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JAPAN POST BANK

NOTICE OF CONVOCAION OF THE 10TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time	Tuesday, June 21, 2016 at 10:00 a.m. Japan time (Reception starts at 8:30 a.m.)
Place	Saitama Super Arena 8, Shintoshin, Chuo-ku, Saitama-shi, Saitama, Japan (Please refer to the map at the back of this notice for the location. We suggest you arrive early to avoid congestion at the reception.)
For those who are unable to attend the meeting	
Voting Deadline	Monday, June 20, 2016 at 5:15 p.m.

(Please exercise your voting rights by returning the enclosed Voting Rights Exercise Form or via Internet.)

► For details, please refer to “Guidance on the Exercise of Voting Rights” on pages 3-4.

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JAPAN POST BANK Co., Ltd.

Securities Identification Code: 7182

Management Philosophy

JAPAN POST BANK aims to become “the most accessible and trustworthy bank in Japan,” guided by the needs and expectations of our customers.

“Trust”

We comply with laws, regulations, and other standards of behavior and value trusted relationships with customers, markets, shareholders, and employees and consistently serve as a responsible corporate citizen.

“Innovation”

We work sincerely to improve our management and business operations in response to requests from customers and changes in the business environment.

“Efficiency”

We pursue improvements in speed and efficiency of our management and business operations in order to provide customer-oriented financial instruments and services.

“Expertise”

We continually strive to strengthen our expertise for the aim of services meeting the expectations of our customers.

May 31, 2016

Dear Shareholders:

Susumu Tanaka
Director and Representative
Executive Vice President
JAPAN POST BANK Co., Ltd.
Location of Headquarter:
3-2, Kasumigaseki 1-chome,
Chiyoda-ku, Tokyo, Japan
(Location of Registered Head
Office: 7-2, Marunouchi
2-chome, Chiyoda-ku, Tokyo,
Japan)

NOTICE OF CONVOCAION OF THE 10TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We express our sincere sympathy for all those affected by the 2016 Kumamoto Earthquake and offer our prayers for recovery and reconstruction as early as possible.

You are cordially invited to attend the 10th Ordinary General Meeting of Shareholders of JAPAN POST BANK Co., Ltd. ("Japan Post Bank"). The meeting will be held for the purposes described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via electromagnetic means (the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m., Monday, June 20, 2016 (Japan time) in accordance with the "Guidance on the Exercise of Voting Rights".

- 1. Date and Time:** Tuesday, June 21, 2016 at 10:00 a.m. Japan time (Reception starts at 8:30 a.m.)
- 2. Place:** Saitama Super Arena
8, Shintoshin, Chuo-ku, Saitama-shi, Saitama, Japan
(In order to allow the admission of more shareholders, we have decided to hold the meeting at the above venue. Please refer to the map at the back of this notice for the location.)
- 3. Meeting Agenda:**
Matters to be reported: The Business Report and Non-consolidated Financial Statements for the 10th fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
Matters to be resolved:
Proposal : Election of Twelve (12) Directors

-End-

- Of the documents required to be provided in this notice of convocation, the Notes to the Non-consolidated Financial Statements have been posted on **our website** in accordance with relevant laws and regulations and Article 15 of the Articles of Incorporation of Japan Post Bank, and are therefore not included in the attachments of this notice of convocation. The Non-consolidated Financial Statements audited by the Independent Auditor and the Audit Committee include the Notes to the Non-consolidated Financial Statements posted on **our website**.
- Any updates to the Reference Documents for the General Meeting of Shareholders, Business Report, and Non-consolidated Financial Statements will be posted on **our website**.
Website of Japan Post Bank http://www.jp-bank.japanpost.jp/en_index.html

Guidance on the Exercise of Voting Rights

For those attending the Ordinary General Meeting of Shareholders

Please submit your Voting Rights Exercise Form at the reception.

Date and Time : Tuesday, June 21, 2016 at 10:00 a.m. Japan time (Reception starts at 8:30 a.m.)

Place : Saitama Super Arena
8, Shintoshin, Chuo-ku, Saitama-shi, Saitama, Japan

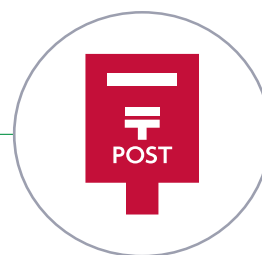
(For details on the location, please refer to the map at the back of this notice.)



If you are unable to attend the Ordinary General Meeting of Shareholders, please exercise your voting rights by mail or via the Internet.

Exercise of voting rights by mail

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and return it by post to reach us no later than the following voting deadline.



Exercise of voting rights via the Internet

Please access the voting website using computers, smartphones or tablets, enter the "Voting Rights Exercise Code" and "Password" printed on the enclosed Voting Rights Exercise Form, then follow the on-screen guidance and indicate your approval or disapproval for each proposal by no later than the following voting deadline.

Access to the voting website <http://www.web54.net>

- You may also access the voting website by reading the QR code on the right using smartphones and other means with the function to read barcodes.

*QR Code is a registered trademark of DENSO WAVE INCORPORATED.



Voting Deadline

No later than Monday, June 20, 2016 at 5:15 p.m. (Japan time)



Access procedures via the Internet

1 Access the voting website

*** ようこそ、議決権行使ウェブサイトへ！ ***

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インターネットによる議決権行使について
- 上記記載内容をよくご確認の上、【次へ進む】ボタンをクリックして「議決権行使ウェブサイト」をご利用ください。

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- 投票ご通知電子メールの受信のためのメールアドレス設定を希望される方は、ここにをクリックしてください。
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本サイトのご利用には、Microsoft® Internet Explorer Ver. 5.01 SP3以降
およびAdobe® Acrobat® Reader® Ver. 4.0 以降または Adobe® Reader® Ver. 6.0 以降を用い、
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2 Login

*** ログイン ***

- 議決権行使コードを入力し、【ログイン】ボタンをクリックしてください。
- 議決権行使コードは、議決権行使書に添付されています。

議決権行使コード

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Enter the "Voting Rights Exercise Code"
printed on the enclosed Voting Rights Exercise
Form and click "Login."



Follow the procedures on the screen
and enter information as necessary

Handling of multiple exercises of voting rights

- (1) If you vote both by mail and via the Internet, your vote via the Internet will be treated as effective.
- (2) If you vote more than once via the Internet, your last vote will be treated as effective.

NOTE

- Connection fees, broadband fees and other fees incurred in using the voting website shall be borne by shareholders.
- The voting website might not be accessible depending on the Internet environment, the service subscribed or the model used.

Should you have any questions, please contact the below.

**Administrator of Shareholder Registry
Stock Transfer Agency Business Planning
Department,
Sumitomo Mitsui Trust Bank, Limited**

Inquiries regarding voting via the Internet

☎ 0120-652-031 (9:00-21:00)

For Institutional Investors

The Electronic Voting Platform, operated by ICJ Co., Ltd., is available for institutional investors that have applied in advance to use the platform.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal: Election of Twelve (12) Directors

The term of office of all the twelve (12) Directors will expire at the closing of this Ordinary General Meeting of Shareholders. It is therefore proposed to elect twelve (12) Directors based on the decision of the Nomination Committee. Candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at Japan Post Bank	Others
1	Norito Ikeda	President and Representative Executive Officer	Newly elected
2	Susumu Tanaka	Director and Representative Executive Vice President	Re-elected
3	Katsunori Sago	Executive Vice President	Newly elected
4	Masatsugu Nagato	Director Chairman of the Nomination Committee Chairman of the Compensation Committee	Re-elected
5	Tomoyoshi Arita	Director Chairman of the Audit Committee Member of the Nomination Committee	Re-elected Outside Director Independent
6	Yoshizumi Nezu	Director Member of the Nomination Committee Member of the Compensation Committee	Re-elected Outside Director Independent
7	Sawako Nohara	Director Member of the Audit Committee	Re-elected Outside Director Independent
8	Tetsu Machida	Director Member of the Audit Committee	Re-elected Outside Director Independent
9	Nobuko Akashi	Director	Re-elected Outside Director Independent
10	Toshihiro Tsuboi	Director Full-time Member of the Audit Committee	Re-elected Outside Director
11	Katsuaki Ikeda	Director Member of the Audit Committee Member of the Compensation Committee	Re-elected Outside Director Independent
12	Tsuyoshi Okamoto		Newly elected Outside Director Independent

