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JAPAN POST BANK

NOTICE OF CONVOCAION OF THE 13TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time	Tuesday, June 18, 2019 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
Place	Ballroom B2 The Prince Park Tower Tokyo 8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan (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 17, 2019 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 5-7.

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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.

Japan Post Bank formulated and started a three-year Medium-term Management Plan in May 2018 with the slogan “More services, and people will say, ‘Japan Post Bank, of course.’”, and the current fiscal year is the important interim fiscal year (second year) of this plan.

In consideration of the results and challenges in the first fiscal year of the plan, in the current fiscal year we will work on a variety of measures with the future goal of contributing to the Japanese economy by offering new convenience and reliability to our customers, promoting diversified investment in foreign and other assets through effective use of capital, providing risk money to domestic enterprises, and revitalizing regional economies.

Through our network of approximately 24,000 post offices we will further strengthen our ties with customers across Japan who believe in and need the Japan Post Bank to become an even more trustworthy bank.

Japan Post Bank is right in the middle of the process of breaking through its shell and evolving into a company that is capable of sustainable growth over the next ten or twenty years, and I will stand in front to serve as a flag bearer for the slogan set forth in the Medium-term Management Plan to lead all of our employees with my entire heart and soul, so I humbly request the continued understanding and support of you, our shareholders, in these efforts.

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

May 31, 2019

Dear Shareholders:

Norito Ikeda
Director, President and
Representative Executive
Officer
JAPAN POST BANK Co., Ltd.
Location of Headquarters:
3-1, Otemachi 2-chome,
Chiyoda-ku, Tokyo, Japan
(Location of Registered Head
Office: 7-2, Marunouchi
2-chome, Chiyoda-ku, Tokyo,
Japan)

NOTICE OF CONVOCAION OF THE 13TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 13th 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 17, 2019 (Japan time) in accordance with the "Guidance on the Exercise of Voting Rights".

- 1. Date and Time:** Tuesday, June 18, 2019 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
- 2. Place:** Ballroom B2
The Prince Park Tower Tokyo
8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported: The Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements, and Audit Results of Consolidated Financial Statements by Independent Auditor and Audit Committee for the 13th fiscal year (from April 1, 2018 to March 31, 2019)
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 and the Notes to the 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 and the Consolidated Financial Statements audited by the Independent Auditor and the Audit Committee include the Notes to the Non-consolidated Financial Statements and the Notes to the Consolidated Financial Statements posted on **our website**.

- Any updates to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements will be posted on **our website**.
Website of Japan Post Bank https://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 18, 2019 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)

Place Ballroom B2
The Prince Park Tower Tokyo
8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan

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 17, 2019 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 17, 2019 at 5:15 p.m. Japan time

Please access the **voting website** (<https://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

<https://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.

i 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, 2019, we have resolved as follows.

1 Annual dividends

¥25 per share

2 Effective date (Payment start date)

June 19, 2019

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, 2019, we have resolved to pay an annual dividend of ¥25 per share with an effective date (payment start date) of June 19, 2019.

Together with an interim dividend of ¥25 per share that has been paid out, the total dividends per share for the fiscal year ended March 31, 2019 is ¥50 per share.

“Annual Dividend Receipt” (“Dividend Calculation Sheet” and “Payment of Dividend via Bank Transfer” for shareholders who have requested dividend payment via bank transfer) will be enclosed and delivered with Notice of Resolution of the 13th Ordinary General Meeting of Shareholders to be held on June 18, 2019.

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

Proposal and References

Proposal: Election of Thirteen (13) Directors

The term of office of all the eleven (11) 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	Masatsugu Nagato	Director Chairman of the Nomination Committee Member of the Compensation Committee	
4	Re-elected	Ryoichi Nakazato	Director Full-time Member of the Audit Committee	
5	Re-elected	Tomoyoshi Arita	Director Chairman of the Audit Committee Member of the Nomination Committee	Outside Director Independent
6	Re-elected	Sawako Nohara	Director Member of the Audit Committee	Outside Director Independent
7	Re-elected	Tetsu Machida	Director Member of the Audit Committee	Outside Director Independent
8	Re-elected	Nobuko Akashi	Director	Outside Director Independent
9	Re-elected	Katsuaki Ikeda	Director Member of the Audit Committee Member of the Compensation Committee	Outside Director Independent
10	Re-elected	Ryoji Chubachi	Director Member of the Nomination Committee Member of the Compensation Committee	Outside Director Independent
11	Newly elected	Keisuke Takeuchi		Outside Director Independent
12	Newly elected	Makoto Kaiwa		Outside Director Independent
13	Newly elected	Risa Aihara		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 3 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 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) Director of JAPAN POST HOLDINGS 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>	5,500 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 Research Department, Financial Accounting Department, Investor Relations Department, Public Relations Department, Customer Satisfaction Department, Cyber Defence Office of IT Strategy Department and General Affairs Department))</p> <p>Number of years in office as Director 6 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>	3,700 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
3	<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 4 years 1 month</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings)</p> <p>Nomination Committee 100% (3/3 meetings)</p> <p>Compensation Committee 100% (3/3 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>	2,400 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
4	<p>Ryoichi Nakazato (Aug. 19, 1954)</p> <p>Re-elected</p> <p>Director, Full-time Member of the Audit Committee</p> <p>Number of years in office as Director 2 year</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Audit Committee 100% (15/15 meetings)</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.</p> <p>Jun. 2017 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 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>	2,800 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
5	<p>Tomoyoshi Arita (Feb. 1, 1948)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Chairman of the Audit Committee, Member of the Nomination Committee</p> <p>Number of years in office as Director 9 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Nomination Committee 100% (3/3 meetings) Audit Committee 100% (15/15 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 Director 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>	3,300 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
6	<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 5 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Audit Committee 100% (15/15 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) Outside Director of Nissha Printing Co., Ltd. (current Nissha Co., Ltd.)</p> <p>Jun. 2018 Outside Audit & Supervisory Board Member of TOKYO GAS 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 Audit & Supervisory Board Member of TOKYO GAS 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
7	<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 5 years</p> <p>Status of attendance at the meetings of: Board of Directors 83% (10/12 meetings) Audit Committee 86% (13/15 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>	2,300 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
8	<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 4 years</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 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</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>Apr. 2019 Member of Expert Council for the Promotion of Development and Support for Children and Young People, Cabinet Office, Government of Japan (current position)</p> <p>May 2019 Outside Director of YOSHINOYA HOLDINGS CO., LTD.*</p> <p>Significant concurrent positions: Board chairman of a non-profit organization, Japan Manners & Protocol Association Representative Director of Buraiton Y.K. Outside Director of YOSHINOYA HOLDINGS CO., LTD.*</p> <p>* Ms. Nobuko Akashi is scheduled to be elected and take office at the Ordinary General Meeting of Shareholders of YOSHINOYA HOLDINGS CO., LTD. to be held on May 23, 2019.</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>	1,100 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
9	<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 3 years 10 months</p> <p>Status of attendance at the meetings of: Board of Directors 100% (12/12 meetings) Audit Committee 100% (15/15 meetings) Compensation Committee 100% (3/3 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>	2,200 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
10	<p>Ryoji Chubachi (Sept. 4, 1947)</p> <p>Re-elected</p> <p>Outside Director Independent Director</p> <p>Director, Member of the Nomination Committee, Member of the Compensation Committee</p> <p>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% (2/2 meeting) Compensation Committee 100% (2/2 meeting)</p>	<p>Apr. 1977 Joined Sony Corporation</p> <p>Jun. 1999 Corporate Vice President of Sony Corporation</p> <p>Jun. 2002 Corporate Senior Vice President of Sony Corporation</p> <p>Jun. 2003 Executive Vice President, Executive Officer of Sony Corporation</p> <p>Jun. 2004 Executive Deputy President, Corporate Executive Officer and Chief Operation Officer of Sony Corporation</p> <p>Apr. 2005 Electronics Chief Executive Officer of Sony Corporation</p> <p>Jun. 2005 President and Representative Corporate Executive Officer, Member of the Board of Sony Corporation</p> <p>Apr. 2009 Member of the Board, Representative Corporate Executive Officer, Vice Chairman of Sony Corporation</p> <p>Apr. 2013 President of National Institute of Advanced Industrial Science and Technology (incorporated administrative agency)</p> <p>Apr. 2015 President of National Institute of Advanced Industrial Science and Technology (after changed legal status to a national research and development institution) (current position)</p> <p>Jun. 2018 Director of JAPAN POST BANK Co., Ltd. (current position)</p> <p>Significant concurrent positions: President of National Institute of Advanced Industrial Science and Technology</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Ryoji Chubachi 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
11	<p>Keisuke Takeuchi (Nov. 18, 1947)</p> <p>Newly elected</p> <p>Outside Director Independent Director</p> <p>–</p> <p>Number of years in office as Director – year</p> <p>Status of attendance at the meetings of: Board of Directors –% (–/– meetings)</p>	<p>Apr. 1970 Joined Japan Gasoline Co., Ltd (current JGC Corporation)</p> <p>Jun. 2000 Director of JGC Corporation</p> <p>Jun. 2001 Managing Director of JGC Corporation</p> <p>Jun. 2002 Senior Managing Director of JGC Corporation</p> <p>Jun. 2006 Director and Vice President of JGC Corporation</p> <p>Mar. 2007 President and Representative Director of JGC Corporation</p> <p>Jun. 2009 Chairman and Representative Director of JGC Corporation</p> <p>Jun. 2014 Principal Corporate Advisor of JGC Corporation*</p> <p>* Mr. Keisuke Takeuchi resigned from this position as of June 30, 2018.</p> <p>Significant concurrent positions: Outside Director of BROTHER INDUSTRIES, LTD. Outside Director of Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Keisuke Takeuchi 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>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
12	<p>Makoto Kaiwa (Sept. 25, 1949)</p> <p>Newly elected</p> <p>Outside Director Independent Director</p> <p>—</p> <p>Number of years in office as Director — year</p> <p>Status of attendance at the meetings of: Board of Directors —% (—/— meetings)</p>	<p>Apr. 1973 Joined Tohoku Electric Power Co., Inc.</p> <p>Jun. 2005 Director and General Manager of Corporate Planning Dept. of Tohoku Electric Power Co., Inc.</p> <p>Jun. 2007 Senior Executive Officer and General Manager of Niigata Branch Office of Tohoku Electric Power Co., Inc.</p> <p>Jun. 2009 Representative Director & Executive Vice President in charge of Investor Relations of Tohoku Electric Power Co., Inc.</p> <p>Jun. 2010 Representative Director & President of Tohoku Electric Power Co., Inc.</p> <p>Jun. 2015 Representative Director & Chairman of the Board of Tohoku Electric Power Co., Inc. (current position)</p> <p>Significant concurrent positions: Representative Director & Chairman of the Board of Tohoku Electric Power Co., Inc. Chairman of TOHOKU ECONOMIC FEDERATION</p> <p><u>Reasons for the election as candidate for Outside Director</u> Mr. Makoto Kaiwa 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>	0 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of Japan Post Bank held
13	<p>Risa Aihara (Family Register Name: Risa Shiraishi) (Mar. 28, 1974)</p> <p>Newly elected</p> <p>Outside Director Independent Director</p> <p>–</p> <p>Number of years in office as Director – year</p> <p>Status of attendance at the meetings of: Board of Directors –% (–/– meetings)</p>	<p>Apr. 1996 Joined Nippon Telegraph and Telephone Corporation (current NTT Communications Corporation)</p> <p>May 2000 Joined Recruit Co., Ltd.</p> <p>Jan. 2003 Representative Director and President of Ai-LAND Co., Ltd. (current position)</p> <p>Significant concurrent positions: Representative Director and President of Ai-LAND Co., Ltd.</p> <p><u>Reasons for the election as candidate for Outside Director</u> Ms. Risa Aihara has been involved in corporate management of Internet service businesses for a long time and has deep insights into Internet marketing. 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

