

Aozora Bank's Initiatives for Customer-Oriented Business Management

【Basic Policy 1】 Formulation and Disclosure of Basic Policies for Customer-Oriented Business Management

- Aozora Bank revised and announced its “Basic Policy on Customer-Oriented Business Management” on November 30, 2023. [“Basic Policy on Customer-Oriented Business Management” in the Aozora Bank Group](#)
- Please refer to the [Result Index①](#) to [③](#) for the monitoring results (as of the end of September 2023) of various achievement criteria set to confirm the status of implementation based on the basic policies (2 to 7).

【Basic Policy 2】 For the Pursuit of the Best Interests of Our Customers

- In the Bank, to pursue the best interests of our customers, all officers and employees are obliged to submit an “Annual Written Confirmation of Compliance on the Aozora Bank Group Code of Ethics and Conduct”, and we also strive to instill the “corporate culture” that aims for the best interests of the customers. ([Result Index①](#))
- The Bank believes it will lead to our growth that having many customers deal with us and satisfying the customers by increasing the balance of assets entrusted by them. Based on this belief, we practice Aozora’s Platform Business to meet the diverse needs of our customers. ([Result Index②](#) and [③](#))

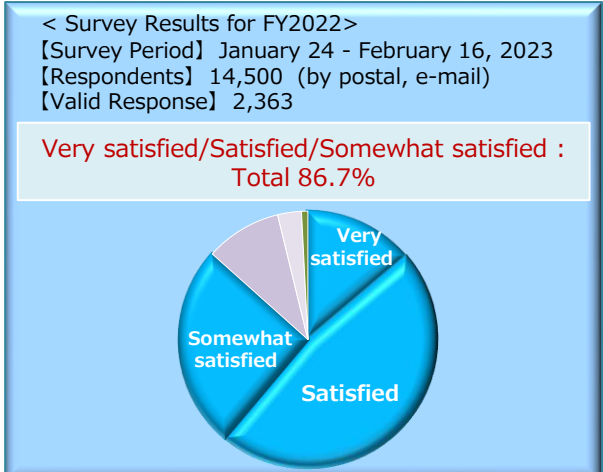
Result Index① Initiatives to Instill and Establish “Customer-Oriented Business Management”

- The Bank has been continuously implementing various activities to establish the “corporate culture” that aims for the “best interests of the customers”.

FY2023 1H Examples of Major Initiatives	Implemented in
➢ Head office managers’ meeting on Customer-Oriented Business Management	April 2023
➢ Conducted sales qualification exam for financial instruments intermediary business	May 2023
➢ For all employees of the Retail Banking Group, provided monthly information on result indexes, etc. in the “Aozora Bank’s Initiatives for Customer-Oriented Business Management”	May to September 2023
➢ For all employees of the Retail Banking Group, conducted e-learning	June, August 2023

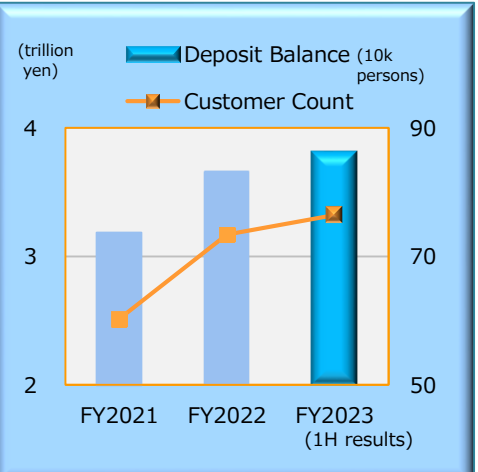
Result Index② Customer Satisfaction Survey

- The Bank conducts an annual customer satisfaction survey, takes customer opinions seriously to reflect those in its services and strives to make improvements to ensure customer satisfaction.



Result Index③ Customer Count and Deposit Balance

- The number of customers and deposit balance in the first half of FY2023 were each 104.1% compared to the previous year.



* The results of the survey for FY2023 will be published in May 2024.

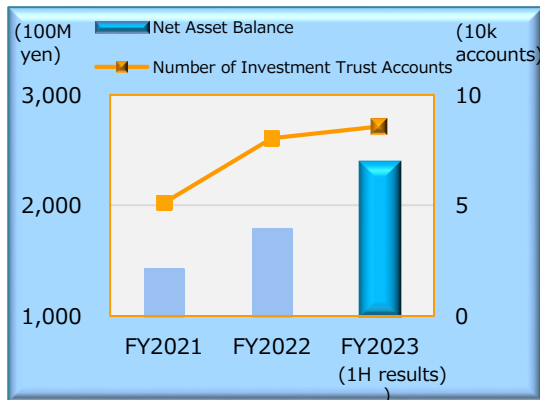
[Basic Policy 2] For the Pursuit of the Best Interests of Our Customers

- When providing consultations for customers on asset management, the Bank will make diversified investment proposals after accurately recognizing the customers' needs and fully understanding the customers' financial knowledge, investment experience, transaction purpose, asset status, risk tolerance, life plan, etc. We support our customers' mid- to long-term and stable asset building, and will not make proposals that do not match the customers' wishes, or propose a review of products in a short period of time that will not suit the interests of the customers. The positioning of the main financial products is as follows.