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
1	Norito Ikeda (Dec. 9, 1947) Newly elected President and Representative Executive Officer	<p>Apr. 1970 Joined The Bank of Yokohama, Ltd.</p> <p>Jun. 1996 Director and General Manager, Credit Management Department of The Bank of Yokohama, Ltd.</p> <p>Jun. 1997 Director and General Manager, Corporate Planning Department of The Bank of Yokohama, Ltd.</p> <p>Apr. 2001 Representative Director, Chief Financial Officer (CFO) of The Bank of Yokohama, Ltd.</p> <p>Apr. 2002 Representative Director, Chief Personnel Officer (CPO) of The Bank of Yokohama, Ltd.</p> <p>Jun. 2003 Director of The Bank of Yokohama, Ltd. Representative Director and Chairman of the Board of Directors of Yokohama Capital Co., Ltd.</p> <p>Dec. 2003 President (Representative Director) of The Ashikaga Bank, Ltd.</p> <p>Jun. 2004 President (Chief Executive Officer) of The Ashikaga Bank, Ltd.</p> <p>Sept. 2008 Special Advisor of A.T. Kearney</p> <p>Feb. 2012 President and Representative Director of the Organization to Support Revitalization of Businesses Affected by the Great East Japan Earthquake</p> <p>Apr. 2016 President and Representative Executive Officer of Japan Post Bank Co., Ltd. (current position)</p> <p>Significant concurrent positions: Outside Director, FANCL CORPORATION</p> <p><u>Reasons for the election as candidate for Director</u> Mr. Norito Ikeda successively held various posts including Director of The Bank of Yokohama, Ltd. and President of The Ashikaga Bank, Ltd., and as such Japan Post Bank expects that with his abundant experience and achievements, he will sufficiently fulfill his role in making decisions on its important business execution and supervising the execution of duties by Directors and Executive Officers.</p>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
2	<p>Susumu Tanaka (Aug. 23, 1959)</p> <p>Re-elected</p> <p>Director and Representative Executive Vice President (Assistant to the President and matters concerning operations of Corporate Administration Division (excluding matters concerning Financial Accounting Department, Investor Relations Department and Public Relations Department)</p> <p>Status of attendance at the meetings of: Board of Directors 100% (17/17 meetings)</p>	<p>Apr. 1982 Joined the Ministry of Posts and Telecommunications</p> <p>Jul. 2000 General Manager of International Affairs Section, Postal Bureau of the Ministry of Posts and Telecommunications</p> <p>Jan. 2001 General Manager of International Planning Office, Postal Planning Section, Postal Services Planning Bureau of the Ministry of Internal Affairs and Communications</p> <p>Jul. 2001 General Manager of Savings and Management Planning Section, Postal Services Planning Bureau of the Ministry of Internal Affairs and Communications</p> <p>Jan. 2003 General Manager of Fund Management, Savings Department of Postal Services Agency</p> <p>Apr. 2003 General Manager of Business Planning Division, Postal Savings Business Headquarters of Japan Post Corporation</p> <p>Jun. 2004 Director of Preparatory Office for Privatization of Postal Services of the Cabinet Secretariat</p> <p>Sept. 2006 General Manager of Business Planning Division, Postal Savings Business Headquarters, Financial Business Headquarters of Japan Post Corporation</p> <p>Oct. 2007 Executive Officer of Japan Post Bank Co., Ltd.</p> <p>Jun. 2009 Managing Executive Officer of Japan Post Bank Co., Ltd.</p> <p>Oct. 2010 Managing Executive Officer of Japan Post Holdings Co., Ltd. (current position)</p> <p>Apr. 2012 Senior Managing Executive Officer of Japan Post Bank Co., Ltd.</p> <p>Jun. 2013 Director and Executive Vice President of Japan Post Bank Co., Ltd.</p> <p>Mar. 2015 Director and Representative Executive Vice President of Japan Post Bank Co., Ltd. (current position)</p> <p>Significant concurrent positions: Managing Executive Officer of Japan Post Holdings Co., Ltd.</p> <p><u>Reasons for the election as candidate for Director</u> Japan Post Bank expects that with his experiences at our Corporate Administration Division and others, Mr. Susumu Tanaka will sufficiently fulfill his role in making decisions on its important business execution and supervising the execution of duties by Directors and Executive Officers.</p>	1,000 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
3	Katsunori Sago (Nov. 1, 1967) Newly elected Executive Vice President (Matters concerning operations of Investment Division)	<p>Apr. 1992 Joined Goldman Sachs Japan</p> <p>May 1997 Head of Derivatives Trading, Fixed Income Division of Goldman Sachs Japan</p> <p>Oct. 2003 Co-head of Pan-Asia Equity Products Group, Equities Division of Goldman Sachs</p> <p>Oct. 2006 Goldman Sachs Japan Co., Ltd (business transfer) Co-head of Pan-Asia Equity Products Group, Equities Division of Goldman Sachs</p> <p>Head in charge of Asian Exotic Trading and Credit Trading, Fixed Income Currency and Commodities Division of Goldman Sachs</p> <p>Jan. 2007 Director of the board of Goldman Sachs Japan Co., Ltd Co-head of Pan-Asia Equities Division and Fixed Income Currency and Commodities Division of Goldman Sachs</p> <p>Jul. 2008 Director of the board, Head of Equities Division and Fixed Income Currency and Commodities Division of Goldman Sachs Japan Co., Ltd.</p> <p>Jan. 2011 Director of the board and Deputy President, Head of Securities Division of Goldman Sachs Japan Co., Ltd</p> <p>Jul. 2014 Vice Chairman of Goldman Sachs Japan Co.,Ltd</p> <p>Feb. 2015 Resigned from Goldman Sachs Japan Co.,Ltd</p> <p>Feb. 2015 Special Adviser to the Financial Services Agency</p> <p>Jun. 2015 Senior General Manager of the Head Office of Japan Post Bank Co., Ltd.</p> <p>Jun. 2015 Executive Vice President of Japan Post Bank Co., Ltd. (current position)</p> <p>Significant concurrent positions: None</p> <p><u>Reasons for the election as candidate for Director</u> Mr. Katsunori Sago successively held various posts including Director and Vice President of Goldman Sachs Securities Japan, and as such Japan Post Bank expects that with his abundant experience and achievements, he will sufficiently fulfill his role in making decisions on its important business execution and supervising the execution of duties by Directors and Executive Officers.</p>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
4	<p>Masatsugu Nagato (Nov. 18, 1948)</p> <p>Re-elected</p> <p>Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee</p> <p>Status of attendance at the meetings of: Board of Directors 100% (16/16 meetings)</p>	<p>Apr. 1972 Joined The Industrial Bank of Japan, Limited</p> <p>Jun. 2000 Executive Officer of The Industrial Bank of Japan, Limited</p> <p>Jun. 2001 Managing Executive Officer of The Industrial Bank of Japan, Limited</p> <p>Apr. 2002 Managing Executive Officer of Mizuho Bank, Ltd.</p> <p>Apr. 2003 Managing Executive Officer of Mizuho Corporate Bank, Ltd</p> <p>Jun. 2006 Corporate Executive Vice President of Fuji Heavy Industries Ltd.</p> <p>Jun. 2007 Director of the Board, Corporate Executive Vice President of Fuji Heavy Industries Ltd.</p> <p>Jun. 2010 Representative Director of the Board & Deputy President of Fuji Heavy Industries Ltd.</p> <p>Jun. 2011 Director and Vice Chairman of Citibank Japan Ltd.</p> <p>Jan. 2012 Director and Chairman of Citibank Japan Ltd.</p> <p>May 2015 Director, President and Representative Executive Officer of Japan Post Bank Co., Ltd.</p> <p>Jun. 2015 Director of Japan Post Holdings Co., Ltd.</p> <p>Apr. 2016 Director of Japan Post Bank Co., Ltd. (current position)</p> <p>Director, Representative Executive Officer, President and CEO of Japan Post Holdings Co., Ltd. (current position)</p> <p>Director of Japan Post Co., Ltd. (current position)</p> <p>Significant concurrent positions: Director, Representative Executive Officer, President and CEO of Japan Post Holdings Co., Ltd. Director of Japan Post Co., Ltd.</p> <p><u>Reasons for the election as candidate for Director</u> Mr. Masatsugu Nagato successively held various posts including Director and Chairman of Citibank Japan Ltd., and has been responsible for the management of the Japan Post Group overall as Director, Representative Executive Officer, President and CEO of the parent company, Japan Post Holdings Co., Ltd., and as such Japan Post Bank expects that with his abundant experience and achievements, he will sufficiently fulfill his role in making decisions on its important business execution and supervising the execution of duties by Directors and Executive Officers.</p>	600 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
5	<p>Tomoyoshi Arita (Feb. 1, 1948)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Chairman of the Audit Committee, Member of the Nomination Committee</p> <p>Status of attendance at the meetings of: Board of Directors 94% (16/17 meetings) Audit Committee 92% (12/13 meetings)</p>	<p>Apr. 1974 Appointed as Public Prosecutor of Kobe District Prosecutors Office</p> <p>Jun. 2001 Chief Public Prosecutor of Akita District Prosecutors Office</p> <p>Aug. 2002 Public Prosecutor, Supreme Public Prosecutors Office</p> <p>Jun. 2004 Chief Public Prosecutor of Nagoya District Prosecutors Office</p> <p>Sept. 2005 General Manager of the Public Securities Department, Supreme Public Prosecutors Office</p> <p>Jul. 2007 Superintending Prosecutor of Takamatsu High Public Prosecutors Office</p> <p>Jul. 2008 Superintending Prosecutor of Sendai High Public Prosecutors Office</p> <p>Jan. 2009 Superintending Prosecutor of Fukuoka High Public Prosecutors Office</p> <p>Apr. 2010 Registered as Attorney-at-law (current)</p> <p>Jun. 2010 Director of Japan Post Bank Co., Ltd. (current position)</p> <p>Significant concurrent positions: Attorney-at-law External Statutory Auditor of WDB Holdings Co., Ltd. Outside Auditor of BROTHER INDUSTRIES, LTD.</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Tomoyoshi Arita has been in the legal profession for a long time, and Japan Post Bank expects him to oversee and check management based on his experiences and insights as a legal professional gained through his career. Mr. Arita previously has not been involved in corporate management except as outside officer. However, we have determined that he has the capabilities to appropriately execute duties as Outside Director due to the above reasons.</p>	1,400 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
6	<p>Yoshizumi Nezu (Oct. 26, 1951)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Member of the Nomination Committee, Member of the Compensation Committee</p> <p>Status of attendance at the meetings of: Board of Directors 94% (16/17 meetings) Nomination Committee 100% (7/7 meetings) Compensation Committee 100% (8/8 meetings)</p>	<p>Apr. 1974 Joined Tobu Railway Co., Ltd.</p> <p>Jun. 1990 Director of Tobu Railway Co., Ltd.</p> <p>Apr. 1991 Managing Director of Tobu Railway Co., Ltd.</p> <p>Jun. 1993 Senior Managing Director of Tobu Railway Co., Ltd.</p> <p>Jun. 1995 Vice President and Director of Tobu Railway Co., Ltd.</p> <p>Jun. 1999 President and Representative Director of Tobu Railway Co., Ltd. (current position)</p> <p>Jun. 2014 Director of Japan Post Bank Co., Ltd. (current position)</p> <p>Significant concurrent positions: President and Representative Director of Tobu Railway Co., Ltd.</p> <p>Outside Director of Tokyu Corporation</p> <p>Outside Director of Matsuya Co., Ltd.</p> <p>Outside Corporate Auditor of Fukoku Mutual Life Insurance Company</p> <p>Outside Corporate Auditor of Marubeni Corporation</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Yoshizumi Nezu has been involved in corporate management of a publicly traded company for a long time, and Japan Post Bank expects him to oversee and check management based on his experiences and insights as a specialist of corporate management gained through his career.</p>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
7	<p>Sawako Nohara (Jan. 16, 1958)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Member of the Audit Committee</p> <p>Status of attendance at the meetings of: Board of Directors 88% (15/17 meetings) Audit Committee 92% (12/13 meetings)</p>	<p>Dec. 1988 Joined LIFE SCIENCE LABORATORIES, LTD.</p> <p>Jul. 1995 Joined InfoCom Research, Inc.</p> <p>Jul. 1998 General Manager of EC Business Development Office of InfoCom Research, Inc.</p> <p>Dec. 2000 Director of IPSe Marketing, Y.K.</p> <p>Dec. 2001 President and CEO of IPSe Marketing, Inc. (current position)</p> <p>Jun. 2006 Outside Director of NEC Corporation</p> <p>Nov. 2009 Project professor at Keio University Graduate School of Media and Governance (current position)</p> <p>Jun. 2012 Outside Auditor of Sompo Japan Insurance Inc.</p> <p>Jun. 2013 Outside Director of NKSJ Holdings (current Sompo Japan Nipponkoa Holdings, Inc.) (current position)</p> <p>Jun. 2014 Director of Japan Post Bank Co., Ltd. (current position) Outside Director of Nissha Printing Co., Ltd. (current position)</p> <p>Significant concurrent positions: President and CEO of IPSe Marketing, Inc. Project professor at Keio University Graduate School of Media and Governance Outside Director of Sompo Japan Nipponkoa Holdings, Inc. Outside Director of Nissha Printing Co., Ltd.</p> <p><u>Reasons for the election as candidate for Outside Director</u> Ms. Sawako Nohara successively held various important posts at many research centers and others, successively served as many panels of experts of government meetings, and has deep insights on advanced business strategies at home and abroad. As such, Japan Post Bank expects her to oversee and check management based on her abundant experiences and insights.</p>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
8	<p>Tetsu Machida (Jan. 16, 1960)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Member of the Audit Committee</p> <p>Status of attendance at the meetings of: Board of Directors 100% (17/17 meetings) Audit Committee 100% (13/13 meetings)</p>	<p>Apr. 1984 Joined Nikkei Inc.</p> <p>Jun. 2002 Joined Sentaku Shuppan K.K.</p> <p>Jan. 2004 Independent economic journalist (current position)</p> <p>Jun. 2014 Director of Japan Post Bank Co., Ltd. (current position)</p> <p>Significant concurrent positions: Independent economic journalist</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Tetsu Machida has engaged as a journalist after successively holding various important posts at a major newspaper company, and has deep insights on wide events surrounding corporate management such as politics and economics. Japan Post Bank expects him to oversee and check management based on his abundant experiences and insights.</p> <p>Mr. Machida previously has not been involved in corporate management except as outside officer. However, we have determined that he has the capabilities to appropriately execute duties as Outside Director due to the above reasons.</p>	500 shares
9	<p>Nobuko Akashi (Apr. 24, 1956)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Status of attendance at the meetings of: Board of Directors 93% (14/15 meetings)</p>	<p>Aug. 1979 Joined Japan Airlines Co., Ltd.</p> <p>Apr. 1988 Joined Temporary Center Inc. (current Pasona Inc.)</p> <p>Dec. 1989 Joined Image Plan Co., Ltd.</p> <p>Nov. 1996 Representative Director of Buraiton Y.K. (current position)</p> <p>Mar. 2003 Chairman and Secretary General of a non-profit organization, Japan Manners & Protocol Association</p> <p>Jun. 2006 Director of General Incorporated Foundations, Hotel Barmen's Association, Japan (current position)</p> <p>Jun. 2010 Board chairman of General Incorporated Foundations, Nippon Kyoiku Saisei Kiko (current position)</p> <p>Dec. 2012 Board chairman of a non-profit organization, Japan Manners & Protocol Association (current position)</p> <p>Sept. 2013 Expert Member of Liaison Conference for the Promotion of Gender Equality, Cabinet Office, Government of Japan (current position)</p> <p>Jun. 2015 Director of Japan Post Bank Co., Ltd. (current position)</p> <p>Significant concurrent positions: Board chairman of a non-profit organization, Japan Manners & Protocol Association</p> <p><u>Reasons for the election as candidate for Outside Director</u> Ms. Nobuko Akashi has worked as a board chairman of a non-profit organization and an expert member of government meetings, and has deep insights on events surrounding corporate management such as service improvement and gender equality. Japan Post Bank expects her to oversee and check management based on her abundant experiences and insights.</p>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
10	<p>Toshihiro Tsuboi (Aug. 1, 1953)</p> <p>Re-elected</p> <p>Outside Director</p> <p>Director, Member of the Audit Committee</p> <p>Status of attendance at the meetings of: Board of Directors 100% (15/15 meetings) Audit Committee 100% (10/10 meetings)</p>	<p>Apr. 1978 Joined the Ministry of Posts and Telecommunications</p> <p>Jan. 2004 General Manager of Human Resources Department, Human Resources Division of Japan Post Corporation</p> <p>Apr. 2005 President of Hokkaido Regional Office of Japan Post Corporation</p> <p>Apr. 2006 Executive Officer of Japan Post Corporation</p> <p>Apr. 2007 Executive Officer, Responsible for Planning of Post Office Network Business Department of Japan Post Corporation</p> <p>Oct. 2007 Executive Officer of Japan Post Network Co., Ltd. (current Japan Post Co., Ltd.)</p> <p>Jun. 2009 Managing Executive Officer of Japan Post Network Co., Ltd.</p> <p>Apr. 2013 Senior Managing Executive Officer of Japan Post Co., Ltd.</p> <p>Jun. 2013 Managing Executive Officer of Japan Post Holdings Co., Ltd.</p> <p>Jun. 2014 Representative Director, Vice President & Executive Vice President of Japan Post Co., Ltd.</p> <p>Jun. 2015 Director of Japan Post Bank Co., Ltd. (current position)</p> <p>Significant concurrent positions: None</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Toshihiro Tsuboi successively held various important posts at Japan Post Holdings Co., Ltd. and Japan Post Co., Ltd., and Japan Post Bank expects him to oversee and check management based on his experiences and insights as a specialist of managing Japan Post Group gained through his career.</p>	400 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
11	<p>Katsuaki Ikeda (Sept. 8, 1951)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Member of the Audit Committee, Member of the Compensation Committee</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meeting) Audit Committee 100% (8/8 meetings)</p>	<p>Apr. 1974 Joined Taisho Marine & Fire Insurance Co., Ltd.</p> <p>Jun. 1999 General Manager of Accounting Department of Mitsui Marine & Fire Insurance Co., Ltd.</p> <p>Jun. 2003 Director, Executive Officer and General Manager of Accounting Department of Mitsui Sumitomo Insurance Company, Limited</p> <p>Apr. 2005 Director and Managing Executive Officer (Principal Accounting Officer) of Mitsui Sumitomo Insurance Company, Limited</p> <p>Apr. 2006 Director, Managing Executive Officer and General Manager of Financial Service Division (Principal Financial Officer and Principal Investment Officer) of Mitsui Sumitomo Insurance Company, Limited</p> <p>Apr. 2008 Director of Mitsui Sumitomo Insurance Group Holdings, Inc.</p> <p>Apr. 2010 Director and Senior Executive Officer of Mitsui Sumitomo Insurance Company, Limited Director and Executive Officer of MS&AD Insurance Group Holdings, Inc.</p> <p>Jun. 2011 Corporate Auditor of MS&AD Insurance Group Holdings, Inc.</p> <p>Aug. 2015 Director of Japan Post Bank Co., Ltd. (current position)</p> <p>Significant concurrent positions: None</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Katsuaki Ikeda has been involved in management of financial organizations for a long time, and has deep insights as a specialist of corporate management gained through his career as well as professional knowledge on finance and accounting. Japan Post Bank expects him to oversee and check management based on his abundant experiences and insights.</p>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
12	Tsuyoshi Okamoto (Sept. 23, 1947) Newly elected Outside Director Independent Director	<p>Apr. 1970 Joined TOKYO GAS CO., LTD.</p> <p>Jun. 2002 Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div. of TOKYO GAS CO., LTD.</p> <p>Apr. 2004 Senior Executive Officer and Chief Executive of Strategic Planning Div. of TOKYO GAS CO., LTD.</p> <p>Jun. 2004 Director, Senior Executive Officer and Chief Executive of Strategic Planning Div. of TOKYO GAS CO., LTD.</p> <p>Apr. 2007 Representative Director, Executive Vice President of TOKYO GAS CO., LTD.</p> <p>Apr. 2010 Representative Director, President of TOKYO GAS CO., LTD.</p> <p>Apr. 2014 Director and Chairman of the Board of TOKYO GAS CO., LTD. (current position)</p> <p>Significant concurrent positions: Director and Chairman of the Board of TOKYO GAS CO., LTD.</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Tsuyoshi Okamoto has been involved in corporate management of a publicly traded company for a long time, and Japan Post Bank expects him to oversee and check management based on his experiences and insights as a specialist of corporate management gained through his career.</p>	0 shares

Notes:

1. Japan Post Holdings Co., Ltd., where Mr. Masatsugu Nagato serves as Director, Representative Executive Officer, President and CEO, is the parent company of Japan Post Bank holding 89% of its shares (excluding treasury stock). Japan Post Bank has concluded an agreement with Japan Post Holdings on group management and is paying a brand license fee thereto based on such agreement as well as has a transaction relationship on real estate leases, etc. There are no special conflicts of interest between the other candidates for Directors and Japan Post Bank.
2. Of the candidates for Directors, Mr. Tomoyoshi Arita, Mr. Yoshizumi Nezu, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, Mr. Toshihiro Tsuboi, Mr. Katsuaki Ikeda and Mr. Tsuyoshi Okamoto are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. Mr. Tomoyoshi Arita, Mr. Yoshizumi Nezu, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, and Mr. Katsuaki Ikeda, are Independent Directors which appointment is required by Tokyo Stock Exchange, Inc. for the purpose of protecting general shareholders. In addition, Mr. Tsuyoshi Okamoto satisfies the requirements for Independent Director stipulated by Tokyo Stock Exchange, Inc., and the independent director appointment standards of Japan Post Bank. Therefore, upon approval of his election, Japan Post Bank intends to file Mr. Tsuyoshi Okamoto as Independent Director to said Exchange.
4. The term of office of Mr. Tomoyoshi Arita as Outside Director of Japan Post Bank will be approximately six (6) years at the closing of this Ordinary General Meeting of Shareholders. The term of office of Mr. Yoshizumi Nezu, Ms. Sawako Nohara and Mr. Tetsu Machida as Outside Director of Japan Post Bank will be approximately two (2) years at the closing of this Ordinary General Meeting of Shareholders. The term of office of Ms. Nobuko Akashi, Mr. Toshihiro Tsuboi and Mr. Katsuaki Ikeda as Outside Director of Japan Post Bank will be approximately one (1) year at the closing of this Ordinary General Meeting of Shareholders.
5. Japan Post Bank has entered into liability limitation agreements with Mr. Masatsugu Nagato, Mr. Tomoyoshi Arita, Mr. Yoshizumi Nezu, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, Mr. Toshihiro Tsuboi and Mr. Katsuaki Ikeda to limit their liabilities to the minimum liability amount as stipulated in Article 425, Paragraph 1 of the Companies Act. Subject to the approval of election of these candidates, Japan Post Bank will continue the above-mentioned liability limitation agreements with each of them. In addition, if election of Mr. Tsuyoshi Okamoto is approved, Japan Post Bank will enter into a similar liability limitation agreement with him.

