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JAPAN POST BANK

NOTICE OF CONVOCAION OF THE 11TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time	Tuesday, June 20, 2017 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
Place	Yokohama Arena 10, Shin-Yokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa, Japan (Please be advised that the location of the meeting has been changed from the previous year. Please refer to the map at the back of this notice for the location.)
For those who are unable to attend the meeting	
Voting Deadline	Monday, June 19, 2017 at 5:15 p.m. Japan time

(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 4-6.

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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.

To Our Shareholders

I would like to express my sincere gratitude for your continued support.

Under the "Super Regional & Super Global" business model that we have set forth, Japan Post Bank aim to be "the most accessible and trustworthy bank in Japan" providing customers with the highest level of service through our nationwide network consists mainly of approximately 24,000 post offices. In addition, we aim to maintain stable profits by promoting sophistication and diversification of investment through appropriate risk management as "one of the largest institutional investors in Japan".

Although a harsh management environment driven by a low interest rate environment and other factors is expected to persist, in this final year of the Medium-term Management Plan, we will work as one toward the full achievement of our targets.

Going forward, Japan Post Bank, as well as Japan Post Group will work together as one to enhance its corporate value. We ask for the continued understanding and support of all our shareholders.

Norito Ikeda
Director, President and Representative Executive Officer
JAPAN POST BANK Co., Ltd.

May 31, 2017

Dear Shareholders:

Norito Ikeda
Director, President and
Representative Executive
Officer
JAPAN POST BANK Co., Ltd.
Location of Headquarters:
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 11TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 11th 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 19, 2017 (Japan time) in accordance with the "Guidance on the Exercise of Voting Rights".

- 1. Date and Time:** Tuesday, June 20, 2017 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
- 2. Place:** Yokohama Arena
10, Shin-Yokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa, Japan
(Please be advised that the venue has been changed from Saitama Super Arena in Saitama-shi, Saitama, at which the 10th Ordinary General Meeting Shareholders was held, due to its unavailability this year on appropriate date. In order to accommodate as many shareholders as possible, we have decided to hold the meeting at the above venue for this year. 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 11th fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)
 - Matters to be resolved:**
 - Proposal :** Election of Thirteen (13) 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 20, 2017 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)

Place Yokohama Arena

10, Shin-Yokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa, Japan
(The venue has been changed from the previous year.)

For those unable to attend the Ordinary General Meeting of Shareholders



Exercise of voting rights by mail

Voting Deadline Votes shall arrive no later than Monday, June 19, 2017 at 5:15 p.m. Japan time

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 above voting deadline.

How to fill out your Voting Rights Exercise Form

Please indicate your approval or disapproval of the proposal inside this box.

Proposal

In case you approve all the candidates	→	Please circle the “approval” “賛” column
In case you disapprove all the candidates	→	Please circle the “disapproval” “否” column
In case you disapprove certain candidates	→	Please circle the “approval” “賛” column and fill in the candidate number(s) of the candidate(s) you disapprove

If there is no indication of approval or disapproval for the proposal, it will be deemed as an indication of approval.



Exercise of voting rights via the Internet

Voting Deadline No later than Monday, June 19, 2017 at 5:15 p.m. Japan time

Please access the **voting website** (<http://www.web54.net>), follow the on-screen guidance and indicate your approval or disapproval for the proposal by no later than the voting deadline. Please refer to the next page for details.

Exercise of voting rights via the Internet



Access procedures 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 the proposal.



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

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

Voting Website

<http://www.web54.net>

1

Access the voting website




Click “Next.” 

2

Login



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

3

Follow the on-screen guidance 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.

Inquiries regarding
voting via the Internet

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

 **0120-652-031** (toll free in Japan)
(Open from 9:00 a.m. to 9:00 p.m.)

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.

Regarding Dividends

At the meeting of the Board of Directors held on May 15, 2017, we have resolved as follows.

1 Annual dividends
¥25.00 per share

2 Effective date (Payment start date)
June 21, 2017

Our general policy is to declare both interim dividends and annual dividends from our retained earnings.

At the meeting of the Board of Directors held on May 15, 2017, we have resolved to pay an annual dividend of ¥25.00 per share with an effective date (payment start date) of June 21, 2017.

Together with an interim dividend of ¥25.00 per share that has been paid out, the total dividends per share for the fiscal year ended March 31, 2017 is ¥50.00 per share.

“Annual Dividend Receipt” (“Dividend Calculation Sheet” and “Payment of Dividends via Bank Transfer” for shareholders who have requested dividend payment via bank transfer) will be enclosed and delivered with Notice of Resolution of the 11th Ordinary General Meeting of Shareholders to be held on June 20, 2017.

Description of main procedures, queries and other matters

- Procedures for designating the method of receiving dividend payments
- Procedures for change of address, name and other details
- Procedures for requesting the buyback or additional purchase of shares constituting less than a full unit
- Inheritance procedures

Contact


Securities companies and other entities where
brokerage accounts are opened

Description of main procedures, queries and other matters

- Queries about dividends after the payment period has passed
- Queries about the shipping and return of shipment
- Procedures for the issuance of various certifications
- General inquiries about other stock handling matters

Contact

2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Stock Transfer Agency Business Planning Department,
Sumitomo Mitsui Trust Bank, Limited
+81-3-3323-7111 (in English)

 **0120-581-841** (toll free in Japan)
(Open weekdays except holidays from 9:00 a.m. to 5:00 p.m.)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal: Election of Thirteen (13) 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 thirteen (13) 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	
1	Re-elected	Norito Ikeda	Director, President and Representative Executive Officer	
2	Re-elected	Susumu Tanaka	Director and Representative Executive Vice President	
3	Re-elected	Katsunori Sago	Director and Representative Executive Vice President	
4	Re-elected	Masatsugu Nagato	Director Chairman of the Nomination Committee Member of the Compensation Committee	
5	Newly elected	Ryoichi Nakazato	Executive Vice President	
6	Re-elected	Tomoyoshi Arita	Director Chairman of the Audit Committee Member of the Nomination Committee	Outside Director Independent
7	Re-elected	Sawako Nohara	Director Member of the Audit Committee	Outside Director Independent
8	Re-elected	Tetsu Machida	Director Member of the Audit Committee	Outside Director Independent
9	Re-elected	Nobuko Akashi	Director	Outside Director Independent
10	Re-elected	Toshihiro Tsuboi	Director Full-time Member of the Audit Committee	Outside Director
11	Re-elected	Katsuaki Ikeda	Director Member of the Audit Committee Member of the Compensation Committee	Outside Director Independent
12	Re-elected	Tsuyoshi Okamoto	Director Chairman of the Compensation Committee Member of the Nomination Committee	Outside Director Independent
13	Newly elected	Hirofumi Nomoto		Outside Director Independent

Outside Director: Outside Director candidate; Independent: Independent Director candidate

