

October 7, 2015

Company Name: JAPAN POST BANK Co., Ltd.

Representative: Masatsugu Nagato, Director, President and Representative Executive Officer

(Securities Code: 7182, Tokyo Stock Exchange)

## **Notice of Determination of Provisional Terms and Conditions for an Initial Public Offering of Shares**

JAPAN POST BANK Co., Ltd. (the “Bank”) has announced that at a meeting held today, the Bank’s Board of Directors has approved the provisional terms and conditions for a book-building process for an initial public offering of its shares that was approved by resolution of the Bank’s Board of Directors at a meeting held on September 10, 2015. Details are as follows.

### 1. Initial Public Offering of the Common Shares of the Bank

(1) Provisional Pricing                      From 1,250 yen to 1,450 yen per share

(2) Rationale for Determination of the Provisional Pricing

The Bank obtained the following main evaluations as a result of conducting a survey of institutional investors in determining the provisional pricing of its shares.

① The Bank has a strong customer and deposit base, leveraging Japan’s extensive nationwide network of post offices, from which it has recorded steady streams of income.

② Along with its high name recognition and brand power in Japan, the Bank has set forward a stable dividend policy based on its sound financial position.

③ The Bank needs to secure income and improve capital efficiency amid an environment of low interest rates.

The Bank determined that 1,250 yen to 1,450 yen per share would be a reasonable range for the provisional pricing of its shares. In addition to the evaluations above, this was the result of a comprehensive consideration of factors including a comparison of listed companies with businesses similar to the Bank, current stock market conditions, market evaluation of other recently listed shares, and price fluctuation risk leading up to the listing date.

#### Notes :

This document is a press release for the purpose of publicly announcing the resolution of the Bank’s Determination of Provisional Terms and Conditions for an Initial Public Offering of Shares. It is not intended in any way to solicit investment or perform a similar function either in Japan or overseas. Furthermore, this press release material does not constitute a public offering or sale of securities in the United States. The Bank’s common shares are not and will not be registered under the provisions of the U.S. Securities Act of 1933, and may not be offered or sold in the United States unless the shares are so registered or exempted from such registration. This press release includes forward-looking statements, which are based on information available and assumptions that the Bank has deemed to be reasonable. Actual results may differ materially from those described in this document due to a variety of factors including changes in interest rates and exchange rates, general market and economic conditions and other factors.

(3) Other Terms and Conditions for the Initial Public Offering

The Bank's Board of Directors shall approve an initial public offering price, to be finalized from within the range of the provisional pricing above, on the initial public offering price determination date (October 19, 2015). In the event that the provisional pricing is revised going forward, approval of the revisions shall be entrusted to the President & CEO of the Bank.

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## 2. Preferential Allotment of Shares to a Buyer Designated by the Bank

The Bank has requested the underwriters to sell shares to the preferential allottee described below:

### (1) Status of Preferential Allottee

#### ① Outline of Preferential Allottee

Name	JAPAN POST BANK Employees' Shareholding Association
Location	1-3-2 Kasumigaseki, Chiyoda-ku, Tokyo
Name and title of representative	Chair, Yukimasa Nakata

#### ② Relationship between the Allottee and the Bank

The allottee is the employees' shareholding association of the Bank.

#### ③ Rationale for Selection of the Allottee

The allottee was selected to provide the Bank's employees with a benefit program

#### ④ Number of Shares to Be Preferentially Allotted

Undecided. (The number of shares is scheduled to be finalized on the initial public offering price determination date (October 19, 2015) with 5,920,000 shares\* of the total number of shares on public offer in Japan as the upper limit.)

\*A projected number of shares calculated by dividing the monetary amount requested, as the upper limit for the value of shares to be allotted, by the lower limit of the provisional share price range.

#### ⑤ Holding Policy of Shares and Other Equity in the Bank

The allottee is expected to hold the shares and other equity in the Bank over the long term.

#### ⑥ Status of Funds and Other Resources Needed to Pay for the Shares

The Bank has confirmed that the employees' shareholder association has accumulated the funds needed to pay for the shares.