Japan Post Bank shall appoint Independent Directors stipulated by the Tokyo Stock Exchange from Outside Directors who do not fall under any of the following.

1. Those who have served as an Executive of the Japan Post Group in the past
2. Those who have served as a Director who is not an Executive of the parent company of Japan Post Bank in the past
3. Entities which hold Japan Post Bank as major client or an Executive thereof, etc.
4. Entities which are major clients of Japan Post Bank or an Executive thereof, etc.
5. Consultant, accounting expert or legal expert who acquire, or have acquired substantial money or other property from Japan Post Bank other than officers' compensation (in case of an organization including corporation, association, etc., those who are , or have been affiliated to such organization in the past)
6. Major shareholder of Japan Post Bank (in case of a corporation, an Executive thereof, etc.)
7. Spouse or relative within the second degree of kinship of the following (excluding those without significance).
 - (1) Those listed in 1 to 6 above
 - (2) Executive of the Japan Post Group (excluding Japan Post Bank)
 - (3) Director who is not an Executive of the parent company of Japan Post Bank
8. Those who execute business in a company in which those who execute business, etc. of Japan Post Bank serve as outside officer
9. Those who receive a substantial amount of donation from Japan Post Bank (in case of an organization including corporation, association, etc., those who execute business, etc. thereof, or similar)

Appendix

1. The definitions of the terms in these Standards are as follows.

Japan Post Group	Japan Post Bank, its parent company, subsidiaries and fellow subsidiaries of the parent company
Executive	An executive stipulated in Article 2, Paragraph 3, Item 6 of the Ordinances for the Enforcement of the Companies Act
Executive, etc.	An Executive or those who have been an Executive in the past
Entities which hold Japan Post Bank as major client	An entity which the average annual cash amount paid from Japan Post Bank thereto in the past three fiscal years is over 2% of annual average consolidated total net sales thereof in the past three fiscal years
Entities which are major clients of Japan Post Bank	An entity which the average annual cash amount paid therefrom to Japan Post Bank in the past three fiscal years is over 2% of annual average consolidated ordinary income of Japan Post Bank in the past three fiscal years
Substantial money	Individuals: An average annual cash amount of over ¥10 million in the past three fiscal years Organizations: The average annual cash amount paid from Japan Post Bank to such entity in the past three fiscal years

	which is over 2% of annual average consolidated total net sales of such entity in the past three fiscal years
Major shareholders	Major shareholders stipulated in Article 163, Paragraph 1 of the Financial Instruments and Exchange Act
Substantial amount of donation	An average annual donation of over ¥10 million in the past three fiscal years

2. In case transactions or donations relating to the independent directors satisfy the following standards of immateriality, statement on the attribute information of independent directors will be omitted on the judgment that there are no effects on the independence of such independent directors.

(1) Transactions

- 1) The average annual amount paid from Japan Post Bank to such entity in the past three fiscal years is less than 1% of annual average consolidated total net sales of such entity in the past three fiscal years
- 2) The average annual amount paid from such entity to Japan Post Bank in the past three fiscal years is less than 1% of annual average consolidated ordinary income of Japan Post Bank in the past three fiscal years

(2) Donations

An annual average donation from Japan Post Bank is less than ¥5 million in the past three fiscal years

I. Matters Concerning the Current Status of JAPAN POST BANK Co., Ltd.

(1) Progress and Results of Business, etc.

1) Details of main business

JAPAN POST BANK Co., Ltd. ("Japan Post Bank") is engaged in banking operations as a member of the Japan Post Group. The principal operations comprise deposit-taking, syndicated loans and other lending, securities investment, domestic and foreign exchange, retail sales of Japanese government bonds and investment trusts as well as insurance products, intermediary services including mortgages, and credit card operations. There are designated limits on deposit-taking.

2) Financial and economic environment

Looking back on the economic situation for the fiscal year ended March 31, 2016, although overseas economies continued to show moderate growth mainly in advanced countries, there was also the impact of the slowdown in emerging economies including China. The Japanese economy in the April—June quarter saw negative growth for the first time in three quarters, then took a temporary positive turn, but returned to the negative again in the October—December quarter, leaving uncertainty about the outlook for the economy.

In the financial markets, global stocks dropped amid growing concerns about the slowdown in the Chinese economy triggered by the devaluation of the Chinese yuan in August 2015. Highly volatile conditions persisted afterwards, due to the impact of the hike in interest rates in the United States beginning in December in addition to a further fall in crude oil prices, and the factors including the Bank of Japan's decision at the end of January 2016 to introduce Quantitative and Qualitative Monetary Easing with a Negative Interest Rate.

Under these circumstances, in overseas bond markets, while yields fell for leading countries' government bonds, yields on high-yield bonds (bonds with high yield and low credit rating) rose and the credit spread (the difference between yield on corporate bonds and government bonds) tended to widen, reflecting the falling price of crude oil and other factors. Yield on 10-year Japanese government bonds, which had remained low, declined further after the decision to introduce additional monetary easing, and in many cases entered negative territory. In the foreign exchange market, while the yen had remained weak against both the U.S. dollar and the Euro from the beginning of the fiscal year, the yen appreciated from the start of 2016, reaching below ¥111 against the U.S. dollar and nearly ¥122 against the Euro at one point, amid a growing trend toward risk aversion stemming from concerns about the slowdown in the global economy. Along with these developments, the Nikkei Stock Average fell temporarily to the ¥14,000 range, but later recovered, reaching ¥17,000 or higher at one point in March, as excessive risk aversion by investors abated.

3) Business progress and results

Japan Post Bank listed its shares on the First Section of the Tokyo Stock Exchange on November 4, 2015.

We have set forth our “Super Regional & Super Global” business model as “the most accessible and trustworthy bank in Japan” based on the network of approximately 24,000 post offices across Japan as our main channel to provide our customers with the highest level of service, and with the aim of becoming “one of the largest institutional investors in Japan” and promoting sophistication of investment through appropriate risk management for maintaining stable profits.



- Results for the fiscal year ended March 31, 2016

Net operating profit	Net ordinary income	Net income	Dividends per share
<u>¥385.8 billion</u>	<u>¥481.9 billion</u>	<u>¥325.0 billion</u>	<u>¥25.00</u>

With respect to results of operations, gross operating profit decreased by ¥182.6 billion from the fiscal year ended March 31, 2015, to ¥1,452.0 billion for the fiscal year ended March 31, 2016. This included securing net interest income of ¥1,361.0 billion, decreased by ¥179.7 billion from the fiscal year ended March 31, 2015, as a result of the steady increase in interest on foreign securities which offset the impact of the decrease in interest on Japanese government bonds due to the prolonged period of historically low interest rates. Furthermore, expansion of earnings from investment trusts and fees relating to ATMs resulted in net fees and commissions of ¥91.1 billion, an increase of ¥1.8 billion from the fiscal year ended March 31, 2015, partially offsetting the decrease in net interest income.

General and administrative expenses (excluding non-recurring losses) decreased by ¥48.5 billion from the fiscal year ended March 31, 2015, to ¥1,066.1 billion for the fiscal year ended March 31, 2016, mainly due to a reduction in the deposit insurance premium rate.

Taking into account of the above, net operating profit decreased by ¥134.1 billion from the fiscal year ended March 31, 2015, to ¥385.8 billion for the fiscal year ended March 31, 2016. Net ordinary income decreased by ¥87.4 billion from the fiscal year ended March 31, 2015, to ¥481.9 billion for the fiscal year ended March 31, 2016. Net income decreased by ¥44.3 billion from the fiscal year ended March 31, 2015, to ¥325.0 billion for the fiscal year ended March 31, 2016.

ROA (net income to assets) was 0.15%, ROE (net income to equity) was 2.80%, and OHR (overhead ratio) was 73.42% for the fiscal year ended March 31, 2016.

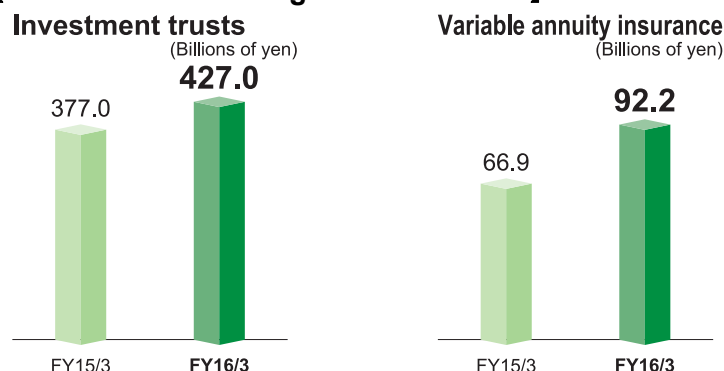
Through the fiscal year ending March 31, 2018, we aim to pay a dividend by maintaining a dividend payout ratio of approximately 50% or more of our net income for the relevant fiscal year. For the fiscal year ended March 31, 2016, dividends per share of common stock is ¥25.00, as the period between the date of the listing of our shares and the record date for such annual dividends was less than six months, our policy was to pay annual dividends amounted to approximately 25% or more of our net income for the same fiscal year. The dividend payout ratio is 28.8%.

[Reference Results of operations]			(Billions of yen)
	FY15/3	FY16/3	Increase (decrease)
Gross operating profit	1,634.7	1,452.0	(182.6)
Net interest income	1,540.7	1,361.0	(179.7)
Net fees and commissions	89.2	91.1	1.8
Net other operating income (loss)	4.7	(0.1)	(4.8)
General and administrative expenses (excluding non-recurring losses)	1,114.7	1,066.1	(48.5)
Net operating profit	519.9	385.8	(134.1)
Non-recurring gains (losses)	49.4	96.1	46.6
Net ordinary income	569.4	481.9	(87.4)
Net income	369.4	325.0	(44.3)

Notes:

1. The figures are rounded down.
2. Net operating profit = Net interest income (interest income - interest expenses + expenses corresponding to money held in trust) + net fees and commissions (fees and commissions income - fees and commissions expenses) + net other operating income (other operating income - other operating expenses) - general and administrative expenses (excluding non-recurring losses) - provision for general reserve for possible loan losses

【Sales of Asset Management Products】

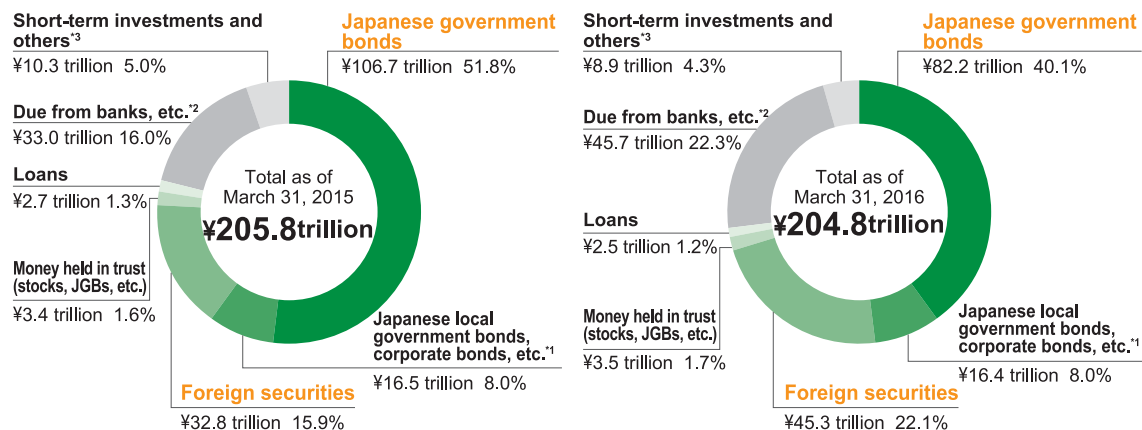


With respect to financial condition, securities which are major interest-earning assets as of March 31, 2016 decreased by ¥12,092.9 billion from March 31, 2015, to ¥144,076.8 billion. Japanese government bonds as of March 31, 2016 decreased by ¥24,511.3 billion from March 31, 2015, to ¥82,255.6 billion, while foreign securities as of March 31, 2016 increased by ¥12,501.9 billion from March 31, 2015, to ¥45,395.5 billion, due to sophistication of investment. With respect to major interest-bearing liabilities, deposits as of March 31, 2016 maintained a stable balance, increased by ¥161.2 billion from March 31, 2015, to ¥177,871.9 billion.

With regard to net assets, shareholders' equity as of March 31, 2016 increased by ¥140.3 billion from March 31, 2015, due to an increase in retained earnings, while valuation and translation adjustments decreased by ¥262.4 billion from March 31, 2015. As a result, net asset totaled ¥11,508.1 billion as of March 31, 2016.

The capital adequacy ratio (non-consolidated, domestic standard) declined 12.04 percentage points compared to March 31, 2015 to 26.38%, maintaining a high level compared to the 4% minimum based on capital adequacy standards.

【Asset Management Status】

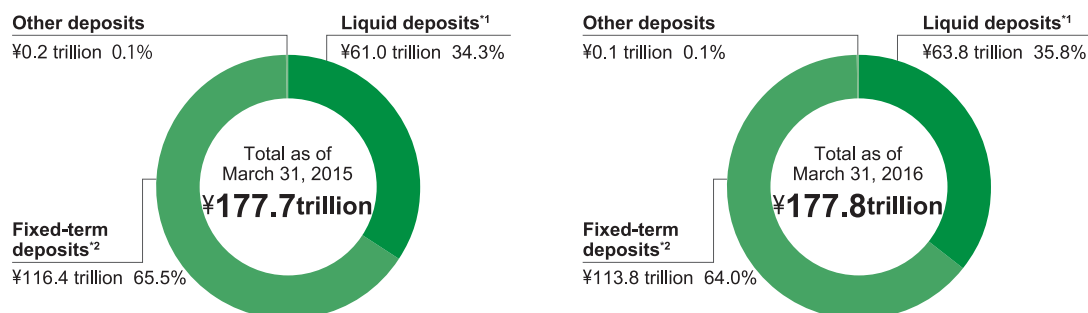


*1 “Japanese local government bonds, corporate bonds, etc.” consists of Japanese local government bonds, commercial paper, Japanese corporate bonds, etc.

