

Company Name: JAPAN POST BANK Co., Ltd.
Representative: Norito Ikeda, Representative Executive Officer, President
(Securities Code: 7182, Tokyo Stock Exchange First Section)

**Notice Regarding the Introduction of a New Performance-Linked Stock
Compensation System for Executive Officers (Details Confirmed)**

JAPAN POST BANK Co., Ltd. (the "Bank") hereby announces that, subsequent to the announcement in the "Notice Regarding the Introduction of a New Performance-Linked Stock Compensation System for Executive Officers" dated December 24, 2015 that it will introduce a performance-linked stock compensation system utilizing a trust (hereinafter the "System") for its Executive Officers, it has determined the details including the timing for establishing the trust, the timing for acquiring shares, and the total amount of shares to be acquired, etc. at the Compensation Committee held today.

The details of paragraphs 1 to 4 below are mostly the same as the details announced on December 24, 2015.

1. Objectives of the System

The objectives of the System are to further enhance the awareness of the Executive Officers of the Bank regarding the importance of contributing to sustainable growth and enhancing the Bank's corporate value over the medium and long terms, by clarifying the link between the Executive Officers' compensation and the share value of the Bank.

Accordingly, the compensation of the Executive Officers of the Bank shall consist of a "base compensation" component as fixed compensation, and a "performance-linked stock compensation" component as variable compensation.

The Bank has adopted a company with three committees structure, and compensation of Executive Officers, etc., is determined by the Compensation Committee.

2. Eligible Persons under the System

The eligible persons under the system shall be the Executive Officers of the Bank.

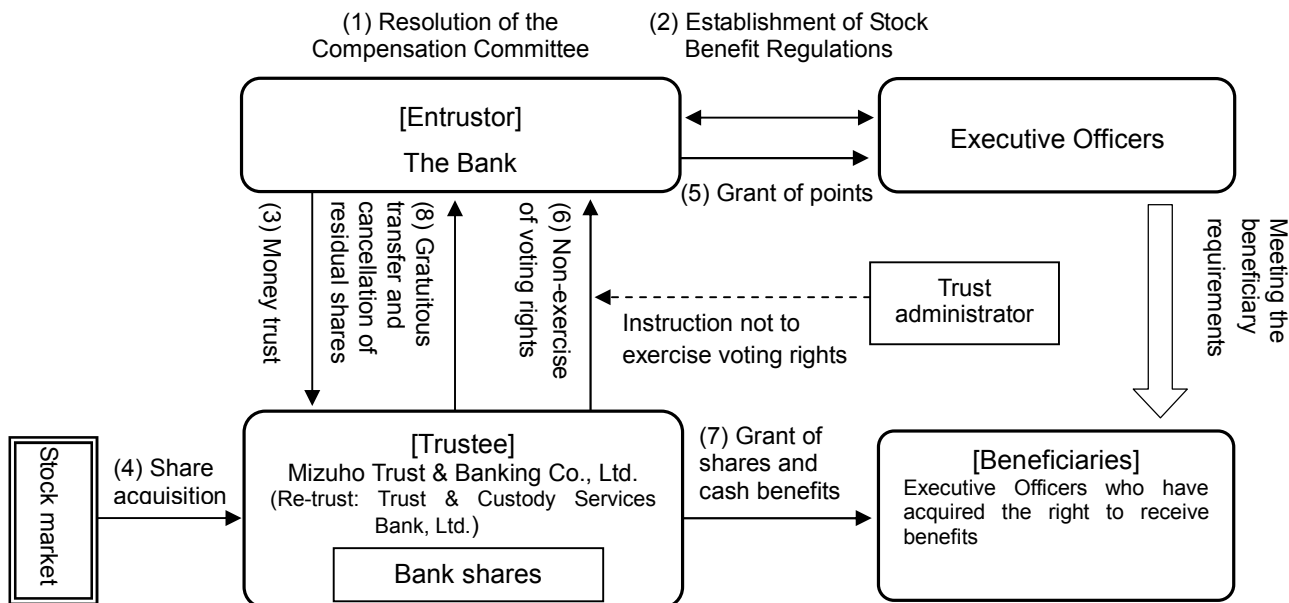
3. Overview of the System

The System adopts a structure called "Board Benefit Trust." Board Benefit Trust is a performance-linked stock compensation system whereby the Bank's shares are acquired from the stock market through a trust using monetary assets of the Bank as capital, and the acquired shares and money in the amount equivalent to the fair value of a certain portion of the bank's shares as of the retirement date (hereinafter the "Bank's shares, etc.") are granted to Executive Officers in accordance with the predetermined Stock Benefit Regulations. In principle, the Bank's shares, etc., are provided to Executive Officers at the time of retirement as Executive

Officer of the Bank.