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. Katsuaki Ikeda, Mr. Ryoji Chubachi, Mr. Keisuke Takeuchi, Mr. Makoto Kaiwa and Ms. Risa Aihara 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. Ryoji Chubachi are Independent Directors which appointment is required by Tokyo Stock Exchange, Inc. for the purpose of protecting general shareholders. In addition, Mr. Keisuke Takeuchi, Mr. Makoto Kaiwa and Ms. Risa Aihara satisfy 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 their election, Japan Post Bank intends to file them 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 nine (9) years, that for Ms. Sawako Nohara and Mr. Tetsu Machida will be five (5) years, that for Ms. Nobuko Akashi will be four (4) years, that for Mr. Katsuaki Ikeda will be three (3) years and ten (10) months, and that for Mr. Ryoji Chubachi 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. Ryoichi Nakazato, Mr. Tomoyoshi Arita, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, Mr. Katsuaki Ikeda and Mr. Ryoji Chubachi 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. Keisuke Takeuchi, Mr. Makoto Kaiwa and Ms. Risa Aihara is approved, Japan Post Bank will enter into similar liability limitations agreement with each of 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.

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.

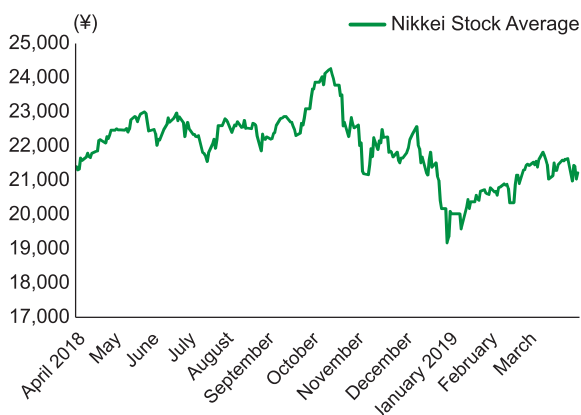
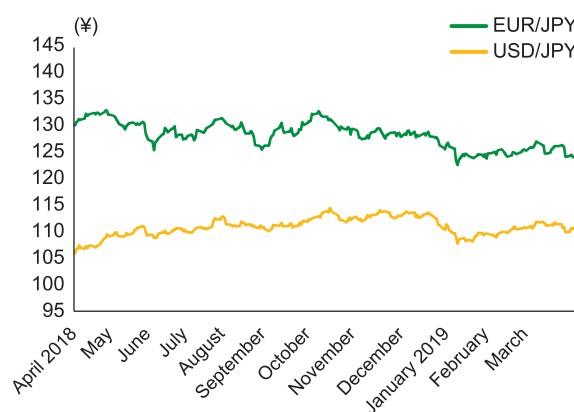
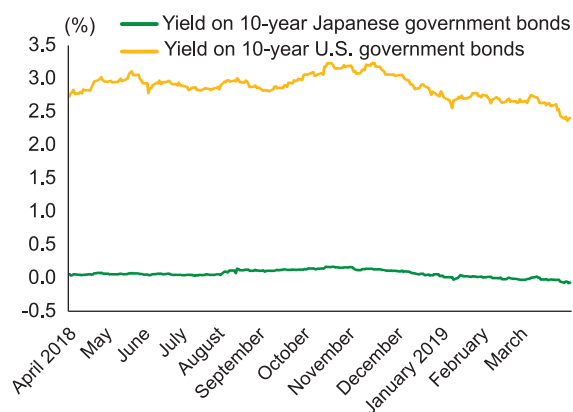
2) Financial and economic environment

Looking back on the economic situation for the fiscal year ended March 31, 2019, uncertainty toward the global economy grew as weakness was seen in some regions. While growth was solid in the U.S. economy, the European and Chinese economy experienced a clear slowdown. The Japanese economy was at a standstill due to factors such as natural disasters and the deceleration of overseas economies.

In financial and capital markets, the yield on 10-year Japanese government bonds, which had remained mostly below the 0.1% level due to quantitative and qualitative monetary easing with yield curve control, reached the mid 0.1% level at the beginning of October 2018. This occurred as a result of factors such as "Strengthening the Framework for Continuous Powerful Monetary Easing" at the end of July 2018 and rising U.S. long-term interest rates. It subsequently declined due to factors including a decrease in U.S. and European long-term interest rates, and has generally been in negative since February 2019. The yield on 10-year U.S. government bonds had ranged between 2.8% to 3.0%, and then increased to the 3.2% level at the beginning of October 2018, backed by the solid economic indicators. Since then, the yield fell significantly in response to factors including concerns of a slowdown in the global economy and a worldwide decline in stock prices, and toward the end of the fiscal year it temporarily fell to the 2.3% level amid expectations of a pause in policy interest rate hikes in the U.S.

In the foreign exchange market, although the yen was mostly weak against the U.S. dollar, it strengthened from December 2018 and temporarily surged to the ¥104 level in January 2019 in response to a worldwide decline in stock prices. Since then, the yen depreciated in expectation of easing of trade friction between the U.S. and China and reached the ¥110 level toward the end of the fiscal year. Against the Euro, after moving mostly around the range of ¥126 to ¥132 in light of the European political situation, the yen appreciated to the ¥118 level in January 2019 in response to heightened risk aversion. Subsequently, the yen depreciated in a similar manner as it did against the U.S. dollar, and moved mostly between the ¥124 to ¥126 range.

After mostly ranging at ¥21,000-¥23,000, the Nikkei Stock Average temporarily plunged to the ¥18,000 level in December 2018 in response to factors including a worldwide decline in stock prices and the yen's appreciation. Since then, it has rebounded and remained mostly in the ¥21,000 level as a result of a worldwide recovery in stock prices backed by expectations of a pause in policy interest rate hikes in the U.S. and a depreciation of the yen.



3) Business progress and results

Results for the fiscal year ended March 31, 2019

Net ordinary income	Net income	Dividends per share	Dividend payout ratio
¥374.2 billion	¥266.1 billion	¥50	70.4%
(-¥125.3 billion year on year)	(-¥86.5 billion year on year)	(Annual dividends of ¥25)	

[Results of Operations]

For the fiscal year ended March 31, 2019, gross operating profit decreased by ¥135.3 billion year on year to ¥1,327.0 billion. Of this, net interest income decreased by ¥159.5 billion year on year to ¥1,016.1 billion, mainly due to a decrease in interest on Japanese government bonds. Net fees and commissions increased by ¥10.3 billion year on year to ¥106.7 billion. Net other operating income increased by ¥13.9 billion year on year to ¥204.1 billion, due to an increase in gains (losses) on foreign exchanges, etc.

General and administrative expenses (excluding non-recurring losses) decreased by ¥7.5 billion year on year to ¥1,037.5 billion.

As a result, net operating profit decreased by ¥127.8 billion year on year to ¥289.4 billion and net ordinary income decreased by ¥125.3 billion year on year to ¥374.2 billion in the adverse business environment with yen interest rates remained at a low level. Net income decreased by ¥86.5 billion year on year to ¥266.1 billion.

	(Billions of yen)		
	FY18/3	FY19/3	Increase (decrease)
Gross operating profit (1)	1,462.3	1,327.0	(135.3)
Net interest income	1,175.6	1,016.1	(159.5)
Net fees and commissions	96.4	106.7	10.3
Net other operating income (loss)	190.2	204.1	13.9
General and administrative expenses (excluding non-recurring losses) (2)	1,045.0	1,037.5	(7.5)
Personnel expenses	128.6	126.3	(2.2)
Non-personnel expenses	838.9	841.6	2.7
Taxes and dues	77.4	69.5	(7.9)
Provision for general reserve for possible loan losses (3)	0.0	—	(0.0)
Net operating profit (4) = (1) - (2) - (3)	417.3	289.4	(127.8)
Non-recurring gains (losses) (5)	82.3	84.8	2.4
Net ordinary income (6) = (4) + (5)	499.6	374.2	(125.3)
Net income	352.7	266.1	(86.5)

Selected ratios are shown in the chart below.