*2 “Due from banks, etc.” consists of negotiable certificates of deposit, Bank of Japan deposits and monetary claims bought.

*3 “Short-term investments and others” consists of call loans and receivables under securities borrowing transactions, etc.

【Deposit Balance Status】



*1 “Liquid deposits” = Transfer deposits + Ordinary deposits, etc. + Savings deposits

*2 “Fixed-term deposits” = Time deposits + TEIGAKU deposits, etc. + Special deposits (Education installment savings equivalent)

Japan Post Bank has defined the fiscal year ended March 31, 2016, the first year of the Medium-term Management Plan for the period from the fiscal year ended March 31, 2016 to the fiscal year ending March 31, 2018, as a year for “further strengthening its business foundation as a listed company,” and worked on the following challenges.

Japan Post Bank Medium-term Management Plan (FY2016/3-2018/3)	
Vision	
<ul style="list-style-type: none"> ■ The most accessible and trustworthy bank in Japan by using the post office network as our main channel to provide our customers across Japan with the highest level of service 	<ul style="list-style-type: none"> ■ One of the largest institutional investors in Japan, making efforts to diversify assets through appropriate risk management for maintaining stable profits
Specific Strategies	
<ol style="list-style-type: none"> Promote retail services that contribute to the livelihoods and asset development of a customer base on the scale of 100 million people <ul style="list-style-type: none"> ● Increase assets under management by securing stable client base ● Increase fees and commissions ● Leverage data through CRM ● Build a structure and system that is capable of providing customer-oriented services 	<ol style="list-style-type: none"> Promote global asset allocation for excess return under stable funding structure Under the rigorous policy “Compliance First,” develop a strong management systems that is appropriate for a listed company

- Enhancing retail marketing strategies

In cooperation with JAPAN POST Co., Ltd. (“Japan Post Co.”), Japan Post Bank has focused on securing its total deposit balance with the aim of deepening our stable and sustainable relationships with customers. We have made efforts through services over the counter, campaigns, seminars and other events to encourage customers to use deposit accounts for payroll or pension payment transfers and to promote the use of products such as TEIGAKU deposits and time deposits, according to the needs of customers in various age ranges. In addition, we worked to propose products in response to the customer’s transaction status, such as inheritance or redemption of Japanese government bonds.

In addition, we worked to strengthen the fee businesses in potential growth areas such as sales of asset management products and ATM transactions. Specifically, we focused on enhancement of our asset management product lineup, consulting-based marketing by financial consultants and promotion of use of NISA (Nippon Individual Savings Account: tax exemption program to promote smaller investments) in order to respond to the diversifying asset management needs of customers. As a result, sales of asset management products exceeded those of the previous fiscal year.

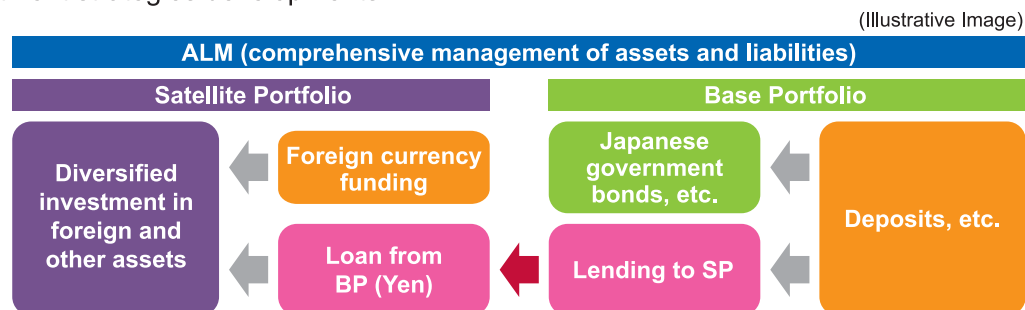
Furthermore, Japan Post Bank, in an alliance with Japan Post Co., Sumitomo Mitsui Trust Bank, Limited, and Nomura Holdings, Inc., established JP Asset Management Co., Ltd. (“JP Asset Management”). The goal is to support customers in their efforts to build assets on a long-term and stable basis by developing investment trust products that are easy to understand in terms of merchantability and risk. Japan Post Bank’s capital contribution ratio is 45%, and sales of the first investment trust established and managed by JP Asset Management were launched in February 2016.

With regard to ATMs, in addition to strategic allocation such as installation of ATMs in highly convenient locations, in January 2016, through collaboration with regional financial institutions, we enabled the use of cash cards from all regional banks in Japan at our ATMs.

In addition, in September 2015, we improved the convenience of our Internet banking services by updating *Japan Post Bank Direct* with enhanced functions for use on

smartphones and improved operability and security. In March 2016, we began offering *Japan Post Bank Direct + (Plus)*, a non-passbook general account.

- Investment strategies developments



* Japan Post Bank has constructed a base portfolio and a satellite portfolio as a framework for asset liability management (ALM). The satellite portfolio is primarily financed through a loan from the base portfolio.

We enhanced our asset liability management (ALM) for the comprehensive management of assets and liabilities and made efforts to sophisticate investment and rearrange the portfolios according to the market environment, based on the two pillars of a “base portfolio” that seeks to secure stable profits mainly by taking interest rate risks by investing mostly in Japanese government bonds, and a “satellite portfolio” that aims to accumulate earnings including in the form of capital gains from sales of bonds and other assets, primarily by taking credit and market risks through diversified investment in foreign and other assets. Specifically, while we responded to the decline in the balance of the base portfolio affected by persisting historically low interest rates, we expanded the satellite portfolio.

In the satellite portfolio, we made efforts to steadily expand investment in foreign securities mainly in foreign investment grade bonds. At the same time, we worked on foreign currency funding for use in investments in foreign securities and increased the hedged ratio of foreign exchange in order to control the foreign exchange risk and secure unrealized gains from investments in foreign securities which we purchased when the Japanese yen was stronger against other major currencies. The satellite portfolio balance increased from approximately ¥48 trillion as of March 31, 2015 to approximately ¥61 trillion as of March 31, 2016 (including approximately ¥45 trillion in foreign securities), achieving results ahead of the projections of the Medium-term Management Plan.

We worked to strengthen the investment strategy by actively recruiting investment professionals, restructuring the organization to a product oriented organizational framework specializing in various asset classes, and establishing an employee stock ownership plan for management employees in the Investment Division.

In addition, to cope with the sophistication of our investment, we have sought to enhance our risk management structure by establishing a division focusing on risk management to unify all relevant departments, and appointing a dedicated Executive Officer in charge of risk management.

[Reference Overview of portfolios] (Billions of yen)

	End of FY15/3	End of FY16/3	Increase (decrease)
Base portfolio			
Short-term assets	35,342.7	47,708.0	12,365.3
Japanese government and government backed bonds	112,557.1	87,266.3	(25,290.8)
Loans * ¹	1,690.5	1,414.3	(276.2)
Total	149,590.4	136,388.7	(13,201.7)
Satellite Portfolio			
Japanese local government bonds	5,525.1	5,856.5	331.3
Japanese corporate bonds, etc.	6,232.6	6,848.1	615.5
Foreign securities * ³	32,947.8	45,446.3	12,498.4
Loans * ²	1,093.4	1,127.7	34.2
Money held in trust (stocks), etc.	2,272.9	2,284.9	11.9
Total	48,072.0	61,563.6	13,491.6

*1 Loans in Base Portfolio are mainly loans to the Management Organization for Postal Savings and Postal Life Insurance (including loans to the Japanese local governments which were loaned before the privatization of Japan Post Bank on October 1, 2007)

*2 Loans in the Satellite Portfolio are mainly syndicated loans and loans to the Japanese local governments which were loaned after the privatization of Japan Post Bank on October 1, 2007.

*3 Foreign securities include foreign currency-denominated monetary claims bought.

- Enhancing internal control system and strengthening the business foundation

After receiving a business improvement order from the Financial Services Agency (FSA) in December 2009, in cooperation with Japan Post Co., we enhanced and reinforced our internal control system according to the business improvement plan submitted to the FSA in January 2010, based on our strong belief that “companies cannot survive without compliance.” As a result of our efforts to date, the business improvement order was lifted in December 2015. Nevertheless, we have continued our efforts, recognizing the fostering of greater awareness of compliance issues and enhancement of the internal control system as one of our important management tasks.

Furthermore, with the aim of further strengthening our business foundation suitable for a listed company, we formulated our “Basic Policy on Corporate Governance,” defining Japan Post Bank’s basic view on corporate governance along with policies regarding the corporate governance framework and its operation. We also worked on preparing for introduction of a performance-linked stock compensation system to ensure that the compensation for our Executive Officers functions as a sound incentive toward the sustainable growth of Japan Post Bank.

4) Issues to be addressed

Japan Post Bank has generated stable profits based on stable funding supported by the post office network as our main channel, the network's retail marketing capabilities, our solid capital base, our ALM and investment strategy that leverage on those special features. However, in the expected adverse business environment, the entire company will work as one to address the issues included in the Medium-term Management Plan.

In particular, given the expected decline in earnings from the base portfolio due to the further lowering of interest rates after the decision by Bank of Japan to introduce Quantitative and Qualitative Monetary Easing with a Negative Interest Rate, we will work on the following important issues, i.e. strengthening our fee businesses, increasing earnings from the satellite portfolio, and reducing costs, in order to ensure stable profits.

- Securing customer base and strengthening our fee businesses

We will bolster our retail marketing capabilities in cooperation with JAPAN POST Co., and enhance support for post offices provided by Administration Service Centers. Accordingly, we will further enhance our stable and sustainable relationships with our customers based on trust through our products such as deposit accounts for payroll or pension payment transfers, TEIGAKU deposits and time deposits, etc. We aim to meet various needs of our customers according to the life cycles or various events such as inheritance, etc. For the fiscal year ending March 31, 2017 particularly, as we expect substantial increase in number of customers depositing TEIGAKU deposits which will mature during the period, we will promote continuous usage of our products and services by catering to the various needs of our customers.

In addition, we will utilize our retail marketing capabilities to strengthen our fee businesses which are less susceptible to the impact of interest rate fluctuations. In particular, we will step up our efforts to focus on the expected growth areas such as sales of asset management products, ATM alliance services, etc.

With regard to sales of asset management products, we will focus on providing products such as the investment trust products of JP Asset Management Co., Ltd., which are simple and easy to understand even for customers who are considering investment for the first time. We will also enhance consultation-based marketing by measures including fostering and increasing the number of financial consultants.

As for ATM services, we will continue to install ATMs in highly convenient locations. This includes introducing compact ATMs which allows a wider selection of installation sites and setting ATMs at FamilyMart convenience stores which are located nationwide. At the same time, we will collaborate with regional financial institutions to promote the expansion of our ATM network.

Pursuant to the Postal Service Privatization Act, the amount of deposits that Japan Post Bank can accept from a single depositor is limited in principle, with the exception of transfer deposits equivalent to deposits for settlement purposes. The deposit limits for total amount of ordinary deposits, TEIGAKU deposits, time deposits, etc. were raised from ¥10 million to ¥13 million in April 2016. (The deposit limits for total amount of Postal Savings Deposits which were deposited before the privatization of the Japan Post Bank remain unchanged at ¥10 million.)

- Promoting sophisticated investment by enhancing assets in the satellite portfolio

With regard to the base portfolio, although the investment environment is extremely challenging, especially considering the continued occurrence of negative yields on long-term government bonds, we will manage our assets flexibly according to the interest rate trends and aim to generate stable earnings in the medium to long term.

In the satellite portfolio, we will strive to improve earnings by exploring into new investment frontiers such as private equity, real estate, etc. in addition to pursuing diversification into foreign assets. To this end, we will further enhance our investment strategy through measures such as securing skilled personnel, enhancing system of foreign currency funding, and introducing an employee stock ownership plan for management employees in the Investment Division.

Moreover, in tandem with these endeavors to promote the increasingly sophisticated investment, we will strengthen our risk analysis and monitoring structure to enhance our risk management framework.

- Enhancing internal control system and strengthening the business foundation

We will work to enhance the internal control system which is an important management task by fostering greater awareness of compliance issues through various forms of training, enhancing the customer protection structure in product sales of asset management, and other measures. At the same time, we will strengthen our business foundation by improving IR activities and system, dealing with FinTech (intersection of the financial services and technology sectors) business, promoting human resources development, and encouraging diversity (utilization of diversified human resources) with emphasis on initiatives to promote active participation by women.

We have been striving for expense efficiency and will continue our efforts to further increase efficiency by carrying on BPR (Business Process Re-engineering) to improve productivity while enhancing customer services and expanding investments for growth.

In the field of CSR (Corporate Social Responsibility), we will continue to focus on offering accessible services to everyone, contributing to society and local communities, and protecting the environment.

Japan Post Bank will work to enhance corporate value through these initiatives. We ask for the continued understanding and support of all our shareholders.

(2) Financial Condition and Results of Operations

(Billions of yen)

As of and for the fiscal year ended March 31	2013	2014	2015	2016
Deposits	176,096.1	176,612.7	177,710.7	177,871.9
Fixed-term deposits	115,878.6	116,157.6	116,453.0	113,852.8
Others	60,217.5	60,455.0	61,257.7	64,019.1
Loans	3,967.9	3,076.3	2,783.9	2,542.0
Loans to individuals	189.8	209.7	207.4	200.7
Loans to small and medium-size enterprises	—	—	—	—
Others	3,778.1	2,866.6	2,576.5	2,341.2
Trading account securities	0.2	0.2	0.1	0.1
Securities	171,596.5	166,057.8	156,169.7	144,076.8
Japanese government bonds	138,198.7	126,391.0	106,767.0	82,255.6
Others	33,397.8	39,666.7	49,402.7	61,821.1
Total assets	199,840.6	202,512.8	208,179.3	207,056.0
Domestic exchange transaction volume	27,954.4	31,318.2	37,184.4	41,212.1
Foreign exchange transaction volume	(Millions of U.S. dollars) 1,307	(Millions of U.S. dollars) 1,263	(Millions of U.S. dollars) 1,112	(Millions of U.S. dollars) 1,223
Net ordinary income	(Millions of yen) 593,535	(Millions of yen) 565,095	(Millions of yen) 569,489	(Millions of yen) 481,998
Net income	(Millions of yen) 373,948	(Millions of yen) 354,664	(Millions of yen) 369,434	(Millions of yen) 325,069
Net income per share	(Yen) 2,492.98	(Yen) 2,364.43	(Yen) 89.58	(Yen) 86.69

Notes:

1. The figures are rounded down.
2. Deposits correspond to “deposits” recorded under liabilities pursuant to the Ordinance for the Enforcement of the Banking Act.
3. Japan Post Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. However, the Bank’s calculation of net income per share is based on the assumption that the stock split was effective at the beginning of the fiscal year ended March 31, 2015.
4. Net income per share is calculated by the following formula.

$$\text{Net income per share} = \frac{\text{Net income reported on statement of income}}{\frac{\text{The average number of common stock outstanding during the fiscal year}}{\text{The average number of treasury stock during the fiscal year}}}$$

(3) Employees

	As of March 31, 2016	As of March 31, 2015
Number of employees	12,905	12,889
Average age	42 years, 5 months	42 years, 2 months
Average years of service	7 years, 3 months	6 years, 6 months
Average monthly salary	¥400 thousand	¥387 thousand

Notes:

1. The number of employees does not include part-time employees.
2. The figures for average age, average years of service and average monthly salary are rounded down.
3. Average years of service indicate the number of years of service since the establishment of Japan Post Bank (after privatization).
4. Average monthly salary is the average monthly salary for March, excluding bonuses but including overtime allowance, etc.