Voting rights related to shares of the Bank attributable to trust assets of the said trust shall not be exercised.

4. Framework of the System (Planned)



- (1) The Bank resolves to introduce the System at its Compensation Committee.
- (2) The Bank establishes the Stock Benefit Regulations regarding compensation to Executive Officers in conjunction with the introduction of the System.
- (3) The Bank entrusts money in accordance with the resolution of the Compensation Committee made in (1) (hereinafter the trust established through such money trust will be referred to as the "Trust").
- (4) The Trust acquires the Bank's shares from the stock market using the monetary assets entrusted in (3).
- (5) The Bank grants points to Executive Officers in accordance with the Stock Benefit Regulations.
- (6) In the Trust, in accordance with the instructions by an independent trust administrator, the voting rights on the shares of the Bank held in the Trust are not to be exercised.
- (7) The trust grants Executive Officers who have satisfied the beneficiary requirements as set forth in the Stock Benefit Regulations the Bank's shares and money obtained by converting a certain portion of the Bank's shares into cash, in accordance with the number of points granted to the beneficiary.
- (8) In the event that residual shares remain in the Trust after expiry of the trust period, such residual shares are planned to be transferred without compensation from the Trust to the Company and be cancelled.

5. Trust term

The Trust term shall be from May 16, 2016 to March 31, 2019 (however, unless a request is made in writing by the Entrustor or the Trustee at least one month prior to the Trust's expiry date, the Trust term will be extended for another three years, and the same shall apply thereafter. Furthermore, the System shall be terminated when the Bank's shares are delisted or the Stock Benefit Regulations are revoked, among other factors).

6. Amount of Trust

The Bank shall establish the Trust by contributing funds, which will be required for the Trust to acquire in advance the number of shares that are reasonably estimated to be required for the grant of the Bank's shares, etc., the Trust shall acquire the Bank's shares using the funds contributed by the Bank as capital.

Specifically, in the three-year period from the fiscal year ended March 31, 2016 to the fiscal year ending March 31, 2018 (hereinafter the "Initial Target Period"), the Bank shall contribute a maximum of ¥470 million to the Trust for acquiring shares necessary for granting benefits to Executive Officers.

Moreover, even after the elapse of the Initial Target Period, in principle, for every subsequent three fiscal years (the "Next Target Period") until the termination of the Trust, the Bank shall contribute additional funds deemed necessary for the Trust to acquire the number of shares that are reasonably estimated to be required for granting the Bank's shares to Executive Officers in accordance with the System.

However, when an additional contribution is to be made and the Bank's shares (excluding the Bank's shares equivalent to the number of points granted to the Executive Officers but are yet to be granted to the Executive Officers) and money (hereinafter the "Residual shares, etc.") remain in the Trust on the date immediately before the commencement of the Next Target Period, such Residual shares, etc., shall be used as the capital for granting shares or acquiring shares in the subsequent target period in accordance with the System. Consequently, the amount of additional contribution for the Next Target Period shall be calculated by taking into consideration the amount of such Residual shares, etc.

7. Method for acquiring the Company's shares and the number of shares to be acquired

The Bank's shares shall be acquired by the Trust through the stock market using the funds contributed by the Bank as Capital. In the Initial Target Period, a maximum of 328,800 shares shall be acquired immediately after the establishment of the Trust.

[Overview of the Trust]

1) Name: Board Benefit Trust (BBT)

2) Entrustor: The Bank

3) Trustee: Mizuho Trust & Banking Co., Ltd.

Mizuho Trust & Banking Co., Ltd. shall enter in to a comprehensive trust agreement with Trust & Custody Services Bank, Ltd., and Trust & Custody Services Bank, Ltd. shall become the re-trust trustee.

4) Beneficiaries: Retired Executive Officers who meet the beneficiary requirements set forth in the Stock Benefit Regulations

5) Trust administrator: A third party having no conflict of interest with the Bank will be appointed.

6) Type of trust: Trust of money other than money trust (third party beneficiary trust)

7) Date of conclusion of the Trust agreement: May 16, 2016 (Planned)

8) Date on which money will be entrusted: May 16, 2016 (Planned)

9) Trust term: From May 16, 2016 (Planned) to March 31, 2019 (however, unless a request is made in writing by the Entrustor or the Trustee at least one month prior to the Trust's expiry date, the trust term will be extended for another three years, and the same shall apply thereafter.)