	FY18/3	FY19/3	Increase (decrease)
Net income to assets (ROA)	0.16%	0.12%	(0.04)%
Net income to equity (ROE)	3.02%	2.32%	(0.70)%
Overhead ratio (OHR)	71.46%	78.18%	6.72 %

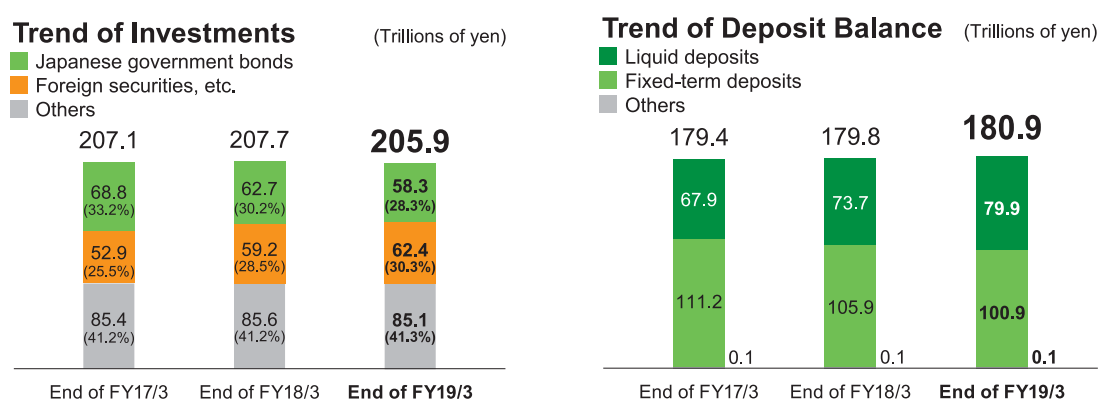
Consolidated net ordinary income was ¥373.9 billion. Net income attributable to owners of parent was ¥266.1 billion, which equated to 102.3% of the earnings forecasts of ¥260.0 billion.

[Financial Condition]

Total assets at the end of the fiscal year ended March 31, 2019 decreased by ¥1,660.1 billion from the end of the previous fiscal year to ¥208,970.4 billion. Of investments, securities decreased by ¥2,065.9 billion from the end of the previous fiscal year to ¥137,135.2 billion. Of these, 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.

With respect to major interest-bearing liabilities, we maintained a stable balance of deposits, which increased by ¥1,116.3 billion from the end of the previous fiscal year to ¥180,999.1 billion.

Shareholders' equity increased by ¥78.4 billion from the end of the previous fiscal year, valuation and translation adjustments decreased by ¥240.8 billion from the end of the previous fiscal year, and net assets amounted to ¥11,350.8 billion. Of shareholders' equity, retained earnings amounted to ¥2,477.7 billion.



[Trend of Capital Adequacy Ratio]

As we promote diversification and sophistication of investment management, we ensured a necessary and sufficient capital adequacy ratio from the perspective of financial soundness. Although it has decline from the end of the previous fiscal year, the ratio maintained a higher level than the minimum requirement of 4% based on capital adequacy standards.

	FY18/3	FY19/3	Increase (decrease)
Capital adequacy ratio (Non-consolidated, domestic standard)	17.42%	15.78%	(1.64)%

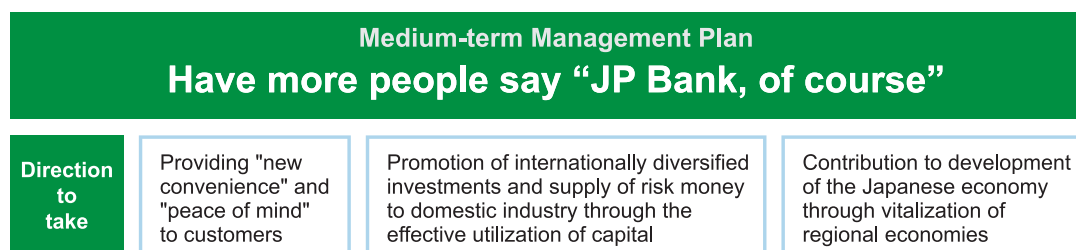
[Credit Ratings]

We obtained the highest level rating among Japanese financial institutions from two rating agencies.

(As of March 31, 2019)		
Rating agency	Long-term	Short-term
Moody's	A1	P-1
S&P	A+	A-1

Overview of Business

Japan Post Bank implemented various measures based on the “Provision of high-quality customer-oriented financial services,” “Diversification and sophistication of investment management,” “Funds flow to regional communities,” and “Strengthening the business management system” in order to achieve the vision aimed for in the Medium-term Management Plan for the period from the fiscal year ended March 31, 2019, to the fiscal year ending March 31, 2021.



Provision of High-Quality Customer-Oriented Financial Services

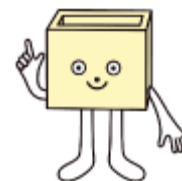
- Contributing to customers' asset building

We have strengthened our sales structure for asset management products using the post office network so that we can respond to the needs of customers in building their assets.

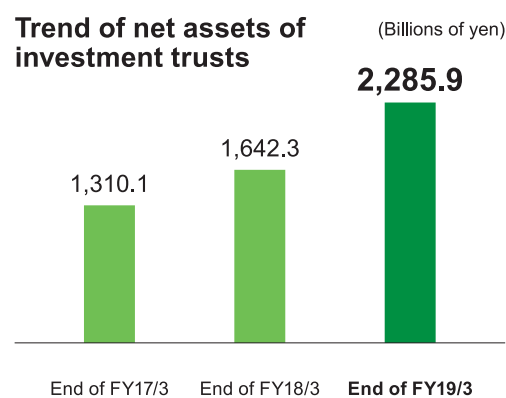
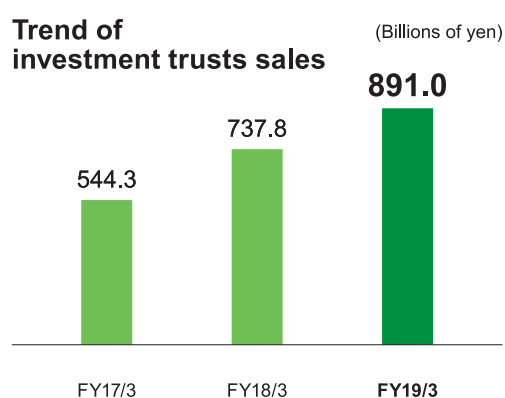
Specifically, we have continued to increase the number of financial consultants while focusing on human resources development through means such as developing a support system and enhancing guidance, training, and support for the activities of financial consultants. We also continued working to expand our customer base through measures such as the expansion of the “investment trust sales locations” that conduct sales of investment trusts and the start of field trial of face-to-face consulting service about iDeCo (individual-type Defined Contribution pension plan) at some post offices.

	March 31, 2018	March 31, 2019
Investment trust sales locations	1,416	1,540 (+124)

* All branches of Japan Post Bank offer investment trusts.



Thanks to these efforts, the balance of investment trust net assets grew from ¥1,642.3 billion as of March 31, 2018 to ¥2,285.9 billion as of March 31, 2019.



- Enhancing settlement services, etc.

In October 2018, the Japanese Banks' Payment Clearing Network launched extended operating hours (24 hours per day, 365 days per year) through its Zengin Data Telecommunications System (Zengin System). Japan Post Bank has participated in the service since its start, and extended the hours for immediate deposits in transfers to and from other financial institutions.

We have continued to expand the ATM network by installing and replacing ATMs in highly convenient locations, and in the fiscal year ended March 31, 2019 we continued to install compact ATMs with a focus on FamilyMart convenience stores. In addition, we installed compact ATMs in the branches of Aozora Bank, Ltd. in August 2018. It was the first time we installed our ATMs in all branches of another financial institution.



Ceremony at the head office of Aozora Bank

Diversification and Sophistication of Investment Management

- Diversification and sophistication of investments management

Amid persistent low yen interest rates, we promoted internationally diversified investments based on appropriate risk management in order to ensure stable profits. We invested in risk assets including foreign securities and alternative investments* while taking into consideration the market environment.

Japan Post Investment Corporation that was established through a joint investment with JAPAN POST INSURANCE Co., Ltd. in February 2018 formed the JP Investment I, ILP and started private equity investments in April 2018.

* Private equity funds that invest in unlisted companies for which growth is expected, real estate funds, etc.

- Ensuring financial soundness

As we promote diversification and sophistication of investment management, we are ensuring a necessary and sufficient capital adequacy ratio from the perspective of financial soundness. In addition, we enhanced our governance system by introducing a risk appetite framework* in our ALM (asset liability management) and investment operations to achieve both stable profits and financial soundness.

* A mechanism that strengthens risk governance by increasing the effectiveness of the supervisory function (Board of Directors) through clarifying and visualizing "Risk appetite (appropriate types and levels of risks Japan Post Bank should take as necessary for ensuring medium to long-term stable profits and financial soundness)".

Funds Flow to Regional Communities

- Contribution to regional vitalization

In order to flow precious customer funds entrusted by our customers to regional communities, Japan Post Bank has been actively promoting participation in regional vitalization funds since the fiscal year ended March 31, 2017 in collaboration with regional financial institutions. In the fiscal year ended March 31, 2019, we participated in six new regional vitalization funds for the purpose of supporting business succession as well as the startups and the establishment of new enterprises, etc.

We also endeavored to strengthen collaboration with regional financial institutions through the use of the ATM network, such as by eliminating fees of using our ATMs in certain areas for the customers of the Bank of Kyoto and the Kagoshima Bank.

Fund name	Participated year/month
① Kyushu Wide Area Reconstruction Assistance Investment LP	July 2016
② KFG Regional Enterprise Support Investment LP	November 2016
③ Hokkaido Growth Companies Support Investment LP	November 2016
④ Chubu / Hokuriku Region Vitalization Investment LP	April 2017
⑤ Shiga Bank Core Business Support Investment LP	June 2017
⑥ Toho Business Succession Investment LP	August 2017
⑦ Kyushu Setouchi Potential Value Investment LP	October 2017
⑧ MIYAKO Kyoto University Innovation LP	November 2017
⑨ MBC Shisaku 1 LP	December 2017
⑩ Michinoku Regional Vitalization Investment LP	March 2018
⑪ Fukui Future Business Support Investment LP	March 2018
⑫ Ehime Regional Vitalization Investment LP	March 2018
⑬ Healthcare New Frontier Investment LP	August 2018
⑭ Tokyo SME Support 2 LP	August 2018
⑮ Succession Investment LP, I	October 2018
⑯ TOKYO Relationship No.1 Investment, L.P.	December 2018
⑰ Kyoto-University-Venture NVCC No.2 Investment LP	March 2019
⑱ Aomori Bank Regional Vitalization LP	March 2019

Strengthening the Business Management System

- Strengthening risk governance

We are phasing in a risk appetite framework that forms the core of risk governance. In the fiscal year ended March 31, 2019, we introduced the risk appetite framework in ALM and investment operations and advanced with discussions and studies toward expanding the framework to all of the operations of Japan Post Bank.