(4) Branches, etc.

1) Change in the number of branches

	As of March 31, 2016		As of March 31, 2015	
	Number of branches	[of which the number of sub branches]	Number of branches	[of which the number of sub branches]
Hokkaido	5	[4]	5	[4]
Tohoku	10	[9]	10	[9]
Kanto	70	[69]	70	[69]
Tokyo	41	[40]	41	[40]
Shinetsu	6	[5]	6	[5]
Hokuriku	4	[3]	4	[3]
Tokai	23	[22]	23	[22]
Kinki	44	[43]	44	[43]
Chugoku	11	[10]	11	[10]
Shikoku	6	[5]	6	[5]
Kyushu	13	[12]	13	[12]
Okinawa	1	[—]	1	[—]
Domestics total	234	[222]	234	[222]
Overseas total	—	[—]	—	[—]
Total	234	[222]	234	[222]

Notes:

1. The number of branches excludes the number of offices where bank agents, for which Japan Post Bank serves as a principal bank, operate bank agency services and unmanned sub branches of Japan Post Bank (2,839 places).
2. In addition to the above, Japan Post Bank has two overseas representative offices as of March 31, 2016 (unchanged from the number as of March 31, 2015).
3. Japan Post Bank made changes on name and location of the following branch.
 - In December 2015, the name of Nagoya Station Sub-Branch of Nagoya Branch was changed to Nagoya Central Sub-Branch of Nagoya Branch. Along with the change, the sub branch was relocated to 1-1, Meieki 1-chome, Nakamura-ku, Nagoya-shi, Aichi from 23-13, Meieki 4-chome, Nakamura-ku, Nagoya-shi, Aichi.

2) Newly-established branches during the fiscal year

Not applicable.

3) List of bank agent

Name	Location of a principal branch or office	Main business other than bank agency service
JAPAN POST Co., Ltd.	3-2, Kasumigaseki 1-chome, Chiyoda-ku, Tokyo	Postal services, insurance counter services, sales of revenue stamps, contracted services from Japanese local governments, agency services of life insurance and nonlife insurance, domestic and international logistics business, logistics business, real estate business, sale of goods, and others.

4) Bank agency services, etc., operated by a bank

Trade name or name of financial institutions for which Japan Post Bank serves as a principal bank

Suruga Bank Ltd.

(5) Capital Investment

1) Total amount of capital investment

(Millions of yen)

Total amount of capital investment	36,609
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Note: The figure is rounded down.

2) New installation, etc., of significant equipment

(Millions of yen)

Details	Amount
Development of Japan Post Bank Total Information System (ver. 5)	16,873
Otemachi Redevelopment Building (tentative)	3,496
Purchase of ATMs	1,921

Notes:

- The figures are rounded down.
- Japan Post Bank is planning to move together with Japan Post Group companies to the Redevelopment Building above in the fiscal year ending March 31, 2019 in order to concentrate its Head Office functions.

(6) Parent Company and Principal Subsidiaries, etc.

1) Parent company

Company name	Location	Main business	Date of establishment	Capital	Percentage of voting rights of Japan Post Bank held by the parent company	Others
JAPAN POST HOLDINGS Co., Ltd.	3-2, Kasumigaseki 1-chome, Chiyoda-ku, Tokyo	A holding company	January 23, 2006	3,500,000 (Millions of yen)	89.00%	—

Note: The ratio of voting rights is rounded down to the second decimal place.

2) Subsidiaries, etc.

Company name	Location	Main business	Date of establishment	Capital	Percentage of voting rights of subsidiaries, etc., held by Japan Post Bank	Others
SDP CENTER Co., Ltd.	Triton Square Tower X 43F, 8-10, Harumi 1-chome, Chuo-ku, Tokyo	Banking administrative agency services	May 28, 1980	2,000 (Millions of yen)	45.00%	—
ATM Japan Business Service, Ltd.	30-5, Hamamatsu-cho 1-chome, Minato-ku, Tokyo	Management of ATMs, for example cash loading and withdrawal	August 30, 2012	100 (Millions of yen)	35.00%	—
JP Asset Management Co., Ltd.	5-11, Nihonbashi-honcho 1-chome, Chuo-ku, Tokyo	Financial instruments transaction services (invest management services)	August 18, 2015	500 (Millions of yen)	45.00%	—

Note: The ratio of voting rights is rounded down to the second decimal place.

- Overview of Significant Business Alliances

- 1 Pursuant to the provisions of Article 98, Paragraph 2, Item 2 of the Postal Service Privatization Act, Japan Post Bank consigns bank agency services to Japan Post Co. In addition, Japan Post Bank has entered into a bank counter services agreement with Japan Post Co. to enable it to perform the duties as set forth in Article 5 of Japan Post Company Act.
- 2 Pursuant to the provisions of Article 15 of the Act on Management Organization for Postal Savings and Postal Life Insurance, an independent administrative agency, Japan Post Bank is entrusted with the management of postal savings deposits that were passed on to the Management Organization for Postal Savings and Postal Life Insurance, an independent administrative agency, by Japan Post Corporation.
- 3 ATM/CD alliance services
Japan Post Bank has formed an alliance with the following financial institutions and provides services such as cash withdrawal using ATMs, etc.
City banks (5 banks), trust banks (3 banks), foreign banks (3 banks), regional banks (64 banks), second-tier regional banks (41 banks), other banks (12 banks), The Shoko Chukin Bank, Ltd. (1 bank), *shinkin* banks (266 banks), credit cooperatives (123 cooperatives), labor banks (13 banks), credit federations of agricultural cooperatives (34 cooperatives), agricultural cooperatives (667 cooperatives), credit federations of fishery cooperatives (29 cooperatives), fishery cooperatives (89 cooperatives), securities firms (13 firms), life insurance companies (9 companies) and credit card companies (49 companies)
- 4 Domestic exchange
Effective on January 5, 2009, Japan Post Bank became the member of the Domestic Funds Transfer System, thereby providing a service of conducting remittances with other member financial institutions through the Zengin Data Telecommunications System (Zengin System).
- 5 Credit card operations
Japan Post Bank formed an alliance with Sumitomo Mitsui Card Company, Limited to issue “JP BANK VISA CARD” and “JP BANK MasterCard” from May 1, 2008. Japan Post Bank also formed an alliance with JCB Co., Ltd. to issue “JP BANK JCB CARD” from January 13, 2009.
- 6 Intermediary services for mortgage loans, etc.
Japan Post Bank formed an alliance with Suruga Bank Ltd. to offer bank agency services related to the intermediary services for mortgage loans, etc. of Suruga Bank Ltd. from May 12, 2008.

7 Life insurance solicitation of variable annuity insurance

Japan Post Bank formed an alliance with life insurance companies to conduct solicitation of variable annuity insurance from May 29, 2008.

Five allied life insurance companies are as follows: SUMITOMO LIFE INSURANCE COMPANY, NN Life Insurance Company, Ltd., Mitsui Sumitomo Primary Life Insurance Company, Limited, MetLife, Inc. and The Dai-ichi Frontier Life Insurance Co., Ltd.

8 Development of Investment Trust Products

On July 22, 2015, Japan Post Bank, together with Japan Post Co., Sumitomo Mitsui Trust Bank, Limited, and Nomura Holdings, Inc., concluded an agreement concerning a business alliance with the aims of co-founding of a new asset management company and the development of investment trust products, and jointly established a new company, "JP Asset Management Co., Ltd."*

*The company's name was changed from "SNJ Preparatory Co., Ltd." to "JP Asset Management Co., Ltd." in November 2015.

(7) Business Transfer, etc.

Date of Business Transfer	Status of Business Transfer
November 5, 2015	Japan Post Bank has acquired common stock in JP Asset Management Co., Ltd. The number of shares held is 9 thousand shares, percentage of shares held is 45.00%, and amount of investment is ¥450 million.

(8) Other Important Matters Concerning the Current Status of Japan Post Bank

Not applicable.

II. Matters Concerning Directors and Executive Officers

(1) Directors and Executive Officers

Directors

(As of March 31, 2016)

Name	Position and assignment	Significant concurrent positions	Others
Masatsugu Nagato	Director	Director of Japan Post Holdings	—
Susumu Tanaka	Director	Managing Executive Officer of Japan Post Holdings	—
Tomohisa Mase	Director	Outside Director of Japan Post Information Technology Co., Ltd.	—
Taizo Nishimuro	Director Member of the Nomination Committee (Chairman) Member of the Compensation Committee (Chairman)	Director, Representative Executive Officer, President and CEO of Japan Post Holdings Director of Japan Post Co. Director of Japan Post Insurance Advisor of Toshiba Corporation	—
Tomoyoshi Arita	Director (Outside Director) Member of the Audit Committee (Chairman)	Attorney-at-law External Statutory Auditor of WDB Holdings Co., Ltd. Outside Corporate Auditor of BROTHER INDUSTRIES, LTD.	—
Yoshifumi Iwasaki	Director (Outside Director) Member of the Nomination Committee Member of the Compensation Committee		—
Yoshizumi Nezu	Director (Outside Director) Member of the Nomination Committee Member of the Compensation Committee	President and Representative Director of Tobu Railway Co., Ltd. Outside Director of Tobu Store Co., Ltd. Outside Director of Tokyu Corporation Outside Director of Matsuya Co., Ltd. Outside Corporate Auditor of Fukoku Mutual Life Insurance Company Outside Corporate Auditor of Marubeni Corporation	—

Directors		(As of March 31, 2016)	
Name	Position and assignment	Significant concurrent positions	Others
Sawako Nohara	Director (Outside Director) Member of the Audit Committee	President and CEO of IPSe Marketing, Inc. Project professor at Keio University Graduate School of Media and Governance Outside Director of Sompo Japan Nipponkoa Holdings, Inc. Outside Director of Nissha Printing Co., Ltd.	—
Tetsu Machida	Director (Outside Director) Member of the Audit Committee	Independent economic journalist	—
Nobuko Akashi	Director (Outside Director)	Board Chairman of a non-profit organization, Japan Manners & Protocol Association	—
Toshihiro Tsuboi	Director (Outside Director) Member of the Audit Committee		—
Katsuaki Ikeda	Director (Outside Director) Member of the Audit Committee		Note 3

Notes:

1. Mr. Masatsugu Nagato, Mr. Susumu Tanaka, and Mr. Tomohisa Mase concurrently serve as Executive Officers. Mr. Masatsugu Nagato resigned from his position of President and Representative Executive Officer on March 31, 2016.
2. Mr. Toshihiro Tsuboi is a full-time member of the Audit Committee. Reasons for appointing a full-time member of the Audit Committee is to enhance the effectiveness of audits performed by the Audit Committee by attending important meetings other than the meetings of the Board of Directors and working closely together with the Internal Control Division.
3. Mr. Katsuaki Ikeda has a considerable amount of professional knowledge on finance and accounting through his long history of involvement in management of financial institutions.
4. Seven of Outside Directors (Mr. Tomoyoshi Arita, Mr. Yoshifumi Iwasaki, Mr. Yoshizumi Nezu, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, and Mr. Katsuaki Ikeda) are Independent Directors as stipulated by Tokyo Stock Exchange, Inc.

Executive Officers

(As of March 31, 2016)

Name	Position and assignment	Significant concurrent positions	Others
Masatsugu Nagato	President and Representative Executive Officer	Director of Japan Post Holdings	Note 3
Susumu Tanaka	Representative Executive Vice President (Assistant to the President and matters concerning operations of Corporate Administration Division (excluding matters concerning Financial Accounting Department, Investor Relations Department and Public Relations Department))	Managing Executive Officer of Japan Post Holdings	—
Tomohisa Mase	Executive Vice President (Matters concerning operations of Corporate Service Division)	Outside Director of Japan Post Information Technology Co., Ltd.	—
Katsunori Sago	Executive Vice President (Matters concerning operations of Investment Division)		—
Masahiro Murashima	Senior Managing Executive Officer (Matters concerning operations of Marketing Division and supervision of operations of directly-operated branches and regional headquarters)	Outside Director of SDP CENTER Co., Ltd.	—
Hiroshi Yamada	Senior Managing Executive Officer (Matters concerning operations of Financial Accounting Department, Investor Relations Department and Public Relations Department, Corporate Administration Division and Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to IFRS Planning Office, Corporate Planning Department, Corporate Administration Division))		—
Riki Mukai	Managing Executive Officer (Matters concerning operations of Compliance Division)		—
Hiroichi Shishimi	Managing Executive Officer (Matters concerning operations of Risk Management Division)		—

Executive Officers

(As of March 31, 2016)

Name	Position and assignment	Significant concurrent positions	Others
Yasuyuki Hori	Managing Executive Officer (Assistant to the Executive Vice President in charge of Corporate Service Division (limited to supervision of operations related to Operation Management Department, Operation Planning Department and Operation Support Department, Corporate Service Division))		—
Masahiro Nishimori	Managing Executive Officer (Matters concerning operations of Internal Audit Division)		—
Masaya Aida	Managing Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Corporate Planning Department, Corporate Administration Division))		—
Yoko Makino	Executive Officer (Matters concerning Tokyo Regional Headquarters and assistant to the Senior Managing Executive Officer in charge of Marketing Division (limited to operations related to directly-operated branches and regional headquarters))		—
Kunihiko Amaha	Executive Officer (Assistant to the Executive Vice President in charge of Investment Division (limited to supervision of operations related to Rates and FX Investment Department, Investment Division))		—
Yoichi Uno	Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to IT Strategy Department, Corporate Administration Division))		—

Executive Officers

(As of March 31, 2016)

Name	Position and assignment	Significant concurrent positions	Others
Harumi Yano	Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to ALM Planning Office, Corporate Planning Department, Corporate Administration Division))		—
Makoto Shinmura	Executive Officer (Assistant to the Managing Executive Officer in charge of Risk Management Division (limited to supervision of operations related to Credit Department, Risk Management Division))		—
Suzunori Hayashi	Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Human Resources Department, Corporate Administration Division))	Outside Director of Japan Post Staff Co., Ltd.	—
Satoru Ogata	Executive Officer (Assistant to the Executive Vice President in charge of Corporate Service Division (limited to supervision of operations related to System Management Department, System Development Department 1, System Development Department 2 and System Service Department, Corporate Service Division))		—
Minoru Kotouda	Executive Officer (Matters concerning Kinki Regional Headquarters and assistant to the Senior Managing Executive Officer in charge of Marketing Division (limited to operations related to directly-operated branches and regional headquarters))		—
Fujie Kawasaki	Executive Officer (Matters concerning Tokyo Operation Support Center)		—

Executive Officers

(As of March 31, 2016)

Name	Position and assignment	Significant concurrent positions	Others
Toshiharu Ono	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Financial Accounting Department, Corporate Administration Division and assistant to the Senior Managing Executive Officer who assists Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to IFRS Planning Office, Corporate Planning Department, Corporate Administration Division))		—
Shigeyuki Sakurai	Executive Officer (Assistant to the Executive Vice President in charge of Corporate Service Division (limited to supervision of operations related to General Administration Department, Corporate Service Division), and assistant to the Managing Executive Officer who assists Representative Executive Vice President in charge of Corporate Administration Division (limited to operations related to the General Meeting of Shareholders among operations related to Corporate Planning Department, Corporate Administration Division))		—
Masatoshi Ishii	Executive Officer (Assistant to the Executive Officer who assists the Executive Vice President in charge of Corporate Service Division (limited to supervision of operations related to System Development Department 2, Corporate Service Division))		—

Notes:

1. Mr. Masatsugu Nagato, Mr. Susumu Tanaka, and Mr. Tomohisa Mase concurrently serve as Directors.
2. Mr. Norio Wakasa resigned from his position of Executive Officer at Japan Post Bank on May 14, 2015. In addition, as of the conclusion of the meeting of the Board of Directors convened for the first time since the conclusion of the 9th Ordinary General Meeting of Shareholders held on June 24, 2015, Mr. Shuichi Ikeda, Mr. Chiharu Komachi, Mr. Masato Wakai, Mr. Katsumi Amano and Mr. Kimikazu Sano resigned from their positions of Executive Officer due to the expiration of their terms of office.