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
1	<p>Norito Ikeda (Dec. 9, 1947)</p> <p>Re-elected</p> <p>Director, President and Representative Executive Officer</p> <p>Number of years in office as Director 1 year</p> <p>Status of attendance at the meetings of: Board of Directors 100% (10/10 meetings)</p>	<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, General 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 Yokohama Capital Co., Ltd.</p> <p>Dec. 2003 President and Representative Director of The Ashikaga Bank, Ltd.</p> <p>Jun. 2004 President and Chief Executive Officer(CEO) of The Ashikaga Bank, Ltd.</p> <p>Sept. 2008 Special Advisor of A.T. Kearney K.K.</p> <p>Feb. 2012 President & CEO of The Corporation of Revitalizing Earthquake affected Business</p> <p>Apr. 2016 President and Representative Executive Officer of JAPAN POST BANK Co., Ltd.</p> <p>Jun. 2016 Director, President and Representative Executive Officer of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: Director of JAPAN POST HOLDINGS Co., Ltd. Outside Director of 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 has been responsible for the management of Japan Post Bank as President and Representative Executive Officer, and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</p>	1,500 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>Number of years in office as Director 4 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 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> Mr. Susumu Tanaka successively held various important posts at our Corporate Administration Division and others, and has been responsible for the management of Japan Post Bank as Representative Executive Vice President, and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</p>	1,900 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
3	<p>Katsunori Sago (Nov. 1, 1967)</p> <p>Re-elected</p> <p>Director and Representative Executive Vice President (Matters concerning operations of Investment Division)</p> <p>Number of years in office as Director 1 year</p> <p>Status of attendance at the meetings of: Board of Directors 90% (9/10 meetings)</p>	<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 Japan</p> <p>Oct. 2006 Goldman Sachs Japan Co., Ltd (business transfer) Co-head of Pan-Asia Equity Products Group, Equities Division of Goldman Sachs Head in charge of Asian Exotic Trading and Credit Trading, Fixed Income Currency and Commodities Division of Goldman Sachs Japan Co., Ltd.</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 Japan Co., Ltd.</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.</p> <p>Jun. 2016 Director and 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 of the board and Deputy President of Goldman Sachs Japan Co., Ltd, and has been responsible for the management of Japan Post Bank as Representative Executive Vice President, and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</p>	5,200 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</p> <p>Member of the Compensation Committee</p> <p>Number of years in office as Director 2 years 1 month</p> <p>Status of attendance at the meetings of: Board of Directors 91% (11/12 meetings)</p> <p>Nomination Committee 100% (2/2 meetings)</p> <p>Compensation Committee 100% (4/4 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>Jun. 2016 Director of JAPAN POST INSURANCE Co., Ltd. (current position)</p> <p>Significant concurrent positions: Director and Representative Executive Officer, President & CEO of JAPAN POST HOLDINGS Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST INSURANCE 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 overall Japan Post Group as Director and Representative Executive Officer, President & 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 enhancing the decision making function and supervision function of the Board of Directors.</p>	1,500 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
5	<p>Ryoichi Nakazato (Aug. 19, 1954)</p> <p>Newly elected</p> <p>Executive Vice President (Matters concerning operations of System Division)</p> <p>Number of years in office as Director -</p> <p>Status of attendance at the meetings of: Board of Directors -</p>	<p>Apr. 1977 Joined Hitachi, Ltd.</p> <p>Feb. 1997 General Manager, Financial Information Systems 1st Division, Financial Information Systems Department, Information System Unit of Hitachi, Ltd.</p> <p>Apr. 2003 General Manager, Financial Information Business 1st Division, Information and Telecommunication Business Group of Hitachi, Ltd.</p> <p>Apr. 2008 General Manager, Financial Information Systems Business Division, Information and Telecommunication Business Group of Hitachi, Ltd.</p> <p>Oct. 2009 General Manager, Financial Information Systems Business Division, Information and Telecommunication Business Group, Information and Telecommunication Systems Telecompany of Hitachi, Ltd.</p> <p>Apr. 2010 Director, Executive Officer, Information and Telecommunication Systems Company and COO, Systems Solutions Unit of Hitachi, Ltd.</p> <p>Apr. 2012 Director, Executive Officer, Head of Engineering and CIO, Information and Telecommunication Systems Company, Information and Communication Systems Group of Hitachi, Ltd.</p> <p>Apr. 2013 Senior Vice President and Executive Officer of Hitachi Solutions, Ltd.</p> <p>Apr. 2014 Director, Executive Vice President and Executive Officer of Hitachi Solutions, Ltd.</p> <p>Apr. 2016 Executive Vice President of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: Director of JAPAN POST INFORMATION TECHNOLOGY Co., Ltd.</p> <p><u>Reasons for the election as candidate for Director</u> Mr. Ryoichi Nakazato successively held various posts including Director, Executive Vice President and Executive Officer of Hitachi Solutions, Ltd., and has experience in the management of Japan Post Bank as Executive Vice President, and as such Japan Post Bank expects that, with his abundant experience and achievements, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</p>	300 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
6	<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>Number of years in office as Director 7 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Nomination Committee 100% (2/2 meetings) Audit Committee 100% (14/14 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. Outside Director of Fukuyama Transporting Co., 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 fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience 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>	2,800 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>Number of years in office as Director 3 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Audit Committee 100% (14/14 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 Holdings, Inc.) (current position)</p> <p>Jun. 2014 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>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 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 that, with her abundant experience and insights, she will sufficiently fulfill her role in enhancing the decision making function and supervision function of the Board of Directors.</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>Number of years in office as Director 3 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Audit Committee 100% (14/14 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></p> <p>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. As such Japan Post Bank expects that with his abundant experience and insights, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</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>	1,300 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
9	<p>Nobuko Akashi (Apr. 24, 1956)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director</p> <p>Number of years in office as Director 2 years</p> <p>Status of attendance at the meetings of: Board of Directors 91% (11/12 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</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. As such Japan Post Bank expects that with her abundant experience and insights, she will sufficiently fulfill her role in enhancing the decision making function and supervision function of the Board of Directors.</p>	200 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, Full-time Member of the Audit Committee</p> <p>Number of years in office as Director 2 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Audit Committee 100% (14/14 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 fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights as a specialist of managing Japan Post Group gained through his career.</p>	1,400 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>Number of years in office as Director 1 year 10 months</p> <p>Status of attendance at the meetings of: Board of Directors 91% (11/12 meetings) Audit Committee 92% (13/14 meetings) Compensation Committee 100% (4/4 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. As such Japan Post Bank expects that with his abundant experience and insights, he will sufficiently fulfill his role in enhancing the decision making function and supervision function of the Board of Directors.</p>	500 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of Japan Post Bank held
12	<p>Tsuyoshi Okamoto (Sept. 23, 1947)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Chairman of the Compensation Committee, Member of the Nomination Committee</p> <p>Number of years in office as Director 1 year</p> <p>Status of attendance at the meetings of: Board of Directors 100% (10/10 meetings) Nomination Committee 100% (1/1 meetings) Compensation Committee 100% (2/2 meetings)</p>	<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>Jun. 2016 Director of JAPAN POST BANK 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 fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights as a specialist of corporate management gained through his career.</p>		600 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
13	Hirofumi Nomoto (Sept. 27, 1947) Newly elected Outside Director Independent Director Number of years in office as Director - Status of attendance at the meetings of: Board of Directors -	<p>Apr. 1971 Joined Tokyu Corporation</p> <p>Jun. 2007 Director of Tokyu Corporation</p> <p>Jan. 2008 Managing Executive Director of Tokyu Corporation</p> <p>Jun. 2008 Senior Managing Executive Director of Tokyu Corporation</p> <p>Jun. 2010 Representative Director and Senior Managing Executive Director of Tokyu Corporation</p> <p>Apr. 2011 President & Representative Director of Tokyu Corporation (current position)</p> <p>Jun. 2015 President of Tokyu Corporation (current position)</p> <p>Significant concurrent positions: President & Representative Director of Tokyu Corporation Director of Tokyu Fudosan Holdings Corporation Director of TOKYU RECREATION CO., LTD. Outside Director of TOEI COMPANY, LTD. Outside Director of TOBU RAILWAY CO., LTD.</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Hirofumi Nomoto has been involved in corporate management of a publicly traded company for a long time, and Japan Post Bank expects him to fulfill his role in enhancing the decision making function and supervision function of the Board of Directors as an Outside Director, based on his abundant experience and insights as a specialist of corporate management gained through his career.</p>	3,500 shares

Notes:

1. JAPAN POST HOLDINGS Co., Ltd. where Mr. Masatsugu Nagato serves as Director and Representative Executive Officer, President & 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, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, Mr. Toshihiro Tsuboi, Mr. Katsuaki Ikeda, Mr. Tsuyoshi Okamoto and Mr. Hirofumi Nomoto 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, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, Mr. Katsuaki Ikeda, and Mr. Tsuyoshi Okamoto are Independent Directors which appointment is required by Tokyo Stock Exchange, Inc. for the purpose of protecting general shareholders. In addition, Mr. Hirofumi Nomoto 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 him as Independent Director to the said Exchange.
4. The term of office of Mr. Tomoyoshi Arita as Outside Director of Japan Post Bank will be seven (7) years, those for Ms. Sawako Nohara and Mr. Tetsu Machida will be three (3) years, those for Ms. Nobuko Akashi and Mr. Toshihiro Tsuboi will be two (2) years, that for Mr. Katsuaki Ikeda will be one (1) year and ten (10) months, and that for Mr. Tsuyoshi Okamoto will be 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, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, Mr. Toshihiro Tsuboi, Mr. Katsuaki Ikeda and Mr. Tsuyoshi Okamoto 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 the election of Mr. Ryoichi Nakazato and Mr. Hirofumi Nomoto is approved, Japan Post Bank will enter into a similar liability limitation agreement with them.

Criteria for Nomination of Director Candidates

Article 1 (Purpose)

These criteria prescribe criteria when nominating candidates for the position of director in the Nomination Committee.

Article 2 (Size and composition of director candidates)

- 1 The Nomination Committee shall nominate diverse director candidates with differing expert knowledge and experience while considering the balance of the Board of Directors as a whole.
- 2 The number of director candidates shall be an appropriate number of persons not exceeding 20, as prescribed by the Articles of Incorporation, and in principle at least one third shall comprise independent outside director candidates. In addition, at least one person with expertise regarding finance and accounting shall be included.

Article 3 (Criteria for nomination of internal director candidates)

The Nomination Committee shall nominate persons that satisfy the following conditions as internal director candidates of the Bank.

- (1) Having expert knowledge regarding the Bank's business operations
- (2) Having excellent management judgment and management execution capability
- (3) Having excellent leadership ability, decision-making ability, foresight and planning capability
- (4) Having character and insight that is suitable as a director
- (5) Having no health impairment in executing duties as a director

Article 4 (Criteria for nomination of external director candidates)

The Nomination Committee shall nominate persons that satisfy the following conditions as outside director candidates of the Bank.

- (1) Having expertise in specialist areas such as management, finance, accounting, law, government administration, and social and cultural affairs and have made suitable achievements in these specialist areas
- (2) Having character and insight that is suitable as a director
- (3) Having no health or business-related impairment in executing duties as an outside director

Article 5 (Grounds for disqualification)

The Nomination Committee shall not nominate persons that fall under the following conditions as director candidates.

- (1) Persons who fall under the grounds for disqualification prescribed in Article 331, Paragraph 1 of the Companies Act
- (2) A person who has been adjudicated as bankrupt and whose rights have not yet been restored or a person who is treated in the same manner under the laws and regulations of a foreign state

Article 6 (Revision or abolition)

Any revision or abolition of these criteria shall be by a resolution of the Nomination Committee.

[Reference] [JAPAN POST BANK Co., Ltd.. Independent Director Appointment Standards]

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.

2) Financial and economic environment

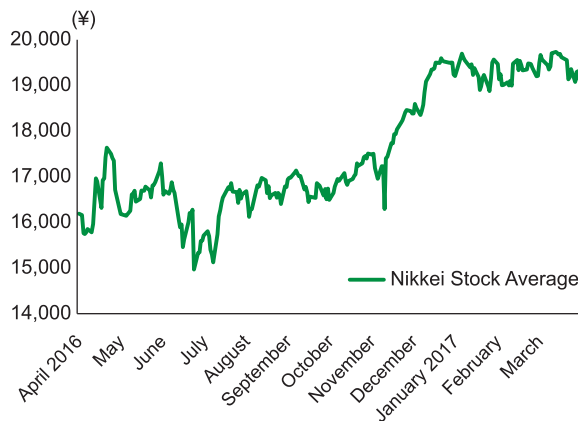
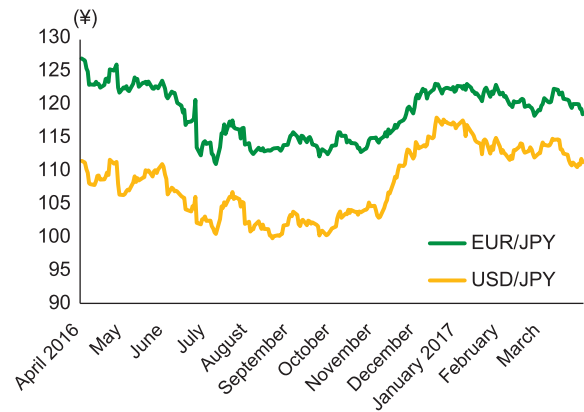
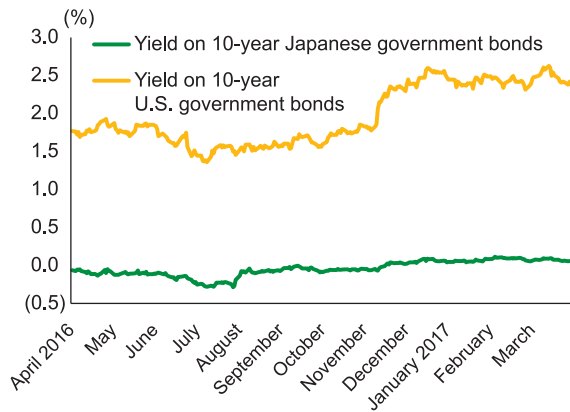
Looking back on the economic situation for the fiscal year ended March 31, 2017, the global economy showed a growing trend toward recovery from the second half of the fiscal year, despite risks of a downswing due to uncertain factors. Overseas, there was a lull in the slowdown in emerging economies including China amid the continuing moderate growth in advanced countries mainly in Europe and the U.S. The Japanese economy continued to grow modestly, recording positive growth for four consecutive quarters starting from the first quarter of 2016.