- Strengthening the compliance system / Customer-oriented business operations

We further enhanced the internal control system through measures such as promoting greater awareness of compliance issues through various forms of training and promoting appropriate sales activities of asset management products. In addition, we have established key performance indicators (KPIs) to regularly check the status of efforts based on the “Policy of a Customer-Oriented Business Operations,” and released the results of these checks as part of efforts towards the “provision of high-quality customer-oriented financial services.”

- Strengthening responses to financial crimes and antisocial forces

In light of growing international and social demands toward measures for combating money laundering and terrorist financing, we are working to bolster our system through means such as the establishment of a dedicated department for a uniform and swift response.

- Human resource strategy

We concentrated on the development of human resources mainly in growth and focus areas and promoted diversity management (utilization of diverse human resources) through the preparation of a comfortable workplace environment to accommodate employee diversity.

External Assessments



Acquired “Platinum Kurumin” certification from the Ministry of Health, Labour and Welfare as a company engaged in a higher level of efforts aimed at achieving a work-life balance



Acquired “Excellent Enterprise of Health and Productivity Management 2019 (White 500)” certification from the Ministry of Economy, Trade and Industry as an outstanding company engaged in health and productivity management



Awarded the highest rating of “Gold” under the “PRIDE Index” that evaluates efforts related to LGBT*, etc.

*LGBT stands for lesbian, gay, bisexual, and transgender.

- Thorough implementation of cost management and effective use of IT

We worked to improve the efficiency of operations with the effective use of IT through measures such as completing the introduction of the “Image Work Flow system*” at all Operation Support Centers. In this manner, we continued the promotion of BPR (Business Process Re-engineering to improve productivity). In addition, we also made efforts to increase expense efficiency.

* System that enables processing through images for some administrative processing that was conducted through inspection and confirmation of physical documents.

- ESG (Environmental, Social, and Governance)

Japan Post Bank recognizes CSR (Corporate Social Responsibility) as an integral part of business activities.

In consideration of the Sustainable Development Goals (SDGs) that are common global goals as well, we have set the four themes of “customers and markets,” “regional communities,” “employees (diversity management),” and “environment,” and conducted activities that take advantage of the characteristics of our business.

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 (Asset Liability Management) and investment strategy that leverage those special features.

Amid a business environment that is expected to remain severe, Japan Post Bank has formulated a Medium-term Management Plan for the period from the fiscal year ended March 31, 2019, to the fiscal year ending March 31, 2021 in its effort to ensure stable profits and strengthen the business management system.

Japan Post Bank will pursue various company-wide initiatives to realize our vision based on the slogan of the Medium-term Management Plan, “Have more people say ‘JP Bank, of course.’”

Through the post office network, we will steadfastly support the life of each and every one of our wide range of customers across Japan, from small children to the elderly. Hand in hand, we will build the Japan Post Bank brand.

At the same time, we will explore new ways of providing services by making use of cutting-edge technologies while taking into account changes in customer needs.

As a member of Team JP, we will support the stable and efficient operation of the post office network and contribute to secure the universal services.

Provision of High-Quality Customer-Oriented Financial Services

We will provide “new convenience” and “peace of mind” to customers through the use of new technologies such as Fintech (intersection of the financial services and technology sectors) in addition to enhancing and expanding the nationwide network to facilitate customer consultations.

- Contributing to customers’ asset building

In order to help customers build their assets, we will provide asset management products such as investment trusts through product introduction in line with the lifestyles and needs of our customers, based on “customer-oriented business operations.”

We will promote our consulting services by fostering and increasing the number of financial consultants, enhancing tablets and other tools used in sales activities, and expanding the number of investment trust sales locations. In addition, we will meet diverse asset-building needs through a product lineup tailored to customer needs and product introduction eligible for installment-type NISA accounts.

We will provide “peace of mind” to customers by enhancement of consulting according to asset building objectives and life events such as employment, retirement and inheritance, etc., which will support them at every stage of their lives.

- Enhancing settlement services, etc.

For the “Yucho Pay” smartphone settlement service, we will develop relationships with companies adopting Yucho Pay, and work to spread use of the service and expand the service. We will also focus on corporate services including “Yucho Biz Direct” as an Internet banking service with features requested by many customers, as well as bulk/payroll payments services.

We will also continue to increase the installation of compact ATMs in highly convenient locations and to place ATMs effectively.

Through such efforts, we will provide “new convenience” that can be used anywhere, anytime.

Diversification and Sophistication of Investment Management

- Ensuring earnings by diversification and sophistication of investment management

Under an extremely challenging investment environment due to prolonged low yen interest rates, we aim to ensure stable profits through the effective utilization of capital by promoting internationally diversified investments, and the improvement of profitability by expanding investment in risk assets.

With regard to investment in risk assets, we will grow assets with a focus on overseas credit assets based on appropriate risk management and conduct selective investments in alternative assets* in light of changes in the market environment.

* Private equity funds that invest in unlisted companies for which growth is expected, real estate funds, etc.

- Ensuring financial soundness

As we promote diversification and sophistication of investment management, international financial regulations are being ramped up and our capital adequacy ratio is expected to decline. However, we will ensure a necessary and sufficient capital adequacy ratio from the perspective of a balanced financial structure to achieve both stable profits and financial soundness.

Funds Flow to Regional Communities

We will continue to contribute to the development and growth of regional economies through partnerships and collaboration with regional financial institutions.

We will deepen our cooperative relationships with regional financial institutions by promoting investments in regional vitalization funds as well as through use of the ATM network and sharing of administrative work, etc.

With the aim of contributing further, we also seek to enter the field of fund management as a general partner (GP) that selects projects and makes investment decisions.

Strengthening the Business Management System

- Strengthening risk governance

In order to strengthen corporate governance, we will work to enhance our business management system by expanding the scope of a risk appetite framework* that will form the core of risk governance from ALM and investment operations to all of our operations.

* A mechanism that strengthens risk governance by increasing the effectiveness of the supervisory function (Board of Directors) through clarifying and visualizing "Risk appetite (appropriate types and levels of risks Japan Post Bank should take as necessary for ensuring medium to long-term stable profits and financial soundness)".

- Strengthening systems against cyber attacks

We monitor unauthorized access and conduct measures to prevent resulting damages, and we will continue to strengthen our cyber security systems based on the latest trends to take measures against cyber attacks that are becoming increasingly complex and sophisticated.

- Strengthening the compliance system

We will continue efforts to promote a greater awareness of compliance issues and promote appropriate sales activities of asset management products.

We will also reinforce our measures to combat money laundering and terrorist financing. We intend to fulfill our social responsibility through such efforts.

- Human resource strategy

We will promote diversity management (utilization of diverse human resources) through measures such as support for career formation including a rise in the ratio of female management employees, improvement of productivity by reforming work styles, and preparation of a comfortable workplace environment to accommodate employee diversity.

We will concentrate on development of human resources mainly in growth and focus areas, including expansion of investment trust sales and diversification and sophistication of investment management.

- Thorough implementation of cost management and effective use of IT

We will promote greater operational efficiency and higher productivity through the thorough implementation of cost management in consideration of cost-effectiveness and the use of digital technology. We are working to enhance customer service by reallocating management resources from transaction services (routine services at bank counters, etc.) to consulting services along with the streamlining of transaction services, and promoting the effective use of human resources.

In addition, in order to increase convenience for customers, we are moving ahead with policies including the establishment and expansion of the system infrastructure (API: Application Programming Interface) needed to strengthen collaboration between our system and the systems of other companies, as well as introducing biometric authentication to JAPAN POST BANK Direct.

- ESG (Environmental, Social, and Governance)

As an integral part of our business, we will promote measures in response to Sustainable Development Goals (SDGs) that are common global goals adopted by the United Nations and aim to achieve a balance between such measures and improvements in our corporate value. Specifically, we will continue activities that take advantage of the characteristics of our business in response to the themes of “customers and markets,” “regional communities,” “employees (diversity management),” and “environment.”

Among these themes, with regard to the environment, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) regarding the response to climate change, and we will be engaged in efforts in light of these recommendations.

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	2016	2017	2018	2019
Deposits	177,871.9	179,434.6	179,882.7	180,999.1
Fixed-term deposits	113,852.8	111,280.7	105,989.3	100,927.1
Others	64,019.1	68,153.9	73,893.4	80,071.9
Loans	2,542.0	4,064.1	6,145.5	5,297.4
Loans to individuals	200.7	189.4	172.6	155.8
Loans to small and medium-size enterprises	—	—	—	2.5
Others	2,341.2	3,874.7	5,972.8	5,139.0
Trading account securities	0.1	0.0	0.0	0.0
Securities	144,076.8	138,792.4	139,201.2	137,135.2
Japanese government bonds	82,255.6	68,804.9	62,749.7	58,356.5
Others	61,821.1	69,987.4	76,451.5	78,778.6
Total assets	207,056.0	209,568.8	210,630.6	208,970.4
Domestic exchange transaction volume	41,212.1	42,314.9	46,011.9	50,999.8
Foreign exchange transaction volume	(Millions of U.S. dollars) 1,223	(Millions of U.S. dollars) 1,169	(Millions of U.S. dollars) 1,267	(Millions of U.S. dollars) 1,054
Net ordinary income	(Millions of yen) 481,998	(Millions of yen) 442,085	(Millions of yen) 499,669	(Millions of yen) 374,299
Net income	(Millions of yen) 325,069	(Millions of yen) 312,264	(Millions of yen) 352,745	(Millions of yen) 266,178
Net income per share	(Yen) 86.69	(Yen) 83.28	(Yen) 94.09	(Yen) 71.00

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, 2016.
4. Net income per share is calculated by the following formula.

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

(Reference Financial Condition and Results of Operations of Japan Post Bank Group)

(Billions of yen)

As of and for the fiscal year ended March 31	2016	2017	2018	2019
Ordinary income	—	—	2,044.9	1,845.4
Net ordinary income	—	—	499.6	373.9
Net income attributable to owners of parent	—	—	352.7	266.1
Comprehensive income	—	—	(80.4)	23.3
Net assets	—	—	11,521.6	11,362.3
Total assets	—	—	210,629.8	208,974.1

Notes:

1. The figures are rounded down.
2. We have prepared consolidated financial statements beginning from the fiscal year ended March 31, 2018.

