

UNOFFICIAL TRANSLATION

Although Japan Post Insurance pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

June 17, 2024

Company Name: JAPAN POST INSURANCE Co., Ltd.

Representative: TANIGAKI Kunio, Director and President, CEO, Representative Executive Officer

Stock exchange listing: Prime Market of the Tokyo Stock Exchange (Code Number: 7181)

Notice Concerning Changes to the Company's Compensation System for Executive Officers

JAPAN POST INSURANCE Co., Ltd. (the "Company") hereby announces that at the Compensation Committee held on June 17, 2024, it has decided to introduce a short-term performance-linked monetary compensation system for the Company's Executive Officers.

Along with this, the current stock compensation structure will be reformed to comprise two types of compensation, namely, performance-linked and non-performance-linked stock compensation, and compensation levels will be adjusted. Combined with the new performance-linked monetary compensation component, the proportion of incentive compensation for Executive Officers will increase, further enhancing the incentive to improve the Company's performance and raise its corporate value.

1. Objectives of the System

To date, the Company has implemented a performance-linked stock compensation system utilizing a trust as the performance-linked compensation system for Executive Officers. However, in order to further enhance the consciousness and contributions of Executive Officers towards steadily achieving the Company's performance targets and enhancing the medium-to-long term corporate value of the Company, we will introduce a monetary compensation system linked to short-term performance, as well as non-performance-linked stock compensation to supplement the existing, performance-linked stock compensation.

With this, the compensation of the Company's Executive Officers will consist of a "base compensation" as fixed compensation, and "performance-linked monetary compensation," "performance-linked stock compensation," and "non-performance-linked stock compensation" as variable compensation.

The Company has adopted a company with three committees structure and compensation of the Executive Officers is determined by the Compensation Committee.

2. Overview of the System

(1) Overview of performance-linked monetary compensation

Performance-linked monetary compensation (hereinafter, the “annual bonus”) is monetary compensation that is linked to short-term performance, and functions as an incentive for achieving solid annual performance targets.

The amount of annual bonus paid is calculated by adding the amount obtained by multiplying the standard amount for each position related to individual performance by the payout rate based on individual performance evaluation, and the amount obtained by multiplying the standard amount for each position related to the Company’s performance by the variable payout rate based on the degree to which the management plan has been achieved and other factors.

The abovementioned payout rate and the final amount paid are determined by the Compensation Committee and paid to the Executive Officers at a designated time once a year.

(2) Overview of stock compensation

With regard to the Company’s Executive Officer stock compensation to provide an incentive that is linked to the Company’s share value, we will revise the stock compensation system to comprise performance-linked and non-performance-linked stock compensation that reflects medium-to-long term performance, taking into consideration the balance between stock compensation levels and the new annual bonus component.

The new stock compensation system after the change will adopt a Board Benefit Trust structure, as before.

Executive Officers will be granted points that form the basis of calculating the amount equivalent in value to the number of shares of the Company given, or a specified proportion thereof, converted to money (hereinafter, “the Company's shares, etc.”), in accordance with items (i) and (ii) below.

(i) Performance-linked stock compensation

After the end of the last fiscal year of the Medium-Term Management Plan, Executive Officers will be awarded points based on basic points for their corresponding responsibilities, multiplied by a variable payout rate arrived at based on the degree to which they have met the performance targets in the Medium-Term Management Plan.

(ii) Non-performance-linked stock compensation

After the end of each fiscal year, Executive Officers will be awarded basic points based on their corresponding responsibilities.

Eligible Executive Officers who retire from the Company may, after retirement, and where they fulfil the requirements for grant set forth in the Board Benefit Trust regulations, receive from the Trust the Company’s shares, etc. corresponding to the cumulative number of points awarded based on items (i) and (ii) above.

The voting rights pertaining to the Company’s shares held as assets of the Trust shall not be exercised.