Yield on 10-year Japanese government bonds fell into the negative 0.2% range, due to risk adverse trends following the decision by the UK to leave the EU in June. However, the yield returned to levels slightly below 0%, in response to the Bank of Japan's postponement of deeper negative interest rates in July and the introduction of Quantitative and Qualitative Monetary Easing with Yield Curve Control in September. The yield later moved into positive territory, remaining just under 0.1%, resulting from the rapid rise in the U.S. interest rates after the U.S. presidential election in November.

Meanwhile, yield on 10-year U.S. government bonds had been around 1.8% at the beginning of the fiscal year, but temporarily declined to levels below 1.4% in July, as a result of receding expectations regarding an early interest rate hike and the UK's decision to leave the EU. The yield later temporarily rose to the 2.6% range in anticipation of the policies of the new administration following the results of the presidential election in November, and remained mostly around 2.5% afterward.

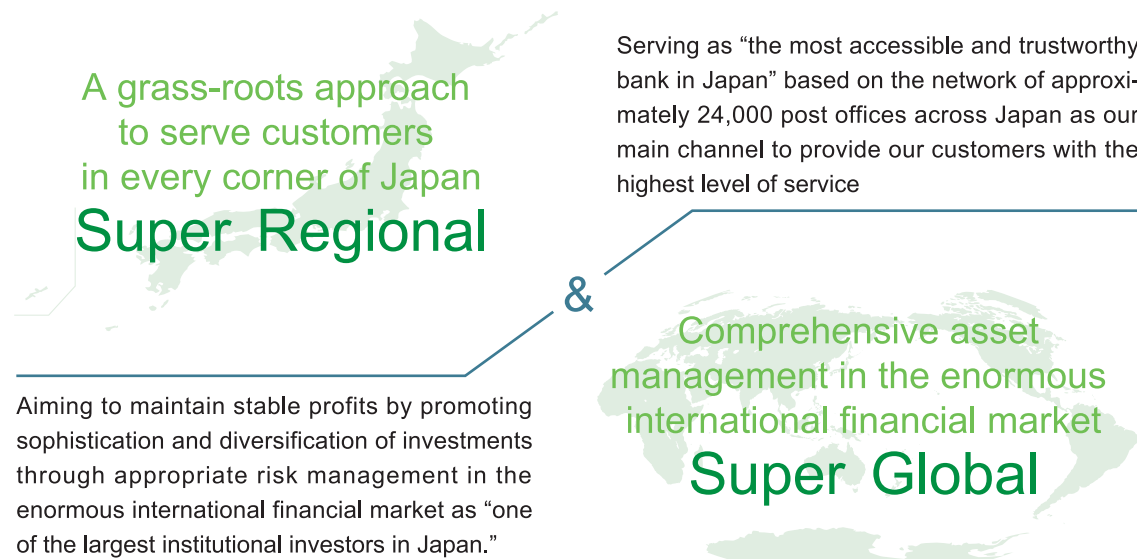
In the foreign exchange market, the yen was strong at the beginning of the fiscal year, and appreciated temporarily in June to the range of ¥99 against the U.S. dollar and ¥109 against the Euro. However, the yen began to weaken due to an expanded interest rate gap between Japan and overseas resulting from the rapid rise in the U.S. interest rates after the U.S. presidential election in November and the yen depreciated rapidly, temporarily reaching the range of ¥118 against the U.S. dollar and ¥124 against the Euro. Subsequently, the U.S. president's comment about curbing the strong dollar led to a pause in the decline of the yen, which remained around ¥112 to ¥114 against the dollar and ¥120 against the Euro since the beginning of the year.

The Nikkei Stock Average fell below ¥15,000 temporarily in June, but rose to the mid-¥19,000 range at one point in December, reflecting a positive response to the increase in ETF purchasing announced by the Bank of Japan in July, expectations of growth in the U.S. economy after the U.S. presidential election and the weakened yen. The index remained mostly in the ¥19,000 range afterward, despite occasional dips below ¥19,000.



3) Business progress and results

Japan Post Bank is pursuing the following two points under the “Super Regional & Super Global” business model that we have set forth.



- Results for the fiscal year ended March 31, 2017

Net ordinary income	Net income	Dividends per share
¥442.0 billion	¥312.2 billion	¥50.00
(Achievement rate of 105.2% against the forecast)	(Achievement rate of 104.0% against the forecast)	(Annual dividends of ¥25.00)

[Results of Operations]

Net interest income declined mainly due to a decrease in interest on Japanese government bonds, despite the increase in interest on foreign securities as a result of expanding investments in foreign securities in the adverse business environment with yen interest rates remained at a low level. However, net other operating income increased due to an increase in gains (losses) on foreign exchanges, etc.

Net income equated to 104.0% of the earnings forecasts of ¥300.0 billion. The dividend payout ratio is 60.0%, exceeding the target of 50%.

(Billions of yen)

	FY17/3	FY16/3	Increase (decrease)
Gross operating profit	1,410.2	1,452.0	(41.8)
Net interest income	1,223.5	1,361.0	(137.5)
Net fees and commissions	86.6	91.1	(4.5)
Net other operating income (loss)	100.0	(0.1)	100.2
General and administrative expenses (excluding non-recurring losses)	1,056.1	1,066.1	(10.0)
Provision for general reserve for possible loan losses	(0.0)	—	(0.0)
Net operating profit	354.0	385.8	(31.7)
Non-recurring gains (losses)	87.9	96.1	(8.1)
Net ordinary income	442.0	481.9	(39.9)
Net income	312.2	325.0	(12.8)
Net income to assets (ROA)	0.14%	0.15%	(0.00)%
Net income to equity (ROE)	2.68%	2.80%	(0.12)%
Overhead ratio (OHR)	74.89%	73.42%	1.46 %

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

[Financial Condition]

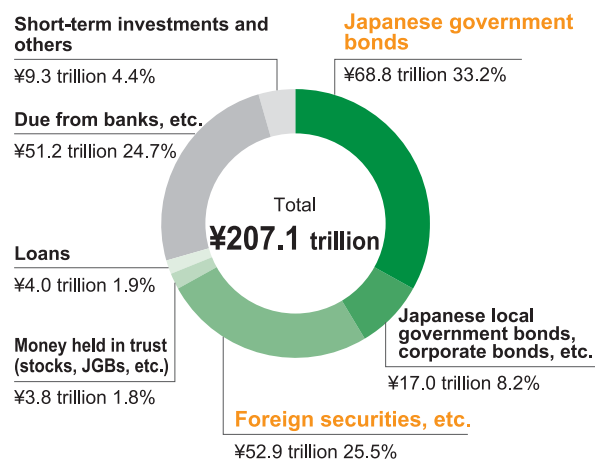
Financial condition is shown in the chart below.

(Billions of yen)

	End of FY17/3	End of FY16/3	Increase (decrease)
Assets	209,568.8	207,056.0	2,512.7
Japanese government bonds	68,804.9	82,255.6	(13,450.6)
Foreign securities, etc.	52,917.0	45,395.5	7,521.4
Liabilities	197,788.7	195,547.8	2,240.8
Deposits	179,434.6	177,871.9	1,562.6
Net assets	11,780.0	11,508.1	271.8
Shareholders' equity	8,729.6	8,605.2	124.3
Valuation and translation adjustments	3,050.4	2,902.8	147.5

[Asset Management Status]

While the balance of Japanese government bonds decreased due to persistent low yen interest rates, the balance of foreign securities, etc., increased as a result of promoting diversified investments in foreign assets.



- *1 "Japanese local government bonds, corporate bonds, etc." consists of Japanese local government bonds, commercial paper, Japanese corporate bonds and Japanese stocks.
- *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.

Japanese government bonds



Foreign securities, etc.



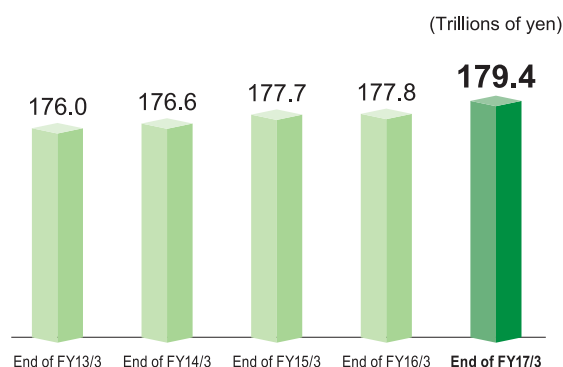
Unrealized gains (losses) on available-for-sale securities*



* Gains (losses) are stated taking hedges into consideration (before tax effect).

[Trend of Deposit Balance]

With respect to major interest-bearing liabilities, we maintained a stable balance of deposits.



Liquid



Fixed-term



[Trend of Capital Adequacy Ratio]

Compared to March 31, 2016, the capital adequacy ratio (non-consolidated, domestic standard) declined 4.16 percentage points to 22.22% due to sophistication and diversification of investments. Nevertheless, the ratio maintained a higher level than the minimum requirement of 4% based on capital adequacy standards.

[Credit Ratings]

In May 2016, we obtained our credit ratings from the rating agencies below, which represent a fair assessment on our creditworthiness, and enable us to win the trust of our customers, shareholders, business partners, etc., as well as to gain access to the global capital market.