(3) Employees

	As of March 31, 2019	As of March 31, 2018
Number of employees	12,800	13,009
Average age	42 years, 10 months	42 years, 7 months
Average years of service	19 years, 3 months	19 years, 1 month
Average monthly salary	¥401 thousand	¥399 thousand

Notes:

1. The number of employees does not include part-time employees (including those who have converted to indefinite term employment based on the system for conversion to indefinite term employment (associate 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, 2019		As of March 31, 2018	
	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 (5,061 places as of March 31, 2019).
2. Apart from the above, Japan Post Bank had two overseas representative offices, which were closed in September 2018.

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.	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	49,228
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Note: The figure is rounded down.

2) New installation, etc., of significant equipment

(Millions of yen)

Details	Amount
Development of Japan Post Bank Total Information System	16,672
Purchase of Automated Cashiers	13,457
Purchase of ATMs	7,952

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.	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.	Chuo-ku, Tokyo	Banking administrative agency services	May 28, 1980	2,000 (Millions of yen)	45.00%	—
ATM Japan Business Service, Ltd.	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.	Chuo-ku, Tokyo	Invest management business, Type II Financial Instruments Business	August 18, 2015	500 (Millions of yen)	45.00%	—
Japan Post Investment Corporation	Chiyoda-ku, Tokyo	Investment management operations of securities	February 9, 2018	750 (Millions of yen)	50.00%	—

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., Ltd. ("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.

Pursuant to amendments to the Act on the Management Organization for Postal Savings and Postal Life Insurance that took effect on December 1, 2018, beginning with the year ending March 31, 2020, Japan Post Bank and Japan Post Insurance Co., Ltd. will be required to contribute to the Organization for Postal Savings, Postal Life Insurance and Post Office Network a share of the necessary expenses for Japan Post Co., Ltd. to maintain its post office network to provide universal services. The Organization for Postal Savings, Postal Life Insurance and Post Office Network will in turn deliver these funds to Japan Post Co., Ltd.

With the introduction of contribution for the support of postal service network, Japan Post Bank is reviewing how to cover the expenses of agency services provided by Japan Post Co., Ltd. using contribution and newly allocated agency commissions, such expenses have been paid out of the agency commissions paid to Japan post Co., Ltd. by Japan Post Bank.

- 2 Pursuant to the provisions of Article 15 of the Act on Management Organization for Postal Savings, Postal Life Insurance and Post Office Network, 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, Postal Life Insurance and Post Office Network, 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 (40 banks), other banks (13 banks), The Shoko Chukin Bank, Ltd. (1 bank), *shinkin* banks (259 banks), credit cooperatives (119 cooperatives), labor banks (13 banks), credit federations of agricultural cooperatives (32 cooperatives), agricultural cooperatives (628 cooperatives), credit federations of fishery cooperatives (28 cooperatives), fishery cooperatives (73 cooperatives), securities firms (12 firms), life insurance companies (8 companies), credit card companies (48 companies) and other companies (6 companies)

- (7) Business Transfer, etc.

Not applicable.

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

- Change in Deposit Limits

Following the Cabinet Order on the Partial Amendment to the Order for Enforcement of the Postal Service Privatization Act enforced on April 1, 2019, deposit limits have been changed on the same date as follows.

Products	Designated limit after the change	Designated limit before the change
Ordinary deposits (including ordinary savings deposits) *1	¥13 million*3	¥13 million in aggregate *2*3
Fixed-term deposits*1 (various TEIGAKU deposits and various time deposits (excluding various asset-formation deposits))	¥13 million*2*3	
Various asset-formation deposits	No change*4	¥5.5 million in aggregate *3
Transfer account (transfer deposits)	No change	No deposit limits

*1 Ordinary deposits and fixed-term deposits in the table above are subject to classification based on the regulations of deposit limits under the Postal Service Privatization Act, which are different from the classification presented in I(1) Progress and Results of Business, etc. and I(2) Financial Condition and Results of Operation.

*2 Deposit limits for fixed-term deposits include deposits made prior to postal service privatization (until September 30, 2007) (deposits that were passed on to the Management Organization for Postal Savings and Postal Life Insurance (to be renamed as the Organization for Postal Savings, Postal Life Insurance and Post Office Network from April 1, 2019)) (excluding housing installment deposits).

*3 If interest has accrued, the total deposit balance shall be calculated as the total amount of principal and interest (after tax).

*4 If time deposits have not reached the deposit limit of ¥13 million, the unused portion may be added to the deposit limit for asset-formation deposits.

II. Matters Concerning Directors and Executive Officers

(1) Directors and Executive Officers

Directors

(As of March 31, 2019)

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.	—
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.	—
Ryoichi Nakazato	Director Member of the Audit Committee		—
Tomoyoshi Arita	Director (Outside Director) Member of the Audit Committee (Chairman) Member of the Nomination Committee	Attorney-at-law External Director of WDB Holdings Co., Ltd. Outside Corporate Auditor of BROTHER INDUSTRIES, LTD. Outside Director of Fukuyama Transporting Co., Ltd.	—
Sawako Nohara	Director (Outside Director) Member of the Audit Committee	President and CEO of IPSe Marketing, Inc. Project professor at Keio University Graduate School of Media and Governance Outside Director of Sompo Holdings, Inc. Outside Audit & Supervisory Board Member of TOKYO GAS CO., LTD.	—
Tetsu Machida	Director (Outside Director) Member of the Audit Committee	Independent economic journalist	—

Directors

(As of March 31, 2019)

Name	Position and assignment	Significant concurrent positions	Others
Nobuko Akashi	Director (Outside Director)	Board Chairman of a non-profit organization, Japan Manners & Protocol Association Representative Director of Buraiton Y.K.	—
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.
Hirofumi Nomoto	Director (Outside Director) Member of the Nomination Committee Member of the Compensation Committee (Chairman)	Chairman of the Board & Representative Director of Tokyu Corporation Director of Tokyu Fudosan Holdings Corporation Director of TOKYU RECREATION CO., LTD. Outside Director of TOEI COMPANY, LTD.	—
Ryoji Chubachi	Director (Outside Director) Member of the Nomination Committee Member of the Compensation Committee	President of National Institute of Advanced Industrial Science and Technology	—

Notes:

1. Mr. Norito Ikeda and Mr. Susumu Tanaka concurrently serve as Executive Officers.
2. Mr. Ryoichi Nakazato is a full-time member of the Audit Committee. The reason for electing 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, Ms. Sawako Nohara, Mr. Tetsu Machida, Ms. Nobuko Akashi, Mr. Katsuaki Ikeda, Mr. Hirofumi Nomoto and Mr. Ryoji Chubachi) are Independent Directors as stipulated by Tokyo Stock Exchange, Inc.
4. Mr. Ryoji Chubachi was newly appointed as Director at the Ordinary General Meeting of Shareholders held on June 19, 2018, and assumed his position on the same date.
5. As of the conclusion of the Ordinary General Meeting of Shareholders held on June 19, 2018, Mr. Katsunori Sago, Mr. Toshihiro Tsuboi, and Mr. Tsuyoshi Okamoto resigned from their positions of Directors due to expiration of their terms of office.
6. Ms. Sawako Nohara assumed her position of Outside Audit & Supervisory Board Member of TOKYO GAS CO., LTD. on June 28, 2018. Meanwhile, Ms. Sawako Nohara resigned from her position of Outside Director of Nissha Co., Ltd. on March 22, 2019.
7. Mr. Hirofumi Nomoto assumed his position of Chairman of the Board & Representative Director of Tokyu Corporation on April 1, 2018. Meanwhile, Mr. Hirofumi Nomoto resigned from his position of Outside Director of TOBU RAILWAY CO., LTD. on June 22, 2018.

Executive Officers

(As of March 31, 2019)

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 Research Department, Financial Accounting Department, Investor Relations Department, Public Relations Department, Customer Satisfaction Department, Cyber Defense Office, IT Strategy Department and General Affairs Department))	Managing Executive Officer of JAPAN POST HOLDINGS Co., Ltd.	—
Yoshinori Hagino	Executive Vice President (Matters concerning operations of System Division and Cyber Defense Office, IT Strategy Department, Corporate Administration 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.	—
Hiroichi Shishimi	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))		—
Kunio Tahara	Senior Managing Executive Officer (Matters concerning operations of Investment Division)		—
Masahiro Nishimori	Managing Executive Officer (Matters concerning operations of Operation Division)		—
Masaya Aida	Managing Executive Officer (Matters concerning operations of Compliance Division)		—

Executive Officers

(As of March 31, 2019)

Name	Position and assignment	Significant concurrent positions	Others
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 and Diversity and Inclusion Department, Corporate Administration Division))	Director of JAPAN POST STAFF Co., Ltd.	—
Atsuko Onodera	Managing Executive Officer (Matters concerning operations of Research Department, Customer Satisfaction Department and General Affairs Department, Corporate Administration Division)		—
Kenichi Kozuka	Managing Executive Officer (Matters concerning operations of Internal Audit Division)		Resigned on March 31, 2019
Masato Tamaki	Managing Executive Officer (Matters concerning operations of Risk Management Division)		—
Minoru Kotouda	Managing Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Marketing Division and supervision of operations of directly-operated branches and regional headquarters)		—
Yoko Makino	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 Diversity and Inclusion Department, Corporate Administration Division))		—
Kunihiko Amaha	Executive Officer (Assistant to the Managing Executive Officer in charge of Research Department, Corporate Administration Division)		—

Executive Officers

(As of March 31, 2019)

Name	Position and assignment	Significant concurrent positions	Others
Makoto Shinmura	Executive Officer (Assistant to the Managing Executive Officer in charge of Risk Management Division (limited to supervision of operations related to Risk Management Department, Risk Management Division))		—
Satoru Ogata	Executive Officer (Assistant to the Executive Vice President in charge of System Division and Cyber Defense Office, IT Strategy Department, Corporate Administration Division)		—
Toshiharu Ono	Executive Officer (Assistant to the Senior Managing Executive Officer in charge of Financial Accounting Department, Corporate Administration Division and assistant to the Senior Managing Executive Officer who assists Representative Executive Vice President in charge of Corporate Administration Division (limited to supervision of operations related to IFRS Planning Office, Corporate Planning Department, Corporate Administration Division))		—
Shigeyuki Sakurai	Executive Officer (Assistant to the Managing Executive Officer who assists Representative Executive Vice President in charge of Corporate Administration Division. (limited to supervision of operations related to Human Resources 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))		—
Takayuki Tanaka	Executive Officer (Assistant to the Managing Executive Officer who assists Senior Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to ATM Business Department and Marketing Department 3, Marketing Division))		—

