

Partnership Criteria for Electronic Payment Agencies (“EPAs”)

Aozora Bank (“the Bank”) shall establish API (Application Program Interface) partnerships with eligible Electronic Payment Agencies (EPAs) that comply with the requirements set forth below (1. Security Requirements, 2. Compliance Requirements, 3. Other Requirements) and other terms and conditions given separately by the Bank. Eligible EPAs refer to service providers which:

- comply with Aozora’s “Collaboration and Alliance Policies for Electronic Payment Agencies (EPAs);” and
- contribute to increased convenience for Aozora’s customers.

1. Security Requirements

Aozora shall ensure proper implementation of the Bank’s security framework for EPAs as follows:

- (1) Information security management
 - Specification of leadership and range of responsibilities for security management
 - Rules for security management
 - Familiarization of officers and employees with established security management framework
 - Safety management measures such as non-disclosure agreements with officers and employees regarding intellectual property as well as other office regulations
 - Joint framework for enhanced security measures between EPAs and the Bank
- (2) Management of outside contractors
 - Outsourcing management framework for outside contractors
- (3) Management of computer equipment
 - Implementation of appropriate measures to prevent computer data leaks
- (4) Management of office equipment
 - Implementation of appropriate measures to prevent office data leaks
- (5) Management of system development and operation
 - Framework to manage system access
 - Framework to manage system updates and changes
 - Measures to detect and prevent unauthorized access and framework for when incidents occur
- (6) Security function of service systems
 - Management protocols to handle various types of data and content

2. Compliance Requirements

Aozora shall determine if the Bank’s EPA compliance framework and end-user protection framework are in place as follows:

- (1) Compliance framework

- Establishment of a unit to oversee legal compliance framework and other legal affairs
 - Establishment of an internal auditing unit to monitor the execution of operations
 - Internal company policies regarding cases of compliance violations or clerical errors
 - Regulations for the handling of personal information
 - Proper training programs regarding compliance framework
 - Framework to eliminate anti-social forces
- (2) End-user protection framework
- Procedures to handle end-user complaints
 - Framework to prevent further expansion of damage to end-users
 - Compliance with the “Guidelines for Personal Information Protection in the Financial Field” stipulated by the Japanese Financial Services Agency and the Personal Information Protection Commission

3. Other Requirements

Aozora shall determine whether the relevant EPA has met the following additional requirements.

- (1) Financial standing
- EPA must be likely to remain in sound financial standing with no negative equity upon consideration of its asset portfolio at the time of credit screening.
- (2) Contract signing
- EPA must sign a contract in the standard format as specified by the Japanese Bankers Association.
- (3) Type and line of business
- EPA must be a joint-stock company or partnership company as defined in the Companies Act.
 - EPA and its parent company, subsidiaries and affiliates must not be listed as anti-social forces, i.e., their businesses operations do not go against the public interest.
- (4) Incident compensation
- EPA must have a framework for providing necessary compensation to end-users in addition to liability insurance covering services to pay end-users necessary damages for incidents such as the leaking of personal information; or the EPA must have other methods for paying such damages.
- (5) Satisfaction of partnership criteria
- EPA must undergo a periodic review of partnership eligibility by the Bank and meet the criteria.
- (6) Timely response to partnership criteria updates
- EPA must respond to any changes to the partnership criteria within a certain period of time.