(As of March 31, 2017)		
Rating agency	Long-term rating	Short-term rating
Moody's	A1	P-1
Standard & Poor's	A+	A-1

During the fiscal year ended March 31, 2017, the second 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, Japan Post Bank worked to realize its vision by “securing the customer base and strengthening our fee businesses,” “promoting sophisticated and diversified investments by enhancing assets in the satellite portfolio,” and “enhancing internal control system and strengthening the business foundation.”

Japan Post Bank Medium-term Management Plan (FY2016/3-2018/3)

Vision

■ 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

■ One of the largest institutional investors in Japan, making efforts to sophisticate and diversify investments through appropriate risk management for maintain stable profits

Specific Strategies

1. Promote retail services that contribute to the livelihoods and asset development of a customer base on the scale of 100 million people
 - 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

2. Promote global asset allocation for excess return under stable funding structure

3. Under the rigorous policy “Compliance First,” develop a strong management systems that is appropriate for a listed company

- Securing the customer base and strengthening our fee businesses

In cooperation with JAPAN POST Co., Ltd. (“Japan Post Co.”), Japan Post Bank has worked to expand “assets under management” by deepening our stable and sustainable relationships with customers. Specifically, we have focused on enhancing our retail marketing capabilities by fostering financial consultants and increasing their number to aim for 1,200. In addition, we committed to encourage customers to use Japan Post Bank as their main bank such as proposing deposit accounts for payroll and pension payment.

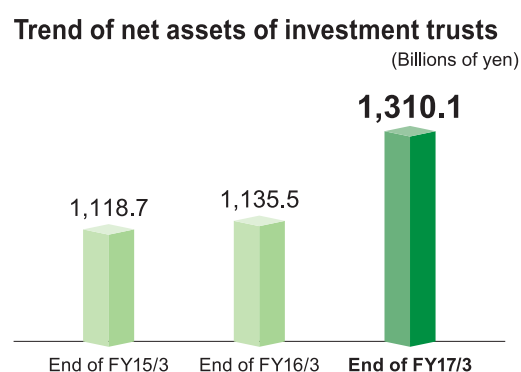
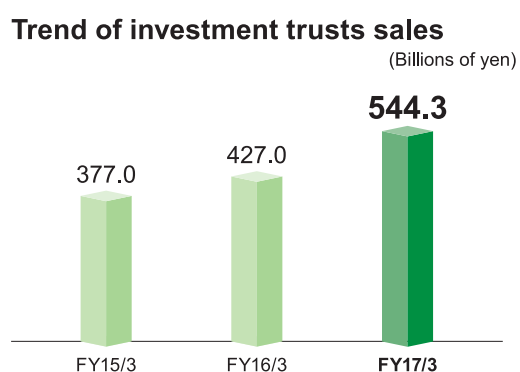
For the fiscal year ended March 31, 2017, in which a much higher than usual number of customers had their TEIGAKU deposits reach maturity, we promoted continuous usage of Japan Post Bank products and related products, by sending out notices of maturation and information from local post offices.

The Postal Service Privatization Act, as a general rule, restricts the amount of deposits which the Japan Post Bank may accept from a single depositor, except for transfer deposits, which are deposits for settlement purposes. In April 2016, however, the limits on the total amount of ordinary deposits, TEIGAKU deposits, time deposits, etc. were raised from ¥10 million to ¥13 million.

With regard to the fee businesses, we worked on areas such as expanding sales of asset management products and bolstering the ATM business.

In sales of asset management products, in order to expand the customer base, we focused on measures including carrying out various campaigns and offering detailed introduction through our financial consultants. We also promoted the use of the Nippon Individual Savings Account (NISA), the tax exemption program to promote smaller investments, and the tax exemption program to promote smaller investments for minors (Junior NISA). In addition, we expanded our lineup of products including investment trusts to serve the diversifying asset management needs of our customers.

[Sales of Investment Trusts and Outstanding Net Assets]



Explanatory materials on investment trusts that are understandable without any difficulty even for investment beginners

Various pamphlets
("Masu-masu Wakaru book")



We strategically placed ATMs in highly convenient locations such as train stations and shopping centers. In addition, we introduced compact ATMs that are equipped to handle 16 languages among other features from January 2017, and are expanding installation at FamilyMart convenience stores, which are located nationwide.

Compact ATM



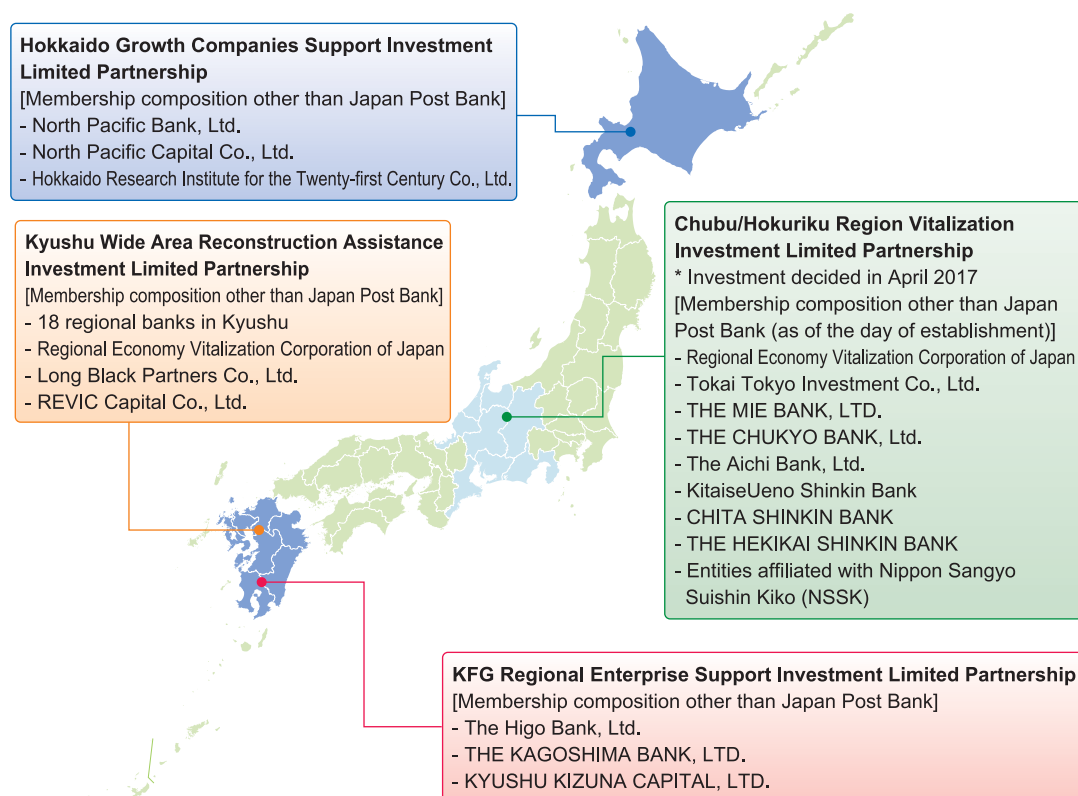
[16 languages available]

Japanese, English, Chinese (simplified),
Chinese (traditional), Korean, Thai,
Malaysian, Filipino, Indonesian,
Vietnamese, French, German, Portuguese,
Spanish, Russian, Arabic

- Contribution to regional economic revitalization

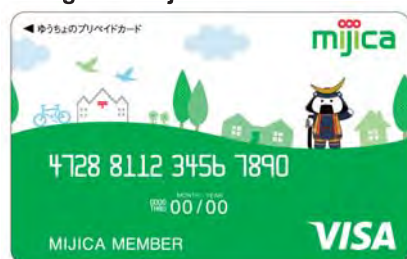
In July 2016, as an effort to circulate precious customer funds coming from every corner of Japan into various regions in order to promote economic revitalization in such regions, Japan Post Bank decided to participate in the “Kyushu Wide Area Reconstruction Assistance Investment Limited Partnership,” aimed at the restoration and reconstruction after the Kumamoto Earthquake in collaboration with regional financial institutions. Further, in November 2016, Japan Post Bank decided to participate in regional economic revitalization funds in the Hokkaido and Kyushu regions.

[Status of Investment in Regional Economic Revitalization Funds]

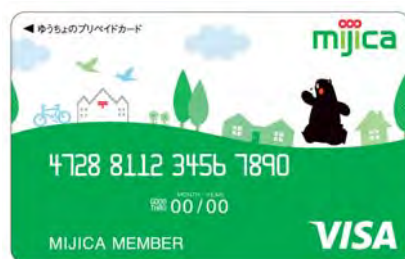


In cooperation with Japan Post Co., in January 2017, Japan Post Bank began issuing “mijica,” a prepaid Visa card offering instant membership with no fees, in Sendai and Kumamoto. We are testing reward point programs and other services with the participation of central shopping areas and retail stores in the area.

Design of “mijica” card

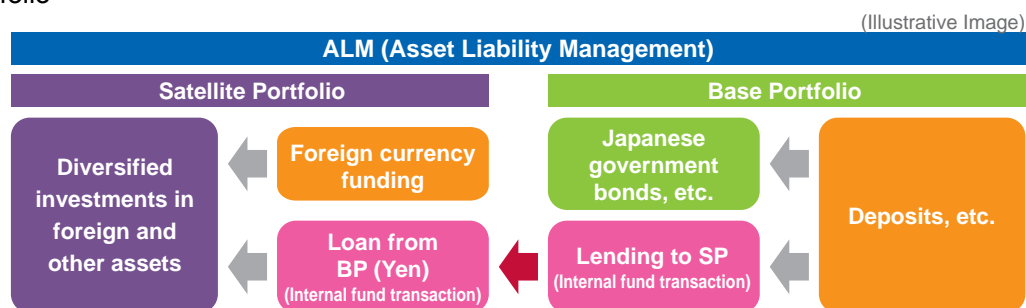


[Sendai City version]



[Kumamoto City version]

- Promoting sophisticated and diversified investments by enhancing assets in the satellite portfolio



- *1. Japan Post Bank has constructed a base portfolio and a satellite portfolio as a framework for asset liability management (ALM).
- *2. The base portfolio is a portfolio that seeks to secure stable income by mainly taking interest rate risks by investing mostly in Japanese government bonds.
- *3. The satellite portfolio is a portfolio that aims to accumulate profits including in the form of capital gains from purchase and sales of bonds and other assets, primarily by taking credit and market risks through diversified investments in foreign and other assets. The satellite portfolio is primarily financed through a loan from the base portfolio.