<Investment Trusts> (Result Index④, ⑤ and ⑥)

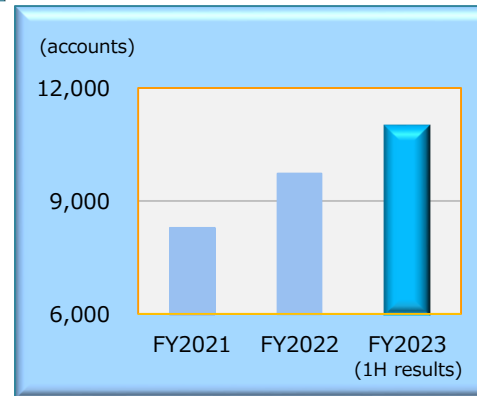
The Bank will propose investment trusts as the core product of diversified investment, based on fund diversification and time diversification. For instance, for customers who are just starting their asset building, we offer products that allow "investment trust accumulation" at a fixed amount on a fixed date each month, and for customers who wish to invest a large amount of funds, we offer those that include a time diversification mechanism. In addition, we will increase the number of products corresponding to the new NISA system so that many customers can take advantage of the new NISA system that will begin in January 2024.

Result Index④ Number of Investment Trust Accounts and Net Asset Balance



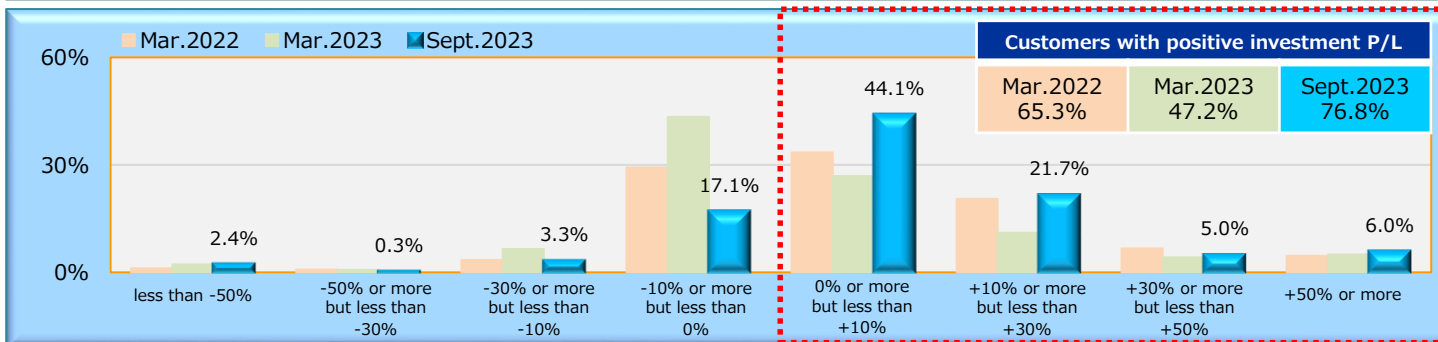
- The Bank positions investment trusts as the core product of diversified investment.
- In the first half of FY2023, the number of investment trust accounts and net asset balance were 106.5 % and 133.5 % compared to the previous year, respectively.

Result Index⑤ Number of NISA Accounts



- The Bank offers the use of NISA as one of the options for asset building based on life plan.
- The number of NISA accounts in the first half of FY2023 was 113.2 % compared to the previous year.

Result Index⑥ Customer Ratio by Investment P/L of Investment Trust [Common KPI]



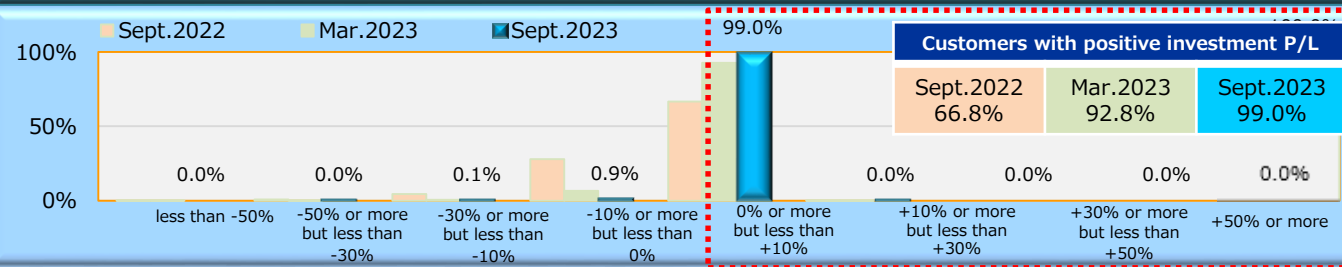
- As of the end of September 2023, 76.8 % of customers holding investment trust achieved profitability in investment.

【Basic Policy 