Executive Officers

(As of March 31, 2019)

Name	Position and assignment	Significant concurrent positions	Others
Shinobu Nagura	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))		—
Ikuyo Kondo	Executive Officer (Matters concerning Nagoya Operation Support Center)		—
Toshiyuki Yazaki	Executive Officer (Assistant to the Managing Executive Officer who assists the Senior Managing Executive Officer in charge of Marketing Division (limited to supervision of operations related to Marketing Department and Marketing Department 1 , Marketing Division))		—
Nobuhiro Fukuoka	Executive Officer (Assistant to the Managing Executive Officer in charge of Internal Audit Division)		—
Ryotaro Yamada	Executive Officer (Matters concerning Kinki Regional Headquarters and assistant to the Managing Executive Officer who assists the Senior Managing Executive Officer in charge of supervision of operations of directly-operated branches and regional headquarters)		—

Notes:

1. Mr. Norito Ikeda and Mr. Susumu Tanaka concurrently serve as Directors.
2. Mr. Kunio Tahara was newly appointed as Executive Officer and was also elected as Senior Managing Executive Officer at the meeting of the Board of Directors held on May 15, 2018, and assumed his position on the same date.
3. Mr. Toshiyuki Yazaki, Mr. Nobuhiro Fukuoka and Mr. Ryotaro Yamada 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 19, 2018, and Mr. Toshiyuki Yazaki assumed his position on June 22, 2018, Mr. Nobuhiro Fukuoka and Mr. Ryotaro Yamada assumed their positions on July 1, 2018.
4. At the first meeting of the Board of Directors convened after the conclusion of the Ordinary General Meeting of Shareholders held on June 19, 2018, Titled Executive Officers were appointed as follows.

Name	Position (before the change)	Position (after the change)	Date of the change
Kenichi Kozuka	Executive Officer	Managing Executive Officer	June 19, 2018
Masato Tamaki	Executive Officer	Managing Executive Officer	June 19, 2018
Minoru Kotouda	Executive Officer	Managing Executive Officer	June 19, 2018

5. 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 19, 2018, Mr. Katsunori Sago, Mr. Shigeki Matsushima and Mr. Yasuyuki Hori resigned from their positions of Executive Officers due to the expiration of their terms of office.
6. As the changes of Executive Officers that occurred after the end of the fiscal year ended March 31, 2019, Mr. Kunio Tahara and Mr. Toshiyuki Yazaki were elected as Executive Vice President and Managing Executive Officer respectively at the meeting of the Board of Directors held on March 22, 2019, and assumed their positions on April 1, 2019.

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

(Millions of yen)

Category	Number of persons compensated	Compensation, etc.	Base compensation	Performance-linked stock compensation	Retirement benefit	Others
Directors	10 persons	90	90	-	-	0
Executive Officers	30 persons	787	654	127	2	3
Total	40 persons	877	744	127	2	3

Notes:

1. The figures for compensation, etc. are rounded down.
2. If a person holds concurrent positions as Director and Executive Officer, we do not pay compensation for services as Director to such person.
3. Number of Directors compensated excludes one Director without pay.
4. Performance-linked stock compensation above represents the amount accounted for as expense during the fiscal year ended March 31, 2019.
5. 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 directors and executive officers of Japan Post Bank, 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.

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.

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.

(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.
Ryoichi Nakazato	
Tomoyoshi Arita	
Sawako Nohara	
Tetsu Machida	
Nobuko Akashi	
Katsuaki Ikeda	
Hirofumi Nomoto	
Ryoji Chubachi	

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 Director of WDB Holdings Co., Ltd. Outside Corporate Auditor of BROTHER INDUSTRIES, LTD. Outside Director of Fukuyama Transporting Co., Ltd.
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 Audit & Supervisory Board Member of TOKYO GAS CO., LTD.
Tetsu Machida	Independent economic journalist
Nobuko Akashi	Board Chairman of a non-profit organization, Japan Manners & Protocol Association Representative Director of Buraiton Y.K.
Hirofumi Nomoto	Chairman of the Board & Representative Director of Tokyu Corporation Director of Tokyu Fudosan Holdings Corporation Director of TOKYU RECREATION CO., LTD. Outside Director of TOEI COMPANY, LTD.
Ryoji Chubachi	President of National Institute of Advanced Industrial Science and Technology

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	8 years, 9 months	<p>Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2019 (100%)</p> <p>Attended 3 out of 3 meetings of the Nomination Committee held during the fiscal year ended March 31, 2019 (100%)</p> <p>Attended 15 out of 15 meetings of the Audit Committee held during the fiscal year ended March 31, 2019 (100%)</p>	<p>He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspectives based on his abundant experience and insights as a legal professional, which he gained through his career as an attorney-at-law, etc.</p> <p>In addition, he hosts meetings of the Audit Committee as a chairman of said Committee.</p>
Sawako Nohara	4 years, 9 months	<p>Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2019 (100%)</p> <p>Attended 15 out of 15 meetings of the Audit Committee held during the fiscal year ended March 31, 2019 (100%)</p>	<p>She expresses opinions on management issues, etc., of Japan Post Bank as needed from her professional perspectives with deep insights on advanced business strategies, which she gained as she successively held various important posts at many research centers and others and also as many panels of experts of government meetings.</p>
Tetsu Machida	4 years, 9 months	<p>Attended 10 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2019 (83%)</p> <p>Attended 13 out of 15 meetings of the Audit Committee held during the fiscal year ended March 31, 2019 (86%)</p>	<p>He expresses opinions on management issues, etc., of Japan Post Bank as needed from his professional perspectives with deep insights on events surrounding corporate management, which he gained through his activities as an economic journalist.</p>
Nobuko Akashi	3 years, 9 months	<p>Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2019 (100%)</p>	<p>She expresses opinions on management issues, etc., of Japan Post Bank as needed from her professional perspectives with deep insights on events surrounding corporate management, which she gained through her activities as a board chairman of a non-profit organization and an expert member of government meetings.</p>

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors and other activities
Katsuaki Ikeda	3 years, 7 months	<p>Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2019 (100%)</p> <p>Attended 3 out of 3 meetings of the Compensation Committee held during the fiscal year ended March 31, 2019 (100%)</p> <p>Attended 15 out of 15 meetings of the Audit Committee held during the fiscal year ended March 31, 2019 (100%)</p>	He expresses opinions on management issues, etc., of Japan Post Bank as needed by capitalizing on his abundant experience and insights, as he was involved in management of financial organizations for a long time and has professional knowledge on finance and accounting gained through his career.
Hirofumi Nomoto	1 year, 9 months	<p>Attended 12 out of 12 meetings of the Board of Directors held during the fiscal year ended March 31, 2019. (100%)</p> <p>Attended 3 out of 3 meetings of the Nomination Committee held during the fiscal year ended March 31, 2019. (100%)</p> <p>Attended 3 out of 3 meetings of the Compensation Committee held during the fiscal year ended March 31, 2019. (100%)</p>	He expresses opinions on management issues, etc., of Japan Post Bank as needed by capitalizing on his abundant experience and insights as a specialist of corporate management, which he gained as he was involved in corporate management of a publicly traded company for a long time. In addition, he hosts meetings of the Compensation Committee as a chairman of said Committee.
Ryoji Chubachi	9 months	<p>Attended 10 out of 10 meetings of the Board of Directors held during the fiscal year ended March 31, 2019, after his appointment (100%)</p> <p>Attended 2 out of 2 meetings of the Nomination Committee held during the fiscal year ended March 31, 2019, after his appointment (100%)</p> <p>Attended 2 out of 2 meetings of the Compensation Committee held during the fiscal year ended March 31, 2019, after his appointment (100%)</p>	He expresses opinions on management issues, etc., of Japan Post Bank as needed by capitalizing on his abundant experience and insights as a specialist of corporate management, which he gained as he was involved in corporate management of a publicly traded company for a long time.

(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	62	—

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 stock benefit trust (683 thousand shares).

(2) Total Number of Shareholders as of March 31, 2019: 460,866

(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%
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,077 thousand shares	0.74%
Japan Trustee Services Bank, Ltd. (Trust Account)	22,968 thousand shares	0.61%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	10,968 thousand shares	0.29%
STATE STREET BANK WEST CLIENT-TREATY 505234	10,084 thousand shares	0.26%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8,250 thousand shares	0.22%
Japan Post Bank Employee Shareholding Association	8,102 thousand shares	0.21%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	7,258 thousand shares	0.19%
Japan Trustee Services Bank, Ltd. (Trust Account 2)	6,790 thousand shares	0.18%
JP MORGAN CHASE BANK 385151	6,495 thousand shares	0.17%

Notes:

1. The number of shares held, etc. is rounded down.
2. The Bank holds 750,524 thousand shares (the percentage of shares held is 16.67%) of treasury stock, which are not included in the above list of major shareholders. The treasury stock does not include the Bank's shares held by the stock benefit trust (683 thousand shares).
3. The percentage of shares held is calculated excluding treasury stock (750,524 thousand shares) and is rounded down to the second decimal place.

(4) Other Significant Matters Concerning Shares

- Performance-Linked Stock Compensation System for Executive Officers

Japan Post Bank introduced a performance-linked stock compensation system using 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 introduced an employee stock ownership plan, using 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, 2019

Not applicable.

(2) Stock Acquisition Rights, etc., of Japan Post Bank Granted to Employees, etc., during the Fiscal Year Ended March 31, 2019

Not applicable.

VI. Matters Concerning Independent Auditor

(1) Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2019	Others
KPMG AZSA LLC Yoichi Ozawa Designated Limited Liability Partner Hideyuki Kobayashi Designated Limited Liability Partner Takahiro Toyama Designated Limited Liability Partner	184	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, 2019, 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 and its subsidiary corporations or entities is ¥205 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.