Under the asset liability management (ALM) framework, we continued our efforts to promote sophisticated and diversified investments and rebalancing of portfolios according to the market environment, based on the two pillars of a base portfolio and a satellite portfolio. Specifically, while responding to the decline in profits of the base portfolio affected by persistent low yen interest rates, we expanded investments in foreign securities mainly in investment grade bonds in the satellite portfolio. In addition, we diversified foreign currency funding methods by issuing commercial paper denominated in foreign currencies.

Furthermore, we began investing in alternative assets such as private equity, which invests in unlisted companies that have growth potential, as well as real estate funds and hedge funds. We will aim to enhance long-term profits by exploring new investment frontiers.

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

Meanwhile, in risk management, we enhanced monitoring functions and established a risk management system for alternative investments in response to the sophistication and diversification of investments. We also enhanced foreign currency liquidity risk management in line with the increase in foreign currency assets and liabilities.

[Reference Overview of portfolios]			(Billions of yen)
	End of FY17/3	End of FY16/3	Increase (decrease)
Base Portfolio			
Short-term assets	54,646.0	47,708.0	6,937.9
Japanese government bonds and government guaranteed bonds	73,314.5	87,266.3	(13,951.7)
Loans ^{*1}	1,137.5	1,414.3	(276.7)
Total	129,098.1	136,388.7	(7,290.5)
Satellite Portfolio			
Japanese local government bonds	6,082.2	5,856.5	225.7
Japanese corporate bonds, etc.	7,719.1	6,848.1	870.9
Foreign securities ^{*3}	52,374.8	45,446.3	6,928.4
Loans ^{*2}	1,069.5	1,127.7	(58.2)
Money held in trust (stocks), etc.	2,599.6	2,284.9	314.7
Alternative assets ^{*4}	607.3	—	607.3
Total	70,452.6	61,563.6	8,888.9

^{*1} Loans in the 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.

^{*4} Alternative assets are private equity, real estate funds and hedge funds.

- Enhancing internal control system and strengthening the business foundation

Based on our firm conviction that “companies cannot survive without compliance,” and recognizing enhancement of the internal control system as one of our important management tasks, we worked on measures such as promoting greater awareness of compliance issues through various forms of training and strengthening our customer protection structure and other control systems in sales of asset management products.

Furthermore, as an effort to enhance corporate governance, we worked to further improve the effectiveness of the Board of Directors through measures such as conducting an analysis and evaluation of the effectiveness of the Board of Directors.

In other efforts, we improved our IR activities and IR system, promoted diversity (utilization of diverse human resources), promoted BPR (Business Process Re-engineering) to improve productivity, and pursued expense efficiency. In particular, with regard to diversity, we have set up a Diversity and Inclusion Department in July 2016, and promoted efforts such as activities by the Diversity Committee headed by the President and Representative Executive Officer with an emphasis on initiatives to promote active participation by women and holding a Diversity Forum for the purpose of raising company-wide awareness.



IR activities (Briefing session for individual investors)



Diversity Forum

- “Filing for Regulatory Approval of New Services”

Based on the three pillars to “Provide high-quality financial services focused on customers,” “Facilitate fund circulation in communities,” and “Promote increasingly sophisticated and diversified investments,” and in the interest of further enhancing the corporate value of the Japan Post Bank, we applied to the Commissioner of the Financial Services Agency and the Minister of Internal Affairs and Communications on March 31, 2017, for regulatory approval of new services, pursuant to the provisions of Article 110, Paragraph 1 of the Postal Service Privatization Act.

Details of Application for Approval of New Services

I. Account Overdraft Service

Application for approval related to services to provide automatic overdraft of the insufficient amount in cases such as an automatic transfer payment exceeding the account balance, as part of our settlement services

II. Operations Related to Cooperation with Regional Financial Institutions, Etc.

Application for approval regarding services incidental to the operations Japan Post Bank is able to carry out under the Postal Service Privatization Act, such as sharing administrative work with regional financial institutions

III. Market Investment-Related Business

Comprehensive application for approval concerning market investment-related business such as CDS (credit default swaps) in order to promote the sophistication and diversification of investments

* We withdrew the filing for regulatory approval concerning loans for individuals, etc., made on September 3, 2012.

4) Issues to be addressed

Japan Post Bank has generated stable profits with stable funding supported by our retail marketing capabilities with the post office network as our main channel, our solid capital base, and our ALM and investment strategy that leverage those special features. Amid an adverse business environment, the entire company will continue to 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 continuing low level of yen interest rates, we will focus on strengthening our fee businesses, increasing earnings from the satellite portfolio, and expense efficiency, in order to ensure stable profits.

- Securing the customer base and strengthening our fee businesses

In order to support customers in building diversified assets, we will further strengthen our retail marketing capabilities by fostering and increasing the number of financial consultants. In addition, we will strive to establish and reinforce business operations that focus on customers (fiduciary duty), and introduce asset management products such as investment trusts and variable annuity insurance according to the asset management needs and investment experience of our customers.

For customers with little investment experience, we will commit to broaden our customer base by introducing products that are simple and easy to understand and balanced products that invest in a range of asset classes, and by taking advantage of systems such as NISA and Junior NISA. On the other hand, for customers with substantial investment experience, we will encourage further use by introducing products with varying risk profiles.

In order to gain a broad understanding of the asset management needs of customers, we will strengthen our sales system by making further use of the post office network and supporting human resources development.

In addition, we will continue to promote strategic placement of ATMs and installation of compact ATMs at FamilyMart convenience stores, which are located nationwide, while improving customer convenience by promoting expansion of remittance and settlement services.

As in the fiscal year ended March 31, 2017, we will work to offer products and services that serve the needs of the many customers who have TEIGAKU deposits approaching maturity so that they will continue to use the Japan Post Bank.

- Contribution to regional economic revitalization

Going forward, we will increase our investment in regional economic revitalization funds in cooperation with regional financial institutions. By making a financial return from the Japan Post Bank to the regions through such funds, we will contribute to the revitalization of regional economies. Moreover, we will continue to reinforce our system by accumulating knowledge and fostering skilled personnel in connection with fund investment. Furthermore, with respect to cooperation other than these activities, we will continue to work on cultivating and collaborating on businesses as a strategy for the future.

- Promoting sophisticated and diversified investments by enhancing assets in the satellite portfolio

With regard to the base portfolio, under an extremely challenging investment environment due to prolonged low yen interest rates, we will invest flexibly according to interest rate movements and aim to generate stable earnings in the medium to long term.

In the satellite portfolio, we will strive to improve earnings by promoting alternative investments such as private equity, real estate funds, and hedge funds, all of which are new investment frontiers, in addition to the pursuit of diversification into foreign assets to date. As for existing investment areas, we will strive to make flexible investments according to market conditions, including use of derivative transactions and others. At the same time, we will continue to diversify our foreign currency funding methods, while strengthening our investment system by hiring and fostering skilled personnel.

Meanwhile, in risk management, we will develop forward-looking risk management by enhancing measures such as stress tests. We will also reinforce our risk management system in line with promotion of alternative investments, and work on other measures such as enhancement of foreign currency liquidity risk management.

- Expense efficiency

We will invest proactively in areas that will enhance customer services and contribute to our growth, while making efforts to further increase expense efficiency through measures such as reduction of default expenses and promotion of BPR.

- Enhancing internal control system and developing the business infrastructure

We will work to further strengthen the internal control system with the aim of enhancing corporate value by promoting greater awareness of compliance issues through various forms of training, and practicing business operations that focus on our customer-centric (fiduciary duty) policy, after establishing this policy.

We will also develop our business infrastructure by improving our IR activities and IR system and promoting diversity (utilization of diverse human resources), in addition to dealing with FinTech (intersection of the financial services and technology sectors), developing human resources mainly in growth areas, and pursuing work-style reforms to raise administrative efficiency and employee productivity.

In the field of CSR (Corporate Social Responsibility), we will leverage the unique features of Japan Post Bank's operations to contribute to building the foundation of society, under the key themes of "reliable service," "environment," "diversity," and "education."

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	2014	2015	2016	2017
Deposits	176,612.7	177,710.7	177,871.9	179,434.6
Fixed-term deposits	116,157.6	116,453.0	113,852.8	111,280.7
Others	60,455.0	61,257.7	64,019.1	68,153.9
Loans	3,076.3	2,783.9	2,542.0	4,064.1
Loans to individuals	209.7	207.4	200.7	189.4
Loans to small and medium-size enterprises	—	—	—	—
Others	2,866.6	2,576.5	2,341.2	3,874.7
Trading account securities	0.2	0.1	0.1	0.0
Securities	166,057.8	156,169.7	144,076.8	138,792.4
Japanese government bonds	126,391.0	106,767.0	82,255.6	68,804.9
Others	39,666.7	49,402.7	61,821.1	69,987.4
Total assets	202,512.8	208,179.3	207,056.0	209,568.8
Domestic exchange transaction volume	31,318.2	37,184.4	41,212.1	42,314.9
Foreign exchange transaction volume	(Millions of U.S. dollars) 1,263	(Millions of U.S. dollars) 1,112	(Millions of U.S. dollars) 1,223	(Millions of U.S. dollars) 1,169
Net ordinary income	(Millions of yen) 565,095	(Millions of yen) 569,489	(Millions of yen) 481,998	(Millions of yen) 442,085
Net income	(Millions of yen) 354,664	(Millions of yen) 369,434	(Millions of yen) 325,069	(Millions of yen) 312,264
Net income per share	(Yen) 2,364.43	(Yen) 89.58	(Yen) 86.69	(Yen) 83.28

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, 2017	As of March 31, 2016
Number of employees	12,965	12,905
Average age	42 years, 7 months	42 years, 5 months
Average years of service	19 years, 2 months	19 years, 1 month
Average monthly salary	¥402 thousand	¥400 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 includes years of service prior to the establishment of Japan Post Bank (before 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, 2017		As of March 31, 2016	
	Number of branches	[Number of sub branches]	Number of branches	[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 (2,972 places as of March 31, 2017).
2. In addition to the above, Japan Post Bank has two overseas representative offices as of March 31, 2017 (unchanged from the number as of March 31, 2016).
- 3 Relocation of branches and changes in address indication made during the fiscal year ended March 31, 2017 are as follows.
 - In April 2016, Hakata Sub-Branch of Kumamoto Branch was relocated to 8-1 Hakataekichuogai, Hakata-ku, Fukuoka-shi, Fukuoka from 7-19 Hakataekichuogai, Hakata-ku, Fukuoka-shi, Fukuoka.
 - In July 2016, Osaka Branch was relocated to 3-1 Umeda 1-chome, Kita-ku, Osaka-shi, Osaka from 2-4 Umeda 3-chome, Kita-ku, Osaka-shi, Osaka.
 - In October 2016, address indication of Yokohama Izumi Sub-Branch of Saitama Branch was changed to 41-1 Izumichuokita 1-chome, Izumi-ku, Yokohama-shi, Kanagawa from 4259-3 Izumi-cho, Izumi-ku, Yokohama-shi, Kanagawa.

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	30,809
------------------------------------	--------

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)	17,331
Purchase of ATMs	4,997

Note: The figures are rounded down.

(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	Invest management services, Type II Financial Instruments Business	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 (2 banks), regional banks (64 banks), second-tier regional banks (41 banks), other banks (13 banks), The Shoko Chukin Bank, Ltd. (1 bank), *shinkin* banks (265 banks), credit cooperatives (123 cooperatives), labor banks (13 banks), credit federations of agricultural cooperatives (34 cooperatives), agricultural cooperatives (655 cooperatives), credit federations of fishery cooperatives (29 cooperatives), fishery cooperatives (89 cooperatives), securities firms (13 firms), life insurance companies (9 companies), credit card companies (48 companies) and other companies (3 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.

Six 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., The Dai-ichi Frontier Life Insurance Co., Ltd., and AEGON Sony 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 an asset management company and the development of investment trust products, and jointly established an asset management company, “JP Asset Management Co., Ltd.”

(7) Business Transfer, etc.

Not applicable.

(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, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Norito Ikeda	Director	Director of JAPAN POST HOLDINGS Co., Ltd. Outside Director of FANCL CORPORATION	—
Susumu Tanaka	Director	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
Katsunori Sago	Director		—
Masatsugu Nagato	Director Member of the Nomination Committee (Chairman) Member of the Compensation Committee	Director, Representative Executive Officer, President and CEO of JAPAN POST HOLDINGS Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST INSURANCE Co., Ltd.	—
Tomoyoshi Arita	Director (Outside Director) Member of the Audit Committee (Chairman) Member of the Nomination Committee	Attorney-at-law External Statutory Auditor of WDB Holdings Co., Ltd. Outside Corporate Auditor of BROTHER INDUSTRIES, LTD. Outside Director of Fukuyama Transporting Co., Ltd.	—
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 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	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 Sampo Holdings, Inc. Outside Director of Nissha Printing Co., Ltd.	—

Directors		(As of March 31, 2017)	
Name	Position and assignment	Significant concurrent positions	Others
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 Member of the Compensation Committee		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.
Tsuyoshi Okamoto	Director (Outside Director) Member of the Compensation Committee (Chairman) Member of the Nomination Committee	Director and Chairman of the Board of TOKYO GAS CO., LTD.	—

Notes:

1. Mr. Norito Ikeda, Mr. Susumu Tanaka, and Mr. Katsunori Sago concurrently serve as Executive Officers.
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 having coordination with the Internal Control Division closely.
3. Seven of Outside Directors (Mr. Tomoyoshi Arita, Mr. Yoshizumi Nezu, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, Mr. Katsuaki Ikeda, and Mr. Tsuyoshi Okamoto) are Independent Directors as stipulated by Tokyo Stock Exchange, Inc.
4. Mr. Norito Ikeda, Mr. Katsunori Sago, and Mr. Tsuyoshi Okamoto were newly appointed as Directors at the Ordinary General Meeting of Shareholders held on June 21, 2016, and assumed their positions on the same date.
5. As of the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2016, Mr. Tomohisa Mase, Mr. Taizo Nishimuro, and Mr. Yoshifumi Iwasaki resigned from their positions of Directors due to expiration of their terms of office.
6. Mr. Tomoyoshi Arita assumed the position of Outside Director of Fukuyama Transporting Co., Ltd. on June 28, 2016. Mr. Yoshizumi Nezu resigned from his position of Outside Director of Tobu Store Co., Ltd. on May 25, 2016.

Executive Officers

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Norito Ikeda	President and Representative Executive Officer	Director of JAPAN POST HOLDINGS Co., Ltd. Outside Director of FANCL CORPORATION	—
Susumu Tanaka	Representative Executive Vice President (Assistant to the President and matters concerning operations of Corporate Administration Division (excluding operations of Financial Accounting Department, Investor Relations Department and Public Relations Department))	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
Katsunori Sago	Representative Executive Vice President (Matters concerning operations of Investment Division)		—
Ryoichi Nakazato	Executive Vice President (Matters concerning operations of System Division)	Director of JAPAN POST INFORMATION TECHNOLOGY Co., Ltd.	—
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.	—
Shigeki Matsushima	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))		—
Hiroichi Shishimi	Senior Managing Executive Officer (Matters concerning operations of Risk Management Division)		—
Riki Mukai	Managing Executive Officer (Matters concerning operations of Compliance Division)		—

Executive Officers

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Yasuyuki Hori	Managing Executive Officer (Matters concerning operations of 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))		—
Harumi Yano	Managing 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))		—
Suzunori Hayashi	Managing 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))	Director of JAPAN POST STAFF Co., Ltd.	—
Yoko Makino	Executive Officer (Assistant to the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Diversity and Inclusion Department, Corporate Administration Division))		—
Kunihiko Amaha	Executive Officer (Assistant to the Representative Executive Vice President in charge of Investment Division (limited to supervision of operations related to Rates and FX Investment Department, Investment Division))		—

Executive Officers

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Makoto Shinmura	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Risk Management Division (limited to supervision of operations related to Credit Department, Risk Management Division))		—
Satoru Ogata	Executive Officer (Assistant to the Executive Vice President in charge of System Division)		—
Minoru Kotouda	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))		—
Fujie Kawasaki	Executive Officer (Matters concerning Tokyo Operation Support Center)		—
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))		—

Executive Officers

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Shigeyuki Sakurai	Executive Officer (Assistant to the Managing Executive Officer 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 System Division (limited to supervision of operations related to System Development Department 2, System Division))		—
Masato Tamaki	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Risk Management Division (limited to supervision of operations related to Risk Management Department, Risk Management Division))		—
Takayuki Tanaka	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to planning and Marketing Channel Office, Marketing Department, among operations related to Marketing Division))		—
Yoshiko Iwashita	Executive Officer (Matters concerning Kyushu 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))		—

Executive Officers

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Shinobu Nagura	Executive Officer (Assistant to the Managing Executive Officer who assists the Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to Corporate Planning Department, Corporate Administration Division))		—

Notes:

1. Mr. Norito Ikeda, Mr. Susumu Tanaka, and Mr. Katsunori Sago concurrently serve as Directors.
2. Mr. Masato Tamaki was newly appointed as an Executive Officer at the meeting of the Board of Directors held on May 13, 2016, and assumed his position on June 1, 2016.
3. Mr. Shigeki Matsushima was newly appointed as an Executive Officer at the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2016, and assumed his position on June 21, 2016.
4. Mr. Takayuki Tanaka and Ms. Yoshiko Iwashita were newly appointed as Executive Officers at the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2016, and assumed their positions on July 1, 2016.
5. At the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2016, Titled Executive Officers were appointed as follows.

Name	Position (before change)	Position (after change)	Date of change
Shigeki Matsushima	(Newly appointed)	Senior Managing Executive Officer	June 21, 2016
Hiroichi Shishimi	Managing Executive Officer	Senior Managing Executive Officer	June 21, 2016
Harumi Yano	Executive Officer	Managing Executive Officer	June 21, 2016
Suzunori Hayashi	Executive Officer	Managing Executive Officer	June 21, 2016

6. Mr. Shinobu Nagura was newly appointed as an Executive Officer at the meeting of the Board of Directors held on December 19, 2016, and assumed his position on January 1, 2017.
7. As of the conclusion of the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2016, Mr. Tomohisa Mase, Mr. Hiroshi Yamada, and Mr. Yoichi Uno resigned from their positions of Executive Officers due to the expiration of their terms of office.

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

(Millions of yen)

Category	Number of persons compensated	Compensation, etc.
Directors	9 persons	83
Executive Officers	29 persons	694
Total	38 persons	778

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 two Directors without pay.
4. The amount of compensation, etc., for Executive Officers includes ¥37 million as expenses for the payment of retirement benefits to Executive Officers and ¥52 million reserved as a stock compensation during the fiscal year ended March 31, 2017. 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

In regard to compensation for the Bank's directors and executive officers, the Compensation Committee has prescribed the policy for determining the details of individual compensation for directors and executive officers as follows, and it determines the amount of compensation in accordance with this policy.

1 Compensation system

- (1) When serving concurrently as a director and executive officer, compensation shall be paid for the position of executive officer.
- (2) Compensation that directors of the Bank receive shall be paid in the form of a fixed amount of compensation corresponding to duties, in light of the scope and scale of responsibility relating to management, and the like.
- (3) Compensation that executive officers of the Bank receive shall be paid in the form of a base salary (a fixed amount of compensation) and performance-linked stock compensation, and shall function as a sound incentive for sustainable growth.

2 Compensation for directors

Compensation for directors shall be paid as a certain level of a fixed amount of compensation corresponding to duties, in light of the main role of supervision of management, and the level shall be an appropriate one that takes into account the scale of duties as a director and the current situation of the Bank.

3 Compensation for executive officers

Compensation for executive officers shall be paid in the form of a certain level of base salary (a fixed amount of compensation), in light of differences in responsibility that varies according to the job position, and performance-linked stock compensation that reflects the state of achievement of management targets, and the like.

The level of base salary shall be an appropriate one that takes into account the scale of duties of the executive officer and the current situation of the Bank. However, in the case of a person who is an executive officer in charge of an area that requires special knowledge and skills and, based on the compensation corresponding to his/her duties, would receive a significantly lower level of compensation than what an officer in charge of such an area would generally receive at other companies, it shall be permitted to adopt a base salary that refers to the level of compensation at other companies instead of compensation corresponding to duties.

In regard to stock compensation, based on the viewpoint of a sound incentive for sustainable growth, points that are calculated by multiplying the sum of basic points corresponding to separately prescribed duties and evaluation points based on individual evaluation by a coefficient that varies according to the state of achievement of management targets shall be granted every year, and shares corresponding to the points accumulated at the time of retirement from office shall be provided. However, a certain percentage of this shall be paid in the form of money obtained by converting the shares into cash.

(3) Liability Limitation Agreement

Name	Overview of the contracts for limitation of liability
Masatsugu Nagato	The overview of contracts for limitation of liability entered into with Directors (excluding Directors with executive functions) in accordance with provisions of Article 427, Paragraph 1 of the Companies Act and Articles of Incorporation, are as follows. For liabilities provided for in Article 423, Paragraph 1 of the Companies Act, when the Directors (excluding Directors with executive functions) performed their duties in good faith and without gross negligence, they shall be liable to the minimum liability amount prescribed under Article 425, Paragraph 1 of the Companies Act.
Tomoyoshi Arita	
Yoshizumi Nezu	
Sawako Nohara	
Tetsu Machida	
Nobuko Akashi	
Toshihiro Tsuboi	
Katsuaki Ikeda	
Tsuyoshi Okamoto	

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. Outside Director of Fukuyama Transporting Co., Ltd.
Yoshizumi Nezu	President and Representative Director of Tobu Railway 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 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
Tsuyoshi Okamoto	Director and Chairman of the Board of TOKYO GAS CO., LTD.

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	6 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors, 2 out of 2 meetings of the Nomination Committee and 14 out of 14 meetings of the Audit Committee held during the fiscal year ended March 31, 2017	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.
Yoshizumi Nezu	2 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors, 2 out of 2 meetings of the Nomination Committee and 4 out of 4 meetings of the Compensation Committee held during the fiscal year ended March 31, 2017	He expresses necessary opinions on proposals and contents of deliberations, etc., as needed from his perspective as a management executive.
Sawako Nohara	2 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors and 14 out of 14 meetings of the Audit Committee held during the fiscal year ended March 31, 2017	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	2 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors and 14 out of 14 meetings of the Audit Committee held during the fiscal year ended March 31, 2017	He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspective as an independent economic journalist.
Nobuko Akashi	1 year, 9 months	Attended 11 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2017	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	1 year, 9 months	Attended 12 out of 12 meetings of the Board of Directors and 14 out of 14 meetings of the Audit Committee held during the fiscal year ended March 31, 2017	He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspective as a management executive.
Katsuaki Ikeda	1 year, 7 months	Attended 11 out of 12 meetings of the Board of Directors, 4 out of 4 meetings of the Compensation Committee and 13 out of 14 meetings of the Audit Committee held during the fiscal year ended March 31, 2017	He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspective as a management executive.
Tsuyoshi Okamoto	9 months	Attended 10 out of 10 meetings of the Board of Directors, 1 out of 1 meetings of the Nomination Committee and 2 out of 2 meetings of the Compensation Committee held during the fiscal year ended March 31, 2017, after his appointment on June 21, 2016	He expresses necessary opinions on proposals and contents of deliberations, etc., as needed from his perspective as a management executive. In addition, he hosts meetings of the Compensation Committee as a chairman of said Committee.

(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.	9 persons	83	—

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 750,524 thousand shares of treasury stock)

Note: The treasury stock does not include the Bank's shares held by the board benefit trust (323 thousand shares).

(2) Total Number of Shareholders as of March 31, 2017: 541,860

(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)	21,617 thousand shares	0.57%
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,971 thousand shares	0.42%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	10,269 thousand shares	0.27%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	7,740 thousand shares	0.20%
Japan Trustee Services Bank, Ltd. (Trust Account 2)	7,533 thousand shares	0.20%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	7,405 thousand shares	0.19%
Japan Post Bank Employee Shareholding Association	6,395 thousand shares	0.17%
STATE STREET BANK WEST CLIENT-TREATY 505234	5,920 thousand shares	0.15%
JP MORGAN CHASE BANK 385151	5,101 thousand shares	0.13%

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 (750,524 thousand shares). The treasury stock does not include the Bank's shares held by the board benefit trust (323 thousand shares).

(4) Other Significant Matters Concerning Shares

- Performance-Linked Stock Compensation System for Executive Officers

Japan Post Bank has introduced 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.

- Stock Ownership Plan for Management Employees

Japan Post Bank has introduced 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, 2017

Not applicable.

(2) Stock Acquisition Rights, etc., of Japan Post Bank Granted to Employees, etc., during the Fiscal Year Ended March 31, 2017

Not applicable.

VI. Matters Concerning Independent Auditor

(1) Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2017	Others
KPMG AZSA LLC Yoichi Ozawa Designated Limited Liability Partner Hideyuki Kobayashi Designated Limited Liability Partner Takahiro Toyama Designated Limited Liability Partner	179	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, 2017, 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, 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 ¥188 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 the 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.

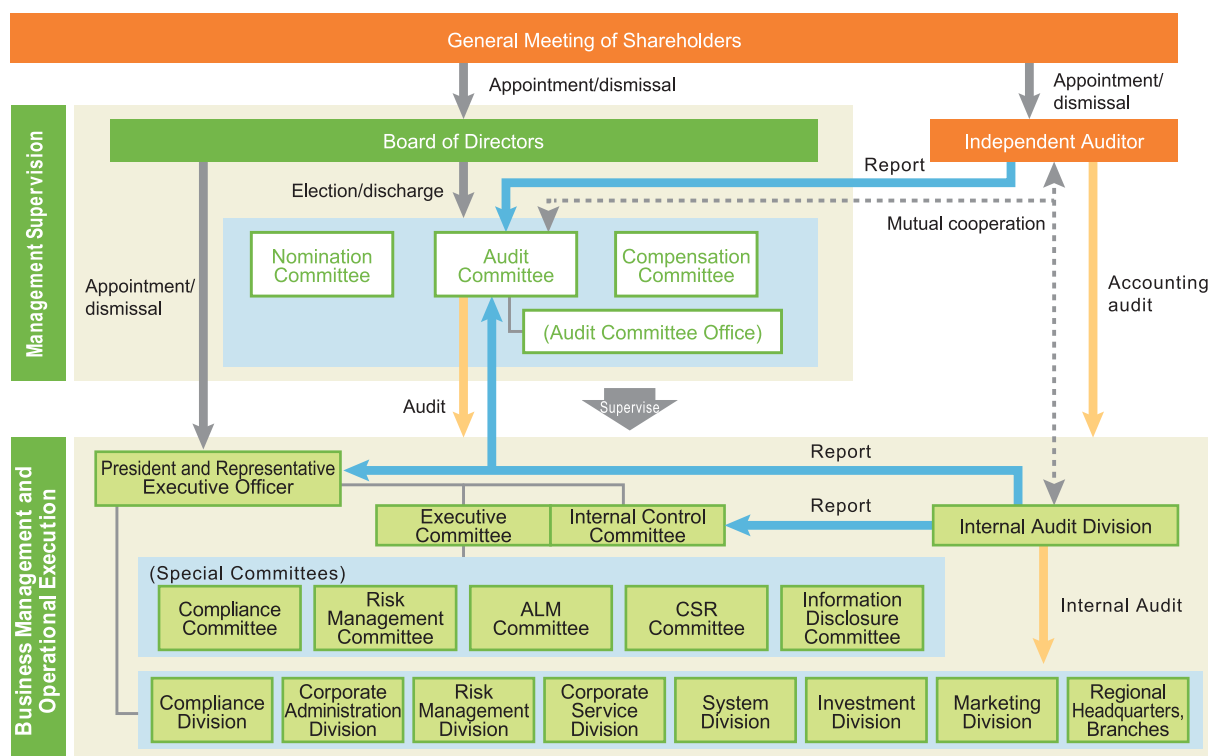
VIII. Systems to Ensure the Appropriate Conduct of Operations

[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.”

The details for the fiscal year ended March 31, 2017 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, including customer protection structure, to employees through messages from the top management on a regular basis, as well as various trainings, etc.

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. In addition, the Internal Control Committee discusses the most important matters relating to internal controls, such as compliance with laws and regulations.

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.

During the fiscal year ended March 31, 2017, the independent Risk Management Division established a system to examine the appropriateness of management plans, etc., from the standpoint of management sustainability.

While we review the Crisis Management Rules and Business Continuity Plan (BCP) as needed, we organize a training at least once a year in accordance with the Crisis Management Rules and Business Continuity Plan (BCP).

(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.

Rules relating to professional duties stipulate that Executive Officers shall supervise the execution of operation of which they are in charge, in accordance with the division of duties. Resolutions of the Board of Directors are required for any changes to the division of duties of Executive Officers that clarifies the responsibilities of Executive Officers.

During the fiscal year ended March 31, 2017, we made appropriate revisions to the rules relating to professional duties, in connection with the establishment of System Division, Diversity and Inclusion Department and Strategic Investment Department, and the implementation of other organizational reforms.

(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, 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
- 1) 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).
- 2) Determination at the Board of Directors Regarding Whether or Not Such Transactions Compromise Our Own Interest and Reasons Thereof
We have set out internal rules that govern intragroup transactions to establish a framework whereby the contracting departments confirm the purpose and necessity of transactions and appropriateness of the transaction terms in advance, which when necessary undergo an examination by Legal Affairs Department, Corporate Planning Department and other departments, and moreover, receive a resolution by the Board of Directors.
The Board of Directors confirmed that the transactions with Japan Post Holdings is duly appropriate based on its confirmation that the Bank's framework for managing intragroup transactions is operating appropriately, as described above.
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.
- 3) 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.

Under these policies, we declared dividends per share of ¥50.00 for the fiscal year ended March 31, 2017 (interim dividends of ¥25.00 and annual dividends of ¥25.00, dividend payout ratio of 60.0%).

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Balance Sheet (As of March 31, 2017)

(Millions of yen)	
Account	Amount
Assets:	
Cash and due from banks	51,281,921
Cash	161,372
Due from banks	51,120,549
Call loans	470,000
Receivables under securities borrowing transactions	8,718,905
Monetary claims bought	252,214
Trading account securities	9
Trading Japanese government bonds	9
Money held in trust	3,817,908
Securities	138,792,448
Japanese government bonds	68,804,989
Japanese local government bonds	6,082,225
Commercial paper	233,998
Japanese corporate bonds	10,752,831
Japanese stocks	1,390
Other securities	52,917,013
Loans	4,064,120
Loans on deeds	3,866,110
Overdrafts	198,009
Foreign exchanges	78,646
Due from foreign banks	78,646
Other assets	1,871,733
Domestic exchange settlement accounts - debit	15,379
Prepaid expenses	2,890
Accrued income	240,448
Margins for future transactions	124,102
Variation margins for future transactions	56
Derivatives other than trading	324,889
Cash collateral paid for financial instruments	38,062
Other	1,125,903
Tangible fixed assets	175,825
Buildings	70,556
Land	59,034
Construction in progress	7,717
Other	38,516
Intangible fixed assets	46,183
Software	27,472
Other	18,711
Reserve for possible loan losses	(1,096)
Total assets	209,568,820

(Millions of yen)	
Account	Amount
Liabilities:	
Deposits	179,434,686
Transfer deposits	13,052,115
Ordinary deposits	52,100,533
Savings deposits	391,963
Time deposits	10,065,156
Special deposits	11,133,397
TEIGAKU deposits	92,532,491
Other deposits	159,029
Call money	45,436
Payables under repurchase agreements	960,937
Payables under securities lending transactions	13,694,294
Commercial paper	40,324
Foreign exchanges	407
Foreign bills payable	407
Other liabilities	2,185,197
Domestic exchange settlement accounts - credit	22,820
Income taxes payable	30,817
Accrued expenses	1,425,895
Unearned income	57
Variation margins for future transactions	44
Derivatives other than trading	540,016
Cash collateral received for financial instruments	30,415
Asset retirement obligations	415
Other	134,714
Reserve for bonuses	6,007
Reserve for employees' retirement benefits	148,800
Reserve for management board benefit trust	43
Reserve for reimbursement of deposits	2,096
Deferred tax liabilities	1,270,550
Total liabilities	197,788,782
Net assets:	
Capital stock	3,500,000
Capital surplus	4,296,285
Legal capital surplus	4,296,285
Retained earnings	2,233,759
Other retained earnings	2,233,759
Retained earnings brought forward	2,233,759
Treasury stock	(1,300,411)
Total shareholders' equity	8,729,634

(Millions of yen)	
Account	Amount
Net unrealized gains (losses) on available-for-sale securities	3,166,980
Net deferred gains (losses) on hedges	(116,577)
Total valuation and translation adjustments	3,050,403
Total net assets	11,780,037
Total liabilities and net assets	209,568,820

Non-Consolidated Statement of Income (From April 1, 2016 to March 31, 2017)

(Millions of yen)

Account	Amount
Ordinary income	1,897,281
Interest income	1,567,512
Interest on loans	17,748
Interest and dividends on securities	1,522,075
Interest on call loans	636
Interest on receivables under securities borrowing transactions	1,471
Interest on deposits with banks	23,974
Other interest income	1,607
Fees and commissions	119,465
Fees and commissions on domestic and foreign exchanges	60,991
Other fees and commissions	58,474
Other operating income	114,371
Gains on foreign exchanges	99,395
Gains on sales of bonds	11,826
Income from derivatives other than for trading or hedging	3,149
Other ordinary income	95,931
Recoveries of written-off claims	34
Gains on sales of stocks and other securities	88
Gains on money held in trust	83,049
Other	12,758
Ordinary expenses	1,455,195
Interest expenses	348,746
Interest on deposits	200,373
Interest on call money	566
Interest on payables under repurchase agreements	6,620
Interest on payables under securities lending transactions	41,542
Interest on commercial paper	54
Interest on borrowings	0
Interest on interest rate swaps	97,547
Other interest expenses	2,042
Fees and commissions	32,845
Fees and commissions on domestic and foreign exchanges	3,814
Other fees and commissions	29,031
Other operating expenses	14,280
Losses on sales of bonds	14,280
General and administrative expenses	1,054,053
Other ordinary expenses	5,269
Provision for reserve for possible loan losses	91
Losses on money held in trust	118
Other	5,059

(Millions of yen)	
Account	Amount
Net ordinary income	442,085
Extraordinary loss	1,488
Losses on sales and disposals of fixed assets	529
Losses on impairment of fixed assets	958
Income before income taxes	440,596
Income taxes: Current	133,287
Income taxes: Deferred	(4,954)
Total income taxes	128,332
Net income	312,264

Non-Consolidated Statement of Changes in Net Assets (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward
Balance at the beginning of the fiscal year	3,500,000	4,296,285	—	4,296,285	2,108,969
Changes during the fiscal year					
Cash dividends					(187,473)
Net income					312,264
Repurchase of treasury stock					
Disposal of treasury stock			(0)	(0)	
Transfer of loss on disposal of treasury stock			0	0	(0)
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	—	—	124,790
Balance at the end of the fiscal year	3,500,000	4,296,285	—	4,296,285	2,233,759

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	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	(1,299,999)	8,605,256	3,322,827	(419,932)	2,902,894	11,508,150
Changes during the fiscal year						
Cash dividends		(187,473)				(187,473)
Net income		312,264				312,264
Repurchase of treasury stock	(418)	(418)				(418)
Disposal of treasury stock	6	6				6
Transfer of loss on disposal of treasury stock		—				—
Net changes in items other than shareholders' equity			(155,846)	303,355	147,508	147,508
Total changes during the fiscal year	(411)	124,378	(155,846)	303,355	147,508	271,887
Balance at the end of the fiscal year	(1,300,411)	8,729,634	3,166,980	(116,577)	3,050,403	11,780,037

[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 11, 2017

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

KPMG AZSA LLC
Yoichi Ozawa (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

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

Takahiro Toyama (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income and the non-consolidated statement of changes in net assets, the related notes, and the supplementary schedules of JAPAN POST BANK Co., Ltd. for the 11th fiscal year from April 1, 2016 to March 31, 2017 in accordance with Article 436(2)(i) of the Companies Act.

Management's Responsibility for the Non-consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 11th fiscal year from April 1, 2016 to March 31, 2017 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, 2017 in accordance with Audit Committee Regulations, Audit Rules of the Audit Committee, assignment of duties, etc. Also, having coordination 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 judgment 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, 2017.

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.
- 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 judgment 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 15, 2017

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.

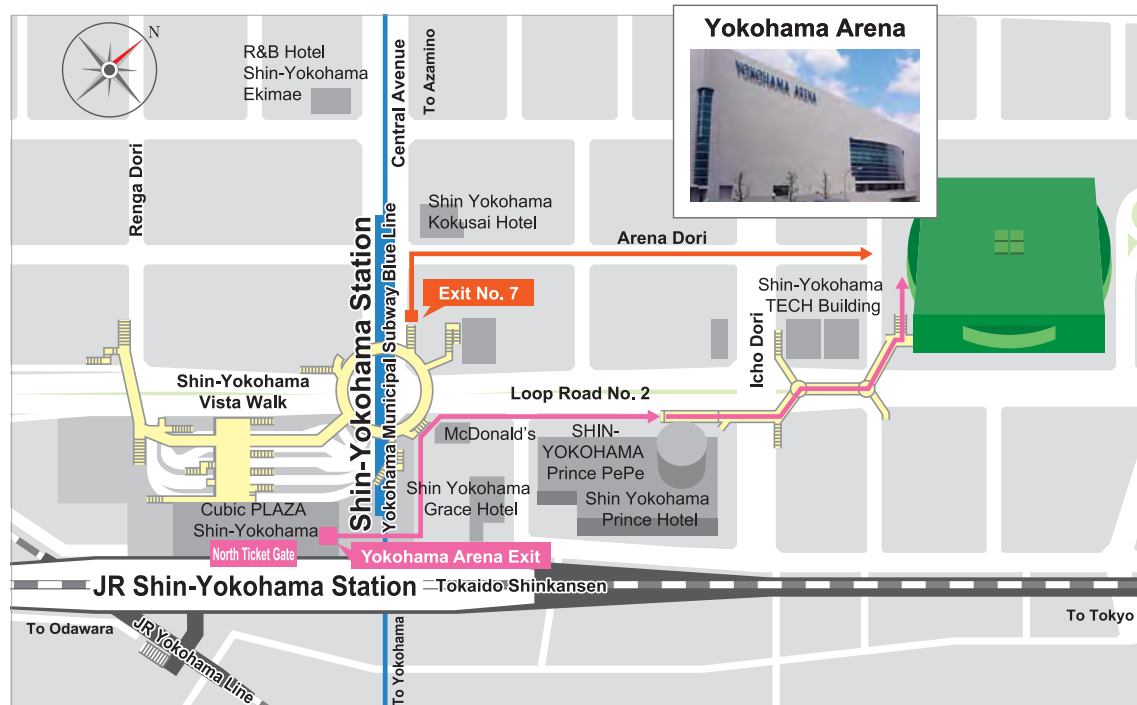
Information Map of the General Meeting of Shareholders

(The venue has been changed from the previous year.)

Venue 10, Shin-Yokohama 3-chome, Kohoku-ku,
Yokohama-shi, Kanagawa, Japan
Yokohama Arena

Date and Time Tuesday, June 20, 2017 at 10:00 a.m. Japan time
Reception starts at 9:00 a.m.

*The reception may open earlier depending on the state of congestion, etc.



Transportation Guide

Approx. 5-minute walk from **Yokohama Arena Exit**
of JR **Shin-Yokohama Station**

Approx. 4-minute walk from **Exit No.7**
of Yokohama Municipal Subway Blue Line, **Shin-Yokohama Station**

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.
- Please bring this convocation notice to conserve paper resources.