3. Mr. Masatsugu Nagato resigned from his position of President and Representative Executive Officer on March 31, 2016. His significant concurrent positions are the status as of the time of resignation.
4. Changes of Executive Officers that occurred after the end of the fiscal year ended March 31, 2016 are as follows:
 - (1) Mr. Norito Ikeda assumed the position of President and Representative Executive Officer of Japan Post Bank on April 1, 2016.
 - (2) Mr. Ryoichi Nakazato assumed the position of Executive Vice President of Japan Post Bank on April 1, 2016.

(2) Compensation, etc., for Directors and Executive Officers

(Millions of yen)

Category	Number of persons compensated	Compensation, etc.
Directors	8 persons	69
Executive Officers	30 persons	560
Total	38 persons	629

Notes:

1. The figures for compensation, etc. are rounded down.
2. If a person holds concurrent positions as Director and Executive Officer, we do not pay compensation for services as Director to such person.
3. Number of Directors compensated excludes one Director without pay.
4. The amount of compensation, etc., for Executive Officers includes ¥48 million as expenses for the payment of retirement benefits to Executive Officers. Although the retirement benefits program to Executive Officers was abolished in June 2013, retirement benefits will be paid upon retirement to Executive Officers who remain in their positions since then, for their term of service up to the day of abolishment of the program.

- Policy for Determining Amount or Calculation Method of Compensation, etc. for Directors and Executive Officers

With respect to compensation for our Directors and Executive Officers, the Compensation Committee has adopted the following “policy for determining the details of individual compensation for Directors and Executive Officers,” and we determine the amount of compensation in accordance with this policy.

1 Compensation structure

- (1) If a person holds concurrent positions as Director and Executive Officer, we pay compensation for services as Executive Officer (but not for services as Director) to such person.
- (2) With respect to compensation received by our Directors, we pay a fixed amount of compensation that is commensurate with the responsibilities of each Director, taking into account the scope of such Director’s duties for management.
- (3) For compensation received by our Executive Officers, we refer to a base amount that is determined as commensurate with the duties of each Executive Officer, and pay a partially variable amount of compensation that is calculated by adjusting the base amount to reflect individual performance evaluation. However, if an Executive Officer in charge of an area which requires special business knowledge and ability and whose amount of compensation that is commensurate with the duties of such Executive Officer significantly falls below the level of compensation generally received by an Executive Officer in charge of the same area in other companies, we may adopt a benchmark amount determined by reference to the level of compensation in other companies, instead of the one determined as commensurate with the duties of such Executive Officer.

2 Compensation for Directors

For Directors, we pay a fixed amount of compensation of a certain level that is commensurate with the duties of each Director, taking into account their principal role of management oversight, and the level adopted is that considered commensurate taking into consideration the gravity of their responsibility as Directors and our present business conditions.

3 Compensation for Executive Officers

For Executive Officers, we refer to a base amount commensurate with the duties of each Executive Officer, taking into account factors such as differences in responsibilities depending on their specific positions, and pay compensation that is calculated by adjusting the base amount to reflect evaluation of performance including the level of achievement of business plans. The base amount is determined at the level that is considered appropriate taking into consideration the scope of the responsibilities of each Executive Officer and our present business conditions, and the range of variation is set as an appropriate ratio relative to his or her annual salary. However, if an Executive Officer in charge of an area which requires special business knowledge and ability and whose amount of compensation that is commensurate with the duties of such Executive Officer significantly falls below the level of compensation generally received by an Executive Officer in charge of the same area in other companies, we may adopt a benchmark amount determined by reference to the level of compensation in other companies, instead of the one determined as commensurate with the duties of such Executive Officer.

Note: Statement above is of the situation as of March 31, 2016. At the Compensation Committee on December 24, 2015, Japan Post Bank has amended the compensation system for the introduction of the Performance-Linked Stock Compensation System (to be applied for compensations determined at the Compensation Committee on June 21, 2016 onwards). For policies after the amendment, please see the “Policy for Determining the Details of Individual Compensation for Directors and Executive Officers” posted on our website (<http://www.jp-bank.japanpost.jp/aboutus/company/pdf/fee.pdf>).

(3) Liability Limitation Agreement

Name	Overview of the contracts for limitation of liability
Taizo Nishimuro	In accordance with provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, Japan Post Bank has entered into agreements with Directors (excluding Executive Directors and others) to limit their liability for damages provided for in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount prescribed under Article 425, Paragraph 1 of the Companies Act, when they performed their duties in good faith and without gross negligence.
Tomoyoshi Arita	
Yoshifumi Iwasaki	
Yoshizumi Nezu	
Sawako Nohara	
Tetsu Machida	
Nobuko Akashi	
Toshihiro Tsuboi	
Katsuaki Ikeda	

III. Matters Concerning Outside Directors

(1) Concurrent Positions and Other Details on Outside Directors

Name	Concurrent positions and other details
Tomoyoshi Arita	Attorney-at-law External Statutory Auditor of WDB Holdings Co., Ltd. Outside Corporate Auditor of BROTHER INDUSTRIES, LTD.
Yoshizumi Nezu	President and Representative Director of Tobu Railway Co., Ltd. Outside Director of Tobu Store Co., Ltd. Outside Director of Tokyu Corporation Outside Director of Matsuya Co., Ltd. Outside Corporate Auditor of Fukoku Mutual Life Insurance Company Outside Corporate Auditor of Marubeni Corporation
Sawako Nohara	President and CEO of IPSe Marketing, Inc. Project professor at Keio University Graduate School of Media and Governance Outside Director of Sompo Japan Nipponkoa Holdings, Inc. Outside Director of Nissha Printing Co., Ltd.
Tetsu Machida	Independent economic journalist
Nobuko Akashi	Board Chairman of a non-profit organization, Japan Manners & Protocol Association

Note: There are no significant relationships to be stated between Japan Post Bank and the concerned parties above.

(2) Main Activities of Outside Directors

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors and other activities
Tomoyoshi Arita	5 years, 9 months	Attended 16 out of 17 meetings of the Board of Directors and 12 out of 13 meetings of the Audit Committee held during the fiscal year ended March 31, 2016	He expresses opinions on management issues, etc., of Japan Post Bank from his professional perspectives as an attorney, etc. In addition, he hosts meetings of the Audit Committee as a chairman of said Committee.
Yoshifumi Iwasaki	1 year, 9 months	Attended 17 out of 17 meetings of the Board of Directors, 7 out of 7 meetings of the Nomination Committee and 8 out of 8 meetings of the Compensation Committee held during the fiscal year ended March 31, 2016	He expresses necessary opinions on proposals and contents of deliberations, etc., as needed from his perspective as a management executive.
Yoshizumi Nezu	1 year, 9 months	Attended 16 out of 17 meetings of the Board of Directors, 7 out of 7 meetings of the Nomination Committee and 8 out of 8 meetings of the Compensation Committee held during the fiscal year ended March 31, 2016	He expresses necessary opinions on proposals and contents of deliberations, etc., as needed from his perspective as a management executive.
Sawako Nohara	1 year, 9 months	Attended 15 out of 17 meetings of the Board of Directors and 12 out of 13 meetings of the Audit Committee held during the fiscal year ended March 31, 2016	She expresses opinions on management issues, etc., of Japan Post Bank as needed from her professional perspectives as a management executive and a business strategy specialist.
Tetsu Machida	1 year, 9 months	Attended 17 out of 17 meetings of the Board of Directors and 13 out of 13 meetings of the Audit Committee held during the fiscal year ended March 31, 2016	He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspective as an independent economic journalist.
Nobuko Akashi	9 months	Attended 14 out of 15 meetings of the Board of Directors held during the fiscal year ended March 31, 2016, after her appointment on June 24, 2015	She expresses necessary opinions on proposals and contents of deliberations, etc., as needed from her perspectives as a chair of a non-profit organization and an expert member of government meetings.

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors and other activities
Toshihiro Tsuboi	9 months	Attended 15 out of 15 meetings of the Board of Directors and 10 out of 10 meetings of the Audit Committee held during the fiscal year ended March 31, 2016, after his appointment on June 24, 2015	He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspective as a management executive.
Katsuaki Ikeda	7 months	Attended 12 out of 12 meetings of the Board of Directors and 8 out of 8 meetings of the Audit Committee held during the fiscal year ended March 31, 2016, after his appointment on August 27, 2015	He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspective as a management executive.

(3) Compensation, etc. for Outside Directors

(Millions of yen)

	Number of persons compensated	Compensation, etc. from Japan Post Bank	Compensations, etc. from the parent company, etc. of Japan Post Bank
Total amount of compensation, etc.	8 persons	69	—

Note: The figures for compensation, etc. are rounded down.

(4) Opinions of Outside Directors

Not applicable.

IV. Matters Concerning Shares

(1) Number of Shares

Total number of authorized shares 18,000,000 thousand shares
 Total number of outstanding shares 3,749,475 thousand shares (excluding 750,525
 thousand shares of treasury stock)

Note: Japan Post Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares.

(2) Total Number of Shareholders as of March 31, 2016: 601,347

(3) Major Shareholders

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held, etc.	Percentage of shares held
JAPAN POST HOLDINGS Co., Ltd.	3,337,032 thousand shares	88.99%
Japan Trustee Services Bank, Ltd. (Trust Account)	13,425 thousand shares	0.35%
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,271 thousand shares	0.22%
GOLDMAN SACHS INTERNATIONAL	7,194 thousand shares	0.19%
STATE STREET BANK WEST CLIENT-TREATY 505234	5,852 thousand shares	0.15%
Japan Post Bank Employee Shareholding Association	5,365 thousand shares	0.14%
STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	4,309 thousand shares	0.11%
JP MORGAN CHASE BANK 385151	4,270 thousand shares	0.11%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	3,891 thousand shares	0.10%
Japan Trustee Services Bank, Ltd. (Trust Account 6)	3,889 thousand shares	0.10%

Notes:

1. The number of shares held, etc. is rounded down. The percentage of shares held is rounded down to the second decimal place.
2. The percentage of shares held is calculated excluding treasury stock (750,525 thousand shares).

(4) Other Significant Matters Concerning Shares

- Introduction of a Performance-Linked Stock Compensation System for Executive Officers

Japan Post Bank has resolved at the Compensation Committee on December 24, 2015 that it will introduce a performance-linked stock compensation system utilizing a trust for its Executive Officers. The objectives of the system are to further enhance the awareness of the Executive Officers of Japan Post 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.

Japan Post Bank has also resolved the timing of setting up a trust and acquiring stock for this system and the total amount of stocks to be acquired, etc. at the Compensation Committee on April 27, 2016

- Introduction of a Stock Ownership Plan for Management Employees

On March 18, 2016, Japan Post Bank reached a decision to introduce an employee stock ownership plan, utilizing a trust, for management employees. It is intended for management employees in the Investment Division, particularly those utilizing sophisticated, expert knowledge to execute their business duties. The objective of the plan is to motivate the management employees to contribute further to the enhancement of Japan Post Bank's earnings performance and corporate value over the medium and long terms.

V. Matters Concerning Stock Acquisition Rights, etc. of Japan Post Bank

(1) Stock Acquisition Rights, etc., Held by Directors and Executive Officers of Japan Post Bank as of March 31, 2016
Not applicable.

(2) Stock Acquisition Rights, etc., of Japan Post Bank Granted to Employees, etc., during the Fiscal Year Ended March 31, 2016
Not applicable.

VI. Matters Concerning Independent Auditor

(1) Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2016	Others
KPMG AZSA LLC Kanako Ogura Designated Limited Liability Partner Yoshihide Takehisa Designated Limited Liability Partner Hideyuki Kobayashi Designated Limited Liability Partner	176	1) The Audit Committee gave consent to the amount of compensation, etc. for the Independent Auditor as provided in Article 399, Paragraph 1 of the Companies Act, considering the appropriateness of estimates for audit hours and compensation for the fiscal year ended March 31, 2016, after checking the content of the Independent Auditor's audit plan as well as the audit plan and actual audit performance for the previous fiscal year. 2) Japan Post Bank paid consideration to the Independent Auditor for consignment, etc., of capital adequacy assessment process based on procedures agreed on by Japan Post Bank and Independent Auditor, and of operations concerning preparation of stock listing, both of which are not included among the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.

Notes:

1. The figure is rounded down.
2. The audit contract between Japan Post Bank and the Independent Auditor does not separate the compensation for the audit pursuant to the Companies Act from the compensation for the audit in accordance with Financial Instruments and Exchange Act. Moreover, it is practically impossible to separate the two. Accordingly, the above amount is total of such compensation.
3. The total amount of monetary and other property benefits that are to be paid by Japan Post Bank is ¥237 million

(2) Liability Limitation Agreement

Not applicable.

(3) Other Matters Concerning Independent Auditor

1) Policy for Decision on Dismissal or Non-Reappointment of Independent Auditor

The Audit Committee has a policy to dismiss the Independent Auditor when it has judged that the Independent Auditor falls under each Item of Article 340, Paragraph 1 of the Companies Act.

In addition, the Audit Committee has a policy to determine the content of a proposal to be submitted to a general meeting of shareholders concerning the dismissal or non-reappointment of Independent Auditor when it is judged necessary upon comprehensive review of the status, etc., on the execution of duties of the Independent Auditor.