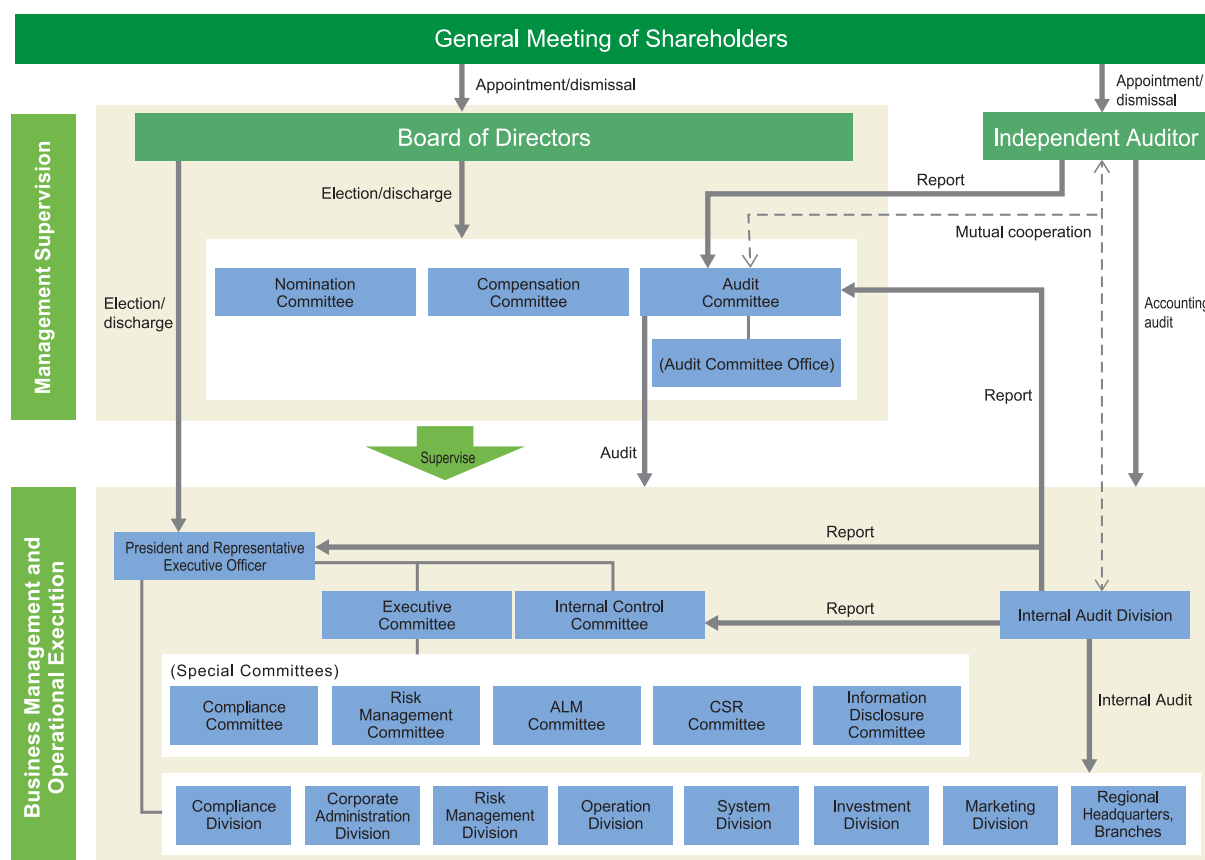
VIII. Systems to Ensure the Appropriate Conduct of Operations

[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, 2019 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 Internal Control Committee, 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 Internal Control Committee, 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 subsidiaries, 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, along with the Directors, Corporate Auditors and employees of subsidiaries, 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

a. Compliance system

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.

b. Reporting system for compliance violations, etc. (establishment of whistle-blowing contact offices)

The duty of reporting along the Compliance Line in case of potential of actual violations of compliance is stipulated, as well as the accessibility of the whistle-blowing contact offices for such reporting, and we thoroughly convey the use of the contact offices through trainings and other measures.

c. Responses to anti-social forces

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. With regard to measures to prevent money laundering and terrorist financing, we are working to prepare for a system to ensure that the products and services we provide are not used for such purposes.

d. Customer-oriented business operations

In order to further instill and firmly establish our customer-oriented efforts, we established and promote a plan for the “Basic Policy for Customer-Oriented Business Operations”.

(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.

We have the independent Risk Management Division which establishes a system to examine the appropriateness of management plans, etc., from the standpoint of management sustainability.

We are committed to further enhancing our risk governance system and to establish a risk appetite framework to achieve both stable profits and financial soundness through appropriate risk taking and risk control.

Furthermore, we have designated a CISO* in charge of carrying out cyber security measures to bolster our system for responding to cyber attacks.

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).

* Chief Information Security Officer

(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.

(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 subsidiaries and 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, we aim to pay a stable per-share dividend ensuring dividends per share of ¥50 through the end of the fiscal year ending March 31, 2021. In addition, 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 for the fiscal year ended March 31, 2019 (interim dividends of ¥25, dividend payout ratio of 70.4%).

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Balance Sheet (As of March 31, 2019)

(Millions of yen)	
Account	Amount
Assets:	
Cash and due from banks	50,698,549
Cash	239,674
Due from banks	50,458,875
Call loans	400,000
Receivables under resale agreements	8,368,139
Monetary claims bought	295,679
Trading account securities	2
Trading Japanese government bonds	2
Money held in trust	3,990,780
Securities	137,135,264
Japanese government bonds	58,356,567
Japanese local government bonds	6,383,964
Commercial paper	220,998
Japanese corporate bonds	9,574,857
Japanese stocks	99,286
Other securities	62,499,590
Loans	5,297,424
Loans on deeds	5,139,073
Overdrafts	158,351
Foreign exchanges	80,396
Due from foreign banks	80,396
Other assets	2,452,409
Domestic exchange settlement accounts - debit	11,874
Prepaid expenses	1,535
Accrued income	226,133
Margins for future transactions	146,257
Variation margins for future transactions	742
Derivatives other than trading	295,169
Cash collateral paid for financial instruments	28,966
Other	1,741,729
Tangible fixed assets	201,786
Buildings	75,035
Land	67,250
Construction in progress	3,745
Other	55,754
Intangible fixed assets	51,003
Software	43,972
Other	7,031
Reserve for possible loan losses	(958)
Total assets	208,970,478

(Millions of yen)	
Account	Amount
Liabilities:	
Deposits	180,999,134
Transfer deposits	16,143,580
Ordinary deposits	62,157,684
Savings deposits	405,656
Time deposits	7,096,334
Special deposits	1,252,455
TEIGAKU deposits	93,830,855
Other deposits	112,566
Payables under repurchase agreements	11,569,371
Payables under securities lending transactions	2,473,457
Commercial paper	28,029
Borrowed money	3,900
Borrowings	3,900
Foreign exchanges	628
Foreign bills payable	628
Other liabilities	1,354,810
Domestic exchange settlement accounts - credit	22,862
Income taxes payable	7,774
Accrued expenses	495,883
Unearned income	67
Derivatives other than trading	504,384
Cash collateral received for financial instruments	22,496
Asset retirement obligations	682
Other	300,660
Reserve for bonuses	7,739
Reserve for employees' retirement benefits	144,190
Reserve for employee stock ownership plan trust	839
Reserve for management board benefit trust	238
Reserve for reimbursement of deposits	88,332
Deferred tax liabilities	948,998
Total liabilities	197,619,672
Net assets:	
Capital stock	3,500,000
Capital surplus	4,296,285
Legal capital surplus	3,500,000
Other capital surplus	796,285
Retained earnings	2,477,736
Other retained earnings	2,477,736
Retained earnings brought forward	2,477,736
Treasury stock	(1,300,926)
Total shareholders' equity	8,973,095

(Millions of yen)	
Account	Amount
Net unrealized gains (losses) on available-for-sale securities	2,440,064
Net deferred gains (losses) on hedges	(62,353)
Total valuation and translation adjustments	2,377,710
Total net assets	11,350,806
Total liabilities and net assets	208,970,478

Non-Consolidated Statement of Income (For the fiscal year ended March 31, 2019)
(Millions of yen)

Account	Amount
Ordinary income	1,845,316
Interest income	1,357,985
Interest on loans	12,093
Interest and dividends on securities	1,313,813
Interest on call loans	286
Interest on receivables under resale agreements	(1,203)
Interest on receivables under securities borrowing transactions	910
Interest on deposits with banks	29,758
Other interest income	2,326
Fees and commissions	138,794
Fees and commissions on domestic and foreign exchanges	63,591
Other fees and commissions	75,203
Other operating income	228,925
Gains on foreign exchanges	219,448
Gains on sales of bonds	9,477
Other ordinary income	119,610
Reversal of reserve for possible loan losses	50
Recoveries of written-off claims	20
Gains on sales of stocks and other securities	3,251
Gains on money held in trust	79,756
Other	36,531
Ordinary expenses	1,471,017
Interest expenses	347,157
Interest on deposits	80,834
Interest on payables under repurchase agreements	59,101
Interest on payables under securities lending transactions	60,297
Interest on commercial paper	1,788
Interest on interest rate swaps	143,026
Other interest expenses	2,110
Fees and commissions	32,032
Fees and commissions on domestic and foreign exchanges	4,400
Other fees and commissions	27,632
Other operating expenses	24,779
Losses on sales of bonds	21,719
Expenses on derivatives other than for trading or hedging	3,060
General and administrative expenses	1,035,378
Other ordinary expenses	31,668
Losses on sales of stocks and other securities	6,171
Losses on devaluation of stocks and other securities	8,063
Losses on money held in trust	2,039
Other	15,394
Net ordinary income	374,299

(Millions of yen)	
Account	Amount
Extraordinary loss	4,107
Losses on sales and disposals of fixed assets	3,556
Losses on impairment of fixed assets	550
Income before income taxes	370,192
Income taxes: Current	99,417
Income taxes: Deferred	4,596
Total income taxes	104,013
Net income	266,178

Non-Consolidated Statement of Changes in Net Assets (For the fiscal year ended March 31, 2019)

(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	2,399,031
Changes during the fiscal year					
Cash dividends					(187,473)
Net income					266,178
Transfer to other capital surplus from legal capital surplus		(796,285)	796,285	—	
Repurchase of treasury stock					
Disposal of treasury stock					
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	(796,285)	796,285	—	78,704
Balance at the end of the fiscal year	3,500,000	3,500,000	796,285	4,296,285	2,477,736

