

December 24, 2015

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

Notice Regarding the Introduction of a New Performance-Linked Stock Compensation System for Executive Officers

JAPAN POST BANK Co., Ltd. (the "Bank") hereby announces that at a meeting held today, the Bank's Compensation Committee passed a resolution to introduce a new performance-linked stock compensation system utilizing a trust (hereinafter the "System") as part of its compensation for its Executive Officers.

Details of the System including the timing for establishing the trust, the timing for acquiring shares, and the total amount of shares to be acquired, will be notified promptly upon determination.

1. Objectives of the System

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

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

The Bank has adopted a "company with committees" structure, and compensation of its Executive Officers and other related matters, are determined by the Compensation Committee.

2. Eligible Persons under the System

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

3. Overview of the System

The System adopts a structure called "Board Benefit Trust." Board Benefit Trust is a performance-linked stock compensation system whereby shares of the Bank are acquired from the stock market through a trust using monetary assets of the Bank as capital, and the acquired shares are granted to Executive Officers in accordance with the predetermined Stock Benefit Regulations. In principle, the shares of the Bank shall be granted to Executive Officers at the time of retirement from their post as Executive Officer of the Bank.

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