2) In the Case of a Large Company as Stipulated in Article 444, Paragraph 3 of the Companies Act, and Where an Audit (Limited to Those under the Provisions of the Companies Act or the Financial Instruments and Exchange Act, or Equivalent Laws in Foreign Jurisdictions) of Financial Statements (And Their Equivalents) of Important Subsidiary Corporations or Entities of a Bank is Conducted by the Audit Firm (Including a Body with an Equivalent Qualification in a Foreign Jurisdiction), or an Audit is Conducted by a Certified Public Accountant (Including a Foreign Certified Public Accountant as Provided in Article 16-2 Paragraph 5 of the Certified Public Accountants Act) Other than the Independent Auditor of the Bank, Details Thereof:

Not applicable.

VII. Basic Policy Concerning Persons Who Control the Decisions on Financial and Business Policies

Not applicable.

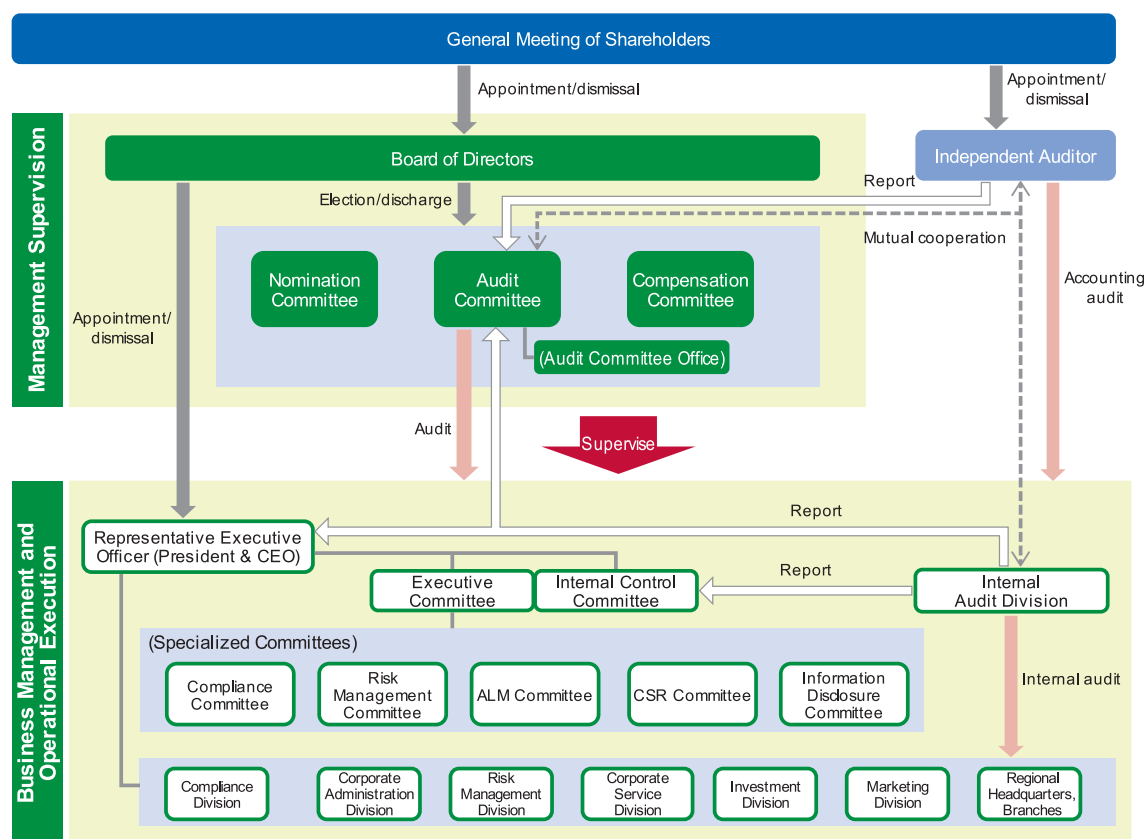
VIII. Systems to Ensure the Appropriate Conduct of Operations

[Basic Stance on Corporate Governance]

With a view to its sustainable growth along with improvement of its corporate value over the medium and long terms, Japan Post Bank establishes its corporate governance system based on the following stance.

- (1) We will engage in constant value creation by providing banking services through the distribution network based on the post office, while continuously creating new convenience for customers, in pursuit of providing higher quality of service.
- (2) Fully recognizing fiduciary responsibilities to shareholders, we will give consideration to ensure the rights and equality of shareholders in an appropriate manner.
- (3) We will value the dialogue with all stakeholders including shareholders, and seek appropriate collaboration and sustainable coexistence therewith. To this end, we will ensure management transparency and strive for disclosure and provision of adequate information.
- (4) In order to promptly adapt to changes in economic and social environment and meet the expectation of all stakeholders, we will make swift decision-making in a firm attitude and conduct businesses under the effective supervision by the Board of Directors.

Corporate Governance System (Outline)



[Establishment of Systems to Ensure the Appropriate Conduct of Operations]

With regard to system to ensure the appropriate conduct of operations subject to a resolution of the Board of Directors of a corporation adopting a committee system such as the Nomination Committee in accordance with Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act and Article 112, Paragraph 1 and 2 of the Ordinance for the Enforcement of the Companies Act, Japan Post Bank has established by a resolution of the Board of Directors “Basic Policies for the Internal Control System.”

In the current fiscal year, following the enforcement of the Act on Partial Revision of the Companies Act (Act No. 90 of 2014), and the Ministerial Ordinance on Partial Revision of the Ordinance for Enforcement of the Companies Act (Ordinance of the Ministry of Justice No. 6 of 2015) on May 1, 2015, partial amendments were made to the “Basic Policies for the Internal Control System” based on the resolution at the meeting of the Board of Directors held on April 23, 2015.

The details for the fiscal year ended March 31, 2016 are as follows.

(1) System for Ensuring That the Execution of Duties by Executive Officers and Employees Complies with Laws and Regulations and Our Articles of Incorporation

We are required to do the following:

- a. Establish basic policies regarding the management, such as our management philosophy and management plans, to ensure that our Executive Officers and employees are thoroughly informed of and will comply with laws and regulations in all areas of our business activities. Furthermore, we must establish rules regarding compliance and maintain a compliance framework.
- b. Periodically hold meetings of the Internal Control Committee, comprised of Executive Officers appointed by the President and Representative Executive Officer, to discuss the most important matters relating to internal controls, such as compliance with laws and regulations.
- c. Promote compliance through means such as establishing a department that manages compliance, formulating compliance programs each year as specific plans for ensuring compliance and periodically reviewing developments of such programs, and establish a committee for compliance to discuss specific practices and address various issues regarding compliance and to report the results to the Executive Committee and Audit Committee.
- d. Ensure compliance through (i) formulating a compliance manual which states specific guidelines of the matters with which Executive Officers and employees must comply and the explanations for laws and regulations relating to our corporate activities and (ii) conducting training regarding laws and regulations as well as internal rules with which Executive Officers and employees must comply.
- e. Take measures necessary to guide and manage Japan Post Co., which is our authorized agent, in order to ensure that its compliance system and operational management are sound, through means such as (a) establishing liaison conferences with Japan Post Co., comprised of officers such as the President and Representative Executive Officer, to discuss matters relating to strengthening and enhancing the internal control system with respect to compliance, (b) providing operational instructions and conducting training to promote compliance and (c) monitoring the operations of Japan Post Co.

- f. With respect to anti-social forces that pose a threat to the social order and sound corporate activities, (a) establish our corporate policy on the relationship with them through “rules regarding anti-social forces” and other internal rules and manuals and (b) avoid involvement at all times with illegal and anti-social activities through close cooperation with external specialists, such as the police, to cut any ties and prevent any interaction with any anti-social forces.
 - g. Formulate rules regarding internal control over financial reporting and maintain a framework for valuation and reporting of internal controls over financial reporting, to ensure the appropriateness of the documents regarding our financial, accounting and other information.
 - h. Create a whistle-blowing rule for reporting violations or suspected violations of laws and regulations or internal rules, establish contact offices for whistle-blowing, inside and outside the company, and ensure that our Executive Officers and employees are thoroughly informed of it.
 - i. Establish our internal audit system by formulating rules regarding internal audits and others. Further, an Internal Audit Division, which is independent from the divisions that it audits, conducts effective internal audit regarding the appropriateness of general corporate activities including compliance with laws and regulations and reports the status of internal audit and the internal audit system to the Executive Committee and Audit Committee.
- (2) System for Storing and Managing Information Relating to the Execution of the Duties of Our Executive Officers
- We establish rules relating to document management that clarify the system and methods for storing and managing information relating to the execution of the duties of Executive Officers, such as minutes of the Executive Committee and circulated draft approvals. In addition, we allow the Audit Committee and Internal Audit Division to inspect or copy requested documents.

- (3) Rules and System Related to the Risk Management of Losses
 - a. We manage risks by establishing risk management rules and by creating a risk management system.
 - b. We establish a department to supervise risk management and to understand, analyze and manage risks, as well as to review and revise our corrective actions and risk-handling methods. We also establish a Risk Management Committee, whose role is to discuss our operational and organizational risk management system and procedures and to report any important issues to the Executive Committee and Audit Committee.
 - c. We establish a crisis management system and countermeasures against crises, including internal rules for crisis management, so that we can take quick and appropriate action and corrective measures in the event that a risk that could seriously impact our business is actualized.
- (4) System for Ensuring That the Duties of Executive Officers are Executed Effectively
 - a. We establish an Executive Committee, comprised of Executive Officers appointed by the President and Representative Executive Officer, that meets regularly and discusses matters to be resolved by the Board of Directors, matters to be resolved by the President and Representative Executive Officer or other matters deemed necessary by the President and Representative Executive Officer. Also, if necessary, a specialized subcommittee is established to act as an advisory body to the Executive Committee.
 - b. By establishing rules relating to organizational structure and professional duties, we clarify the division of duties, administrative authority and responsibilities of Executive Officers in order to increase the efficiency of the execution of their duties.
- (5) System for Ensuring Appropriate Operations among the Japan Post Group
 - a. We have entered into the Japan Post Group agreement with Japan Post Holdings, Japan Post Co. and Japan Post Insurance, as well as the contract concerning the operation of the Japan Post Group and the memorandum of understanding on rules concerning the operation of the Japan Post Group with Japan Post Holdings, thereby we discuss in advance and report any matters necessary for appropriate and smooth operations.
 - b. We establish rules that govern the management of our affiliates, and create a system for correctly managing the business operations.
 - c. We establish internal rules that govern intragroup transactions, and engage in these transactions appropriately.
- (6) Matters Regarding Employees that Support the Duties of the Audit Committee

We establish an Audit Committee Office, which supports the Audit Committee in performing its duties, and is staffed with employees with the requisite knowledge and skills to provide such support.
- (7) Matters Regarding the Independence of Employees that Support the Duties of the Audit Committee from Our Executive Officers

The hiring, transferring, evaluating and disciplining of employees of the Audit Committee Office must first be approved by the Audit Committee or its member(s) appointed by the Audit Committee.

(8) Matters Regarding the Ensuring of Effective Instructions to the Employees that Support the Duties of the Audit Committee

When an employee of the Audit Committee Office is supporting the duties of the Audit Committee, he or she must work only at the direction or order of the Audit Committee.

(9) System of Reporting to the Audit Committee

- a. Our Executive Officers report to the Audit Committee, on a regular basis, the status of the execution of our Executive Officers' duties.
- b. Directors (excluding Directors who concurrently serve as the member of the Audit Committee), Executive Officers and employees must promptly report to the members of the Audit Committee any important matters that could have a material impact on the management of our business.
- c. The Internal Audit Division must regularly report to the Audit Committee the status and results of internal audits, and promptly report to the members of the Audit Committee any important matters that could have a material impact on the management of our business.
- d. At the request of the Audit Committee, Executive Officers and employees must report to it the status of the execution of their duties.
- e. Anyone who reports to the Audit Committee cannot be treated unfavorably because of such reporting.

(10) Matters Regarding the Procedures Relating to the Pre-payment and Compensation of Costs that Arise during the Execution of the Audit Committee's Duties and Policies Related to Settlement of Other Costs and Liabilities that Arise during the Execution of these Duties

If a member of the Audit Committee requests payment for costs necessary to execute his or her duties, then such request cannot be denied unless it is found that such cost was not necessary.

(11) Other Steps to Ensure That the Audit Committee's Audit is Performed Effectively

- a. The President and Representative Executive Officer makes an effort to deepen mutual understanding between him or her and the Audit Committee, by having regular informational sessions with the committee about matters important to management, such as basic management policies, issues to be addressed, the status of functions of the internal control system and other matters.
- b. The Audit Committee receives an explanation from the independent auditor in advance of the financial audit plan and regularly receives status updates of the financial audits, as well as communicates with the independent auditor as necessary, so that they are aware of all important issues regarding financial audit at all times.
- c. When performing its duties, the Audit Committee strives to coordinate with the audit committee of Japan Post Holdings, such as through regularly exchanging opinions and ideas.

[Implementation of Systems to Ensure the Appropriate Conduct of Operations]

(1) System for Ensuring That the Execution of Duties by Executive Officers and Employees Complies with Laws and Regulations and Our Articles of Incorporation

Legal compliance is clearly stated in our management philosophy and management plans and basic rules on compliance are stipulated, in order to convey the importance of compliance to employees through messages from the top management on a regular basis, as well as various trainings, etc.

During the fiscal year ended March 31, 2016, with the aim of strengthening our management structure suitable for a listed company, we formulated the “Basic Policy on Corporate Governance,” which defines its basic stance on, and framework of corporate governance along with policies for its operation.

On the other hand, we formulate the compliance program each fiscal year while holding the Compliance Committee to verify the progress and discuss tasks on the subject.

Furthermore, through trainings and other measures, we thoroughly convey the duty of reporting along the Compliance Line in case of potential or actual violations of compliance, as well as the use of the contact office for whistleblowing.

With respect to anti-social forces, we regularly discuss among concerned departments and collaborate with external specialists, to cut any ties and prevent any interaction with any anti-social forces.

(2) System for Storing and Managing Information Relating to the Execution of the Duties of Our Executive Officers

We established Documentation Management Rules, etc. to clarify the system and methods for the safekeeping, storing and management of documents, while verifying more than once a year the status of management of such documents.

(3) Rules and System Related to the Risk Management of Losses

We formulate Policies for Handling Risk Management each fiscal year, under which important matters related to risk management are discussed or reported at the Risk Management Committee, etc.

In order to strengthen our risk management structure, we also established a division focusing on risk management to unify all relevant departments. While we review the Crisis Management Rules and Business Continuity Plan (BCP) as needed, we organize a training once a year in accordance with the Crisis Management Rules.

(4) System for Ensuring That the Duties of Executive Officers are Executed Effectively

We discuss issues such as matters to be resolved by the Board of Directors and scope of authority of the President and Representative Executive Officer at the Executive Committee held weekly, while organizing various specialized subcommittees as advisory bodies to the Executive Committee.