	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	(1,300,717)	8,894,599	2,615,432	3,119	2,618,551	11,513,151
Changes during the fiscal year						
Cash dividends		(187,473)				(187,473)
Net income		266,178				266,178
Transfer to other capital surplus from legal capital surplus		—				—
Repurchase of treasury stock	(542)	(542)				(542)
Disposal of treasury stock	333	333				333
Net changes in items other than shareholders' equity			(175,367)	(65,472)	(240,840)	(240,840)
Total changes during the fiscal year	(209)	78,495	(175,367)	(65,472)	(240,840)	(162,345)
Balance at the end of the fiscal year	(1,300,926)	8,973,095	2,440,064	(62,353)	2,377,710	11,350,806

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet (As of March 31, 2019)

(Millions of yen)	
Account	Amount
Assets:	
Cash and due from banks	50,698,686
Call loans	400,000
Receivables under resale agreements	8,368,139
Monetary claims bought	295,679
Trading account securities	2
Money held in trust	3,990,780
Securities	137,138,590
Loans	5,297,424
Foreign exchanges	80,396
Other assets	2,452,406
Tangible fixed assets	201,906
Buildings	75,126
Land	67,250
Construction in progress	3,745
Other	55,783
Intangible fixed assets	51,018
Software	43,987
Other	7,031
Deferred tax assets	61
Reserve for possible loan losses	(958)
Total assets	208,974,134

(Millions of yen)	
Account	Amount
Liabilities:	
Deposits	180,997,116
Payables under repurchase agreements	11,569,371
Payables under securities lending transactions	2,473,457
Commercial paper	28,029
Borrowed money	3,900
Foreign exchanges	628
Other liabilities	1,355,311
Reserve for bonuses	7,858
Liability for retirement benefits	134,837
Reserve for employee stock ownership plan trust	839
Reserve for management board benefit trust	238
Reserve for reimbursement of deposits	88,332
Deferred tax liabilities	951,844
Total liabilities	197,611,768
Net assets:	
Capital stock	3,500,000
Capital surplus	4,296,286
Retained earnings	2,477,878
Treasury stock	(1,300,926)
Total shareholders' equity	8,973,237
Net unrealized gains (losses) on available-for-sale securities	2,440,024
Net deferred gains (losses) on hedges	(62,353)
Accumulated adjustments for retirement benefits	6,488
Total accumulated other comprehensive income	2,384,159
Non-controlling interests	4,968
Total net assets	11,362,365
Total liabilities and net assets	208,974,134

Consolidated Statement of Income (For the fiscal year ended March 31, 2019)

(Millions of yen)

Account	Amount
Ordinary income	1,845,413
Interest income	1,357,775
Interest on loans	12,093
Interest and dividends on securities	1,313,603
Interest on call loans	286
Interest on receivables under resale agreements	(1,203)
Interest on receivables under securities borrowing transactions	910
Interest on deposits with banks	29,758
Other interest income	2,326
Fees and commissions	138,794
Other operating income	228,925
Other ordinary income	119,917
Reversal of reserve for possible loan losses	50
Recoveries of written-off claims	20
Other	119,846
Ordinary expenses	1,471,434
Interest expenses	347,157
Interest on deposits	80,834
Interest on payables under repurchase agreements	59,101
Interest on payables under securities lending transactions	60,297
Interest on commercial paper	1,788
Other interest expenses	145,136
Fees and commissions	32,032
Other operating expenses	24,779
General and administrative expenses	1,036,400
Other ordinary expenses	31,063
Other	31,063
Net ordinary income	373,978
Extraordinary loss	4,107
Losses on sales and disposals of fixed assets	3,556
Losses on impairment of fixed assets	550
Income before income taxes	369,870
Income taxes: Current	99,555
Income taxes: Deferred	4,534
Total income taxes	104,090
Net income	265,780
Net loss attributable to non-controlling interests	(409)
Net income attributable to owners of parent	266,189

Consolidated Statement of Changes in Net Assets (For the fiscal year ended March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	4,296,285	2,399,162	(1,300,717)	8,894,730
Changes during the fiscal year					
Cash dividends			(187,473)		(187,473)
Net income attributable to owners of parent			266,189		266,189
Repurchase of treasury stock				(542)	(542)
Disposal of treasury stock				333	333
Change in equity of parent due to transactions with non-controlling interests		0			0
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	0	78,716	(209)	78,507
Balance at the end of the fiscal year	3,500,000	4,296,286	2,477,878	(1,300,926)	8,973,237

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	2,615,432	3,119	7,934	2,626,485	463	11,521,680
Changes during the fiscal year						
Cash dividends						(187,473)
Net income attributable to owners of parent						266,189
Repurchase of treasury stock						(542)
Disposal of treasury stock						333
Change in equity of parent due to transactions with non-controlling interests						0
Net changes in items other than shareholders' equity	(175,408)	(65,472)	(1,445)	(242,326)	4,504	(237,821)
Total changes during the fiscal year	(175,408)	(65,472)	(1,445)	(242,326)	4,504	(159,314)
Balance at the end of the fiscal year	2,440,024	(62,353)	6,488	2,384,159	4,968	11,362,365

[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 13, 2019

To 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 13th fiscal year from April 1, 2018 to March 31, 2019 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.

Independent Auditor's Report

May 13, 2019

To 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 consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income and the consolidated statement of changes in net assets, and the related notes of JAPAN POST BANK Co., Ltd. for the consolidated fiscal year from April 1, 2018 to March 31, 2019 in accordance with Article 444(4) of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements 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 consolidated financial statements 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 consolidated financial statements 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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 consolidated financial statements 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 consolidated financial statements.

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 consolidated financial statements referred to above present fairly, in all material respects, the financial condition and the results of operations of JAPAN POST BANK Co., Ltd. and its consolidated subsidiaries for the period, for which the consolidated financial statements 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 13th fiscal year from April 1, 2018 to March 31, 2019 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, 2019 in accordance with Audit Committee Regulations, Audit Rules of the Audit Committee, assignment of duties based on the resolution of the Audit Committee, 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.
With respect to a subsidiary, the Audit Committee communicated and exchanged information with the Directors and the Audit & Supervisory Board Member of the subsidiary, and received reports concerning business.
- 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 sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes), for the fiscal year ended March 31, 2019.

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.

(3) Results of Audit of Consolidated Financial Statements

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

May 14, 2019

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 Katsuaki Ikeda (seal)

Member of the Audit Committee Ryoichi Nakazato (seal)

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

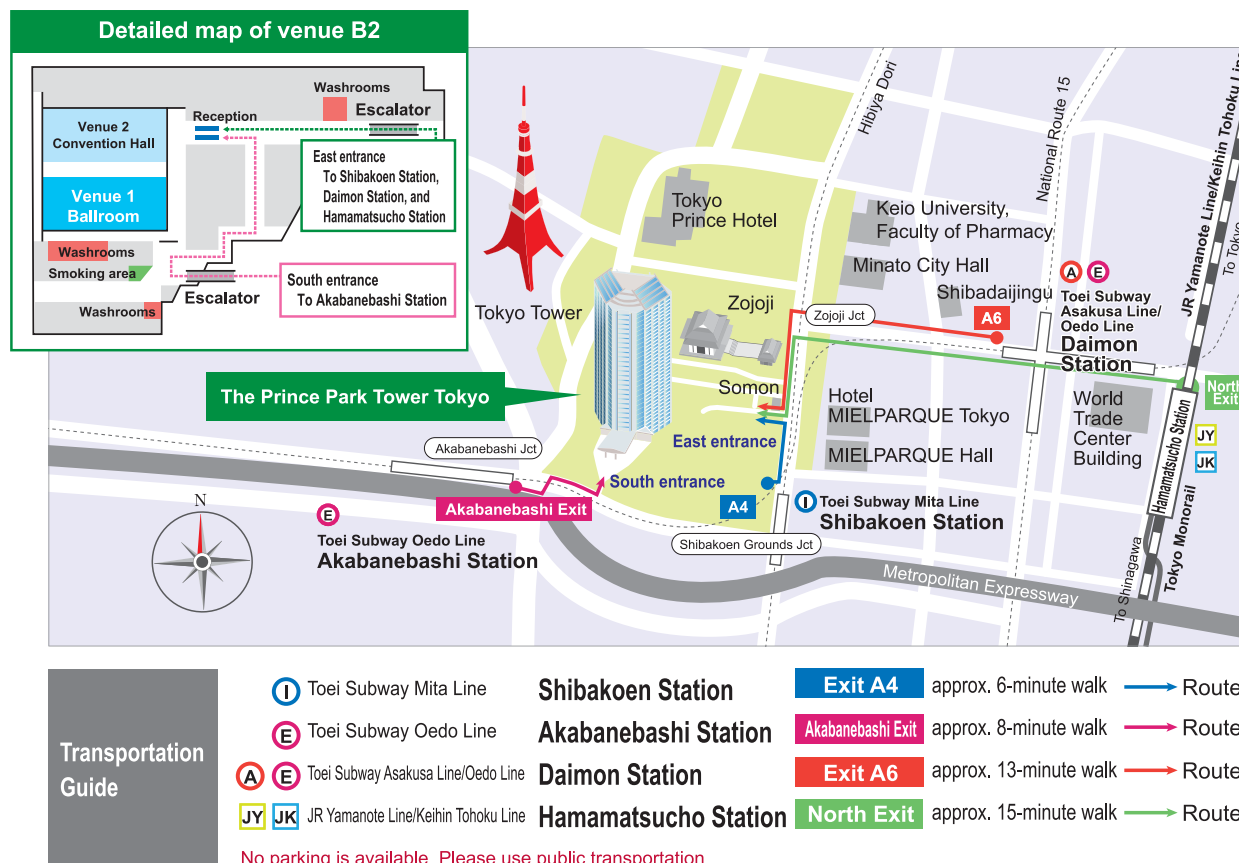
Information Map of the General Meeting of Shareholders

Venue Ballroom B2
The Prince Park Tower Tokyo
8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan

* Please be careful not to confuse the venue with the Tokyo Prince Hotel.

Date and Time Tuesday, June 18,
2019 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.



- 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.