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|---|---|
| ⑦ Composition of the Allottee                                     | The allottee is an employees' shareholding association composed of employees and other staff of the Bank.   |
| (2) Limitation on Transfer of Shares and Other Equity in the Bank | Please refer to "2. Lock-Up Period" under "(Reference)" below for details of the lock-up period to be imposed on the preferential allottee.   |
| (3) Notes on Terms and Conditions of Sale                         | The sales price per share to the allottee shall be the same price as the initial public offering price, scheduled to be finalized on the initial public offering price determination date, following a review of the status of bidding for the provisionally priced shares, among other considerations. |

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#### (4) Status of Major Shareholders after Preferential Allotment

Name	Location	Number of shares held	Ratio of number of shares held to the total number of shares (%)	Number of shares held after the Japanese and international initial public offerings	Ratio of number of shares held to the total number of shares after the Japanese and international initial public offerings (%)
JAPAN POST HOLDINGS Co., Ltd.	1-3-2 Kasumigaseki, Chiyoda-ku, Tokyo	3,749,475,000	83.32	3,337,032,700	74.15
JAPAN POST BANK Co., Ltd.	2-7-2 Marunouchi, Chiyoda-ku, Tokyo	750,525,000	16.67	750,525,000	16.67
JAPAN POST BANK Employees' Shareholding Association	1-3-2 Kasumigaseki, Chiyoda-ku, Tokyo	—	—	5,920,000	0.13
Total	—	4,500,000,000	100.00	4,093,477,700	90.96

- (Notes) 1. The number of shares held and ratio of number of shares held to the total number of shares were as of September 10, 2015.
2. The number of shares held and ratio of number of shares held to the total number of shares after the Japanese and international initial public offerings were based on adjustments made for the Japanese and international initial public offerings and the preferential allotment (of a projected 5,920,000 shares to the JAPAN POST BANK Employees' Shareholding Association) to the number of shares held and the total number of shares, as of September 10, 2015.
3. The ratios of shares held to the total numbers of shares were rounded down to the nearest second decimal place.

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(5)Plans and Details for a Stock Consolidation Among Other Changes	No items to report
(6)Other Matters to Material Interest	No items to report

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(Reference)

1. Outline of the Initial Public Offering of Common Shares of the Bank

- |     |                                |                           |   |
|-----|--------------------------------|---------------------------|---|
| (1) | Number of Shares to Be Offered | Common shares of the Bank | 412,442,300 shares<br>(Of which, 329,953,800 shares are for public offering in Japan and 82,488,500 shares are for public offering outside of Japan.) |
|-----|--------------------------------|---------------------------|---|

The final breakdown of shares is to be determined within the range of the abovementioned total number of shares for initial public offering on the initial public offering price determination date detailed in (3) below, after consideration of the status of bidding for the shares and other factors.

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| (2) | Bidding Period (Domestic)                        | From October 8, 2015 (Thursday) to October 16, 2015 (Friday)   |
| (3) | Initial Public Offering Price Determination Date | October 19, 2015 (Monday)<br>The Bank's Board of Directors shall approve an initial public offering price on the determination date above that will be finalized after comprehensively taking into consideration the status of bidding for the provisionally priced shares, and the price fluctuation risk leading up to the listing date, among other factors. In the event that the provisional pricing is revised going forward, approval of the revisions shall be entrusted to the President & CEO of the Bank. |
| (4) | Subscription Period (Domestic)                   | From October 20, 2015 (Tuesday) to October 23, 2015 (Friday)   |
| (5) | Stock Delivery Date                              | November 4, 2015 (Wednesday)   |

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## 2. Lock-Up Period

With regard to the initial public offering of shares, the offeror, JAPAN POST HOLDINGS Co., Ltd., plans to submit a document to the joint global coordinators on October 19, 2015, promising not to transfer or dispose shares of the Bank's common stock (except for sales or transfers of the Bank's stock pursuant to the Japanese initial public offering, the international initial public offering, and the Bank's acquisition of its own shares) during the period from the date of the conclusion of the principal underwriting agreement start of sales to the 180th day after the listing day, being May 1, 2016 (counting both the start of date and May 1, 2016) (the "Lock-Up Period") without obtaining the consent of the joint global coordinators in writing beforehand.

Moreover, the Bank plans to submit a document to the joint global coordinators on October 19, 2015, promising not to issue shares of the Bank's common stock (except for stock splits, etc.) during the Lock-Up Period without obtaining the consent of the joint global coordinators in writing beforehand.

Furthermore, with regard to either of the documents above, the joint global coordinators have the right to waive some or all of the relevant restrictions or to shorten the Lock-Up Period at their discretion.

Moreover, JAPAN POST BANK Employees' Shareholding Association, the preferential allottee, plans to submit a document to the joint global coordinators and lead underwriters of the Japanese initial public offering on October 19, 2015, promising not to transfer or dispose shares of common stock or other equity in the Bank during the Lock-Up Period without obtaining consent in writing beforehand from the joint global coordinators and lead underwriters of the Japanese initial public offering.

Furthermore, with regard to the documents above, the joint global coordinators and lead underwriters of the Japanese initial public offering have the right to waive some or all of the relevant restrictions or to shorten the Lock-Up Period at their discretion.

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