since its 2007 privatization, management has been grappling with the question of how to make use of its real estate, including its 20,000-plus post offices across the country. (grapple with 取り組む)

⑥ The company has refurbished a major post office near Tokyo station as a commercial building, and has been developing condominiums in city centers. If the proposed deal goes through, Japan Post would employ Nomura Real Estate's know-how to redevelop post offices in urban centers. (refurbish 一新する go through まとまる employ <もの・手段などを>用いる)

⑦ Japan Post bought Australian logistics leader Toll Holdings with the goal of strengthening its overseas operations. But it booked a massive write-down on the business, resulting in a 40 billion yen net loss in fiscal 2016. Since the group went public along with its two financial units in November 2015, their stock prices have been lackluster. Raising corporate value is therefore a pressing issue. (write-down (減価)償却 go public 上場する lackluster さえない, パツとしなない)【2017-05-13 | Nikkei Asian Review】

### ★Ice breaker for active discussion

1. Do you write letters these days? What are good things about hand-written letters?
2. After the privatization, do you see any differences in Japan Post operations?
3. What do you think about Japan Post's plan to buy the real estate company?
4. Besides the decline of snail mails, what are other effects of the rise of the internet?
5. Make sentences using the following words: mull, tender, in light of, ill-advised, refurbish and lackluster.