(5) System for Ensuring Appropriate Operations among the Japan Post Group

We have entered into the Japan Post Group agreement based on which we discuss in advance and report any matters necessary for appropriate and smooth operations. Meanwhile, for management matters of affiliates required to be approved by Japan Post Bank under the Rules for Managing the Business of Subsidiaries, including the formulation of business plans, convocation of General Meetings of Shareholders and resolutions for proposals, we give approval based on verification of the appropriateness of such matters.

(6) System for Ensuring That the Audit Committee's Audit is Performed Effectively

The Audit Committee receives monthly reports from Executive Officers on the status of business execution in order to ensure effective implementation of audits, while having regular informational sessions with the President and Representative Executive Officer and other Executive Officers, the Internal Audit Division and the Independent Auditor, respectively, on the matters such as basic management policies and the status of functions of the internal control system.

Employees of the Audit Committee Office carry out operations by solely following the instructions from the Audit Committee, and expenses required for the duties for the Committee are duly provided for.

- IX Matters Concerning Specified Wholly-Owned Subsidiaries
Not applicable.
- X Matters Concerning Transactions with Parent Companies and Others
- a. Matters to Avoid Compromising Our Own Interest in Such Transactions
We have concluded agreements, and are conducting transactions with members of Japan Post Group which is comprised of the parent company, Japan Post Holdings, and its subsidiaries and affiliates.
At the time of conclusion and revision of the agreements, we check their purpose and necessity, appropriateness of the transaction terms (in accordance with arm's-length rule set out under the Banking Act), and establish a framework to appropriately manage the transactions conducted within the Japan Post Group.
- b. Determination at the Board of Directors Regarding Whether or Not Such Transactions Compromise Our Own Interest and Reasons Thereof
The Board of Directors considers that appropriateness of the transaction terms is ensured in such transactions, and that our interest will not be compromised.
While we maintain close relationship with Japan Post Holdings including personal and capital relations, we make decisions at our own responsibility, and independently manage and operate our business.
- c. Opinions of the Board of Directors If They Differ from Those of Outside Directors
Not applicable.
- XI. Matters Concerning Accounting Advisors
Not applicable.

XII Others

Where specified in the Articles of Incorporation in accordance with provisions in Article 459, Paragraph 1 of the Companies Act, Japan Post Bank's policies for the exercise of authorities granted to the Board of Directors under the said provisions of the Articles of Incorporation (Policy for Determining Distribution of Surplus, etc.)

Article 39, Paragraph 1 of the Articles of Incorporation of Japan Post Bank stipulates that "Japan Post Bank shall prescribe rules on each Item provided for in Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors, unless otherwise stipulated by laws and regulations."

Providing returns to our shareholders is one of our most important management goals. Our basic dividend policy is to provide stable dividends to shareholders while maintaining sufficient retained earnings for sound operations in light of the public nature of the banking business. Specifically, through the fiscal year ending March 31, 2018, we aim to pay a stable per-share dividend by maintaining a dividend payout ratio of approximately 50% or more of our net income for the relevant fiscal year. We shall also consider additional shareholder return, while taking into account developments on regulations, earnings growth and accumulation of retained earnings, etc.

We plan to use retained earnings to continue improving shareholder value and further strengthen our financial condition.

Our general policy is to declare both annual dividends and interim dividends from our retained earnings. However, for the fiscal year ended March 31, 2016, we intended to pay only annual dividends. With respect to annual dividends for the fiscal year ended March 31, 2016, as the period between the date of the listing of our shares and the record date for such annual dividends was less than six months, our policy was to pay annual dividends in an amount of approximately 25% or more of our net income for the same fiscal year. Considering these policies, we declared dividends per share of ¥25.00 (dividend payout ratio of 28.8%.)

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Balance Sheet (As of March 31, 2016)

(Millions of yen)	
Account	Amount
Assets:	
Cash and due from banks	45,895,068
Cash	150,763
Due from banks	45,744,305
Call loans	978,837
Receivables under securities borrowing transactions	7,923,229
Monetary claims bought	178,509
Trading account securities	187
Trading Japanese government bonds	187
Money held in trust	3,561,110
Securities	144,076,834
Japanese government bonds	82,255,654
Japanese local government bonds	5,856,509
Commercial paper	204,995
Japanese corporate bonds	10,362,715
Japanese stocks	1,390
Other securities	45,395,569
Loans	2,542,049
Loans on deeds	2,322,098
Overdrafts	219,951
Foreign exchanges	25,328
Due from foreign banks	25,309
Foreign bills bought and foreign exchanges purchased	19
Other assets	1,573,316
Domestic exchange settlement accounts - debit	15,387
Prepaid expenses	4,183
Accrued income	274,678
Derivatives other than trading	160,483
Other	1,118,583
Tangible fixed assets	182,733
Buildings	73,261
Land	59,034
Construction in progress	7,638
Other tangible fixed assets	42,797
Intangible fixed assets	44,865
Software	30,910
Other intangible fixed assets	13,955
Customers' liabilities for acceptances and guarantees	75,000
Reserve for possible loan losses	(1,030)
Total assets	207,056,039

(Millions of yen)	
Account	Amount
Liabilities:	
Deposits	177,871,986
Transfer deposits	13,874,601
Ordinary deposits	47,465,923
Savings deposits	388,475
Time deposits	11,441,153
Special deposits	18,967,503
TEIGAKU deposits	85,550,160
Other deposits	184,168
Call money	22,536
Payables under repurchase agreements	554,522
Payables under securities lending transactions	13,123,558
Foreign exchanges	338
Foreign bills payable	338
Other liabilities	2,532,920
Domestic exchange settlement accounts - credit	21,341
Income taxes payable	45,370
Accrued expenses	1,526,248
Unearned income	72
Derivatives other than trading	778,128
Asset retirement obligations	396
Other	161,362
Reserve for bonuses	6,020
Reserve for employees' retirement benefits	149,720
Deferred tax liabilities	1,211,286
Acceptances and guarantees	75,000
Total liabilities	195,547,888
Net assets:	
Capital stock	3,500,000
Capital surplus	4,296,285
Legal capital surplus	4,296,285
Retained earnings	2,108,969
Other retained earnings	2,108,969
Retained earnings brought forward	2,108,969
Treasury stock	(1,299,999)
Total shareholders' equity	8,605,256
Net unrealized gains (losses) on available-for-sale securities	3,322,827
Net deferred gains (losses) on hedges	(419,932)
Total valuation and translation adjustments	2,902,894
Total net assets	11,508,150
Total liabilities and net assets	207,056,039

Non-Consolidated Statement of Income (From April 1, 2015 to March 31, 2016)

(Millions of yen)

Account	Amount
Ordinary income	1,968,987
Interest income	1,731,217
Interest on loans	25,103
Interest and dividends on securities	1,657,623
Interest on call loans	5,307
Interest on receivables under securities borrowing transactions	7,958
Interest on deposits with banks	33,977
Other interest income	1,247
Fees and commissions	123,019
Fees and commissions on domestic and foreign exchanges	60,921
Other fees and commissions	62,097
Other operating income	12,953
Gains on sales of bonds	12,953
Other ordinary income	101,797
Reversal of reserve for possible loan losses	0
Recoveries of written-off claims	39
Gains on sales of stocks and other securities	3,232
Gains on money held in trust	93,868
Other	4,656
Ordinary expenses	1,486,989
Interest expenses	374,928
Interest on deposits	232,795
Interest on call money	630
Interest on payables under repurchase agreements	1,795
Interest on payables under securities lending transactions	33,233
Interest on interest rate swaps	105,571
Other interest expenses	902
Fees and commissions	31,879
Fees and commissions on domestic and foreign exchanges	3,653
Other fees and commissions	28,225
Other operating expenses	13,076
Losses on foreign exchanges	1,471
Losses on sales of bonds	11,107
Expenses on derivatives other than for trading or hedging	497
General and administrative expenses	1,064,004
Other ordinary expenses	3,099
Losses on money held in trust	0
Other	3,099
Net ordinary income	481,998

(Millions of yen)	
Account	Amount
Extraordinary loss	1,109
Losses on sales and disposals of fixed assets	1,103
Losses on impairment of fixed assets	5
Income before income taxes	480,888
Income taxes - Current	152,528
Income taxes - Deferred	3,291
Total income taxes	155,819
Net income	325,069

Non-Consolidated Statement of Changes in Net Assets (From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		Legal capital surplus	Other retained earnings		
			Retained earnings brought forward		
Balance at the beginning of the fiscal year	3,500,000	4,296,285	1,968,617	(1,299,999)	8,464,904
Changes during the fiscal year					
Cash dividends			(184,717)		(184,717)
Net income			325,069		325,069
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	140,351	—	140,351
Balance at the end of the fiscal year	3,500,000	4,296,285	2,108,969	(1,299,999)	8,605,256

	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	3,824,643	(659,335)	3,165,307	11,630,212
Changes during the fiscal year				
Cash dividends				(184,717)
Net income				325,069
Net changes in items other than shareholders' equity	(501,816)	239,403	(262,413)	(262,413)
Total changes during the fiscal year	(501,816)	239,403	(262,413)	(122,061)
Balance at the end of the fiscal year	3,322,827	(419,932)	2,902,894	11,508,150

[The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report (issued in the Japanese language) as required by the Companies Act.]

Independent Auditor's Report

May 10, 2016

The Board of Directors
JAPAN POST BANK Co., Ltd.

KPMG AZSA LLC

Kanako Ogura (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yoshihide Takehisa (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hideyuki Kobayashi (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income and the statement of changes in net assets, the related notes, and the supplementary schedules of JAPAN POST BANK Co., Ltd. for the 10th fiscal year from April 1, 2015 to March 31, 2016 in accordance with Article 436(2)(i) of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an independent opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial condition and the results of operations of JAPAN POST BANK Co., Ltd. for the period, for which the financial statements and supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Conflicts of Interest

Our firm and engagement partners have no interest in JAPAN POST BANK Co., Ltd. which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report

The Audit Committee audited the execution of the duties of the Directors and the Executive Officers of JAPAN POST BANK Co., Ltd. ("Japan Post Bank") during the 10th fiscal year from April 1, 2015 to March 31, 2016 and hereby reports the auditing method and the results thereof as follows:

1. Auditing Method and Details Thereof

The Audit Committee received reports regularly from Directors, Executive Officers and employees, etc. regarding the contents of resolutions made by the Board of Directors on matters set forth in Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act and the status of the systems established and operated based on such resolutions (internal control systems), requested explanations when necessary, and expressed its opinions regarding such reports. In addition, the Audit Committee conducted an audit according to the following methods.

- 1) The Audit Committee established audit plans for the fiscal year ended March 31, 2016 in accordance with Audit Committee Regulations, Audit Rules of the Audit Committee, assignment of duties, etc. Also, working closely with the Internal Control Division, etc., the Audit Committee attended important meetings, received reports from Directors and Executive Officers, etc. regarding the matters related to the execution of duties, requested explanations when necessary, reviewed important documents for approval, etc., and examined the business and financial condition at the Head Office, etc.
- 2) Regarding the matters that were considered in Article 118, Item 5 (a) of the Ordinance for Enforcement of the Companies Act and the judgement and the reason of (b) of the same Item described in the Business Report, the Audit Committee considered the contents based on the status of deliberations at the Board of Directors and others.
- 3) The Audit Committee monitored and verified as to whether the independent auditor conducted audits in an appropriate manner while maintaining an independent positioning, received reports from the independent auditor on the execution status of its duties, and, when necessary, requested explanations regarding those reports from the independent auditor. The Audit Committee also received notification from the independent auditor regarding the "system for ensuring appropriate execution of duties of the independent auditor" (as set forth in each Item of Article 131 of the Company Accounting Regulation Ordinance) in accordance with the "Quality Control Standards for Auditing" (issued by the Business Accounting Council on October 28, 2005) and other relevant standards, and, when necessary, requested explanations.

Based on the above-described methods, the Audit Committee examined the business report and the supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets, and notes) and the supplementary schedules for the fiscal year ended March 31, 2016.

2. Audit Results

(1) Audit Results on the Business Report, etc.

- 1) In our opinion, the business report and the supplementary schedules present fairly the condition of Japan Post Bank in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of Japan Post Bank.
- 2) With regard to the execution of duties by Directors and Executive Officers, we have found no evidence of misconduct or material facts in violation of the applicable laws and regulations of Japan or the Articles of Incorporation of Japan Post Bank.
- 3) In our opinion, the content of the resolutions of the Board of Directors regarding the internal control system is appropriate. In addition, we have found no matters to be pointed out regarding the contents described in the Business Report about such internal control system and the execution of duties by Directors and Executive Officers.
As described in the Business Report, the business improvement order received from the Financial Services Agency was lifted in December 2015. Nevertheless, we consider that ongoing enhancement and reinforcement of our internal control system are important for our business success. The Audit Committee will continue to carefully monitor the implementation of the system.
- 4) Regarding transactions with the parent company as described in the Business Report, we found no matters to be pointed out on the matters that were considered not to harm interests of Japan Post Bank for implementing such transactions and on the judgement and the reason of the Board of Directors concerning whether such transactions will harm interests of Japan Post Bank or not.

(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the method and the results of the audit conducted by KPMG AZSA LLC, the independent auditor, are appropriate.

May 13, 2016

Audit Committee of JAPAN POST BANK Co., Ltd.

Member of the Audit Committee	Tomoyoshi Arita (seal)
Member of the Audit Committee	Sawako Nohara (seal)
Member of the Audit Committee	Tetsu Machida (seal)
Member of the Audit Committee	Toshihiro Tsuboi (seal)
Member of the Audit Committee	Katsuaki Ikeda (seal)

(Note) Members of the Audit Committee, Mr. Tomoyoshi Arita, Ms. Sawako Nohara, Mr. Tetsu Machida, Mr. Toshihiro Tsuboi and Mr. Katsuaki Ikeda are Outside Directors as provided in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Information Map of the General Meeting of Shareholders



Venue

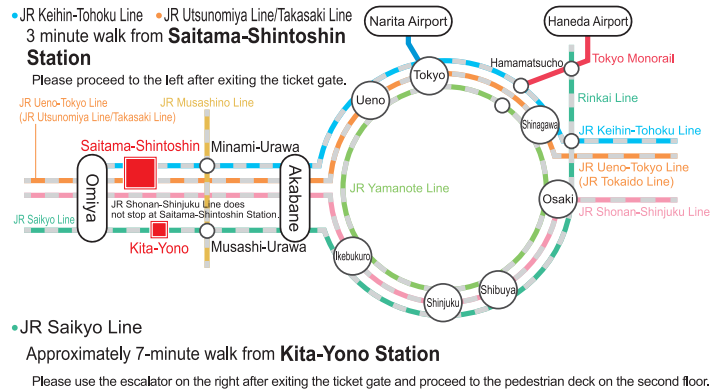
Saitama Super Arena

8, Shintoshin, Chuo-ku, Saitama-shi,
Saitama, Japan

No parking is available.
Please use public transportation.

- **Souvenirs will not be offered at this Ordinary General Meeting of Shareholders.**
- For shareholders attending the meeting, please submit your Voting Right Exercise Form at the reception.
- The reception is scheduled to start at 8:30 a.m.; however, it might open earlier depending on the state of congestion, etc.
- Please bring this convocation notice to conserve paper resources.

Transportation Guide



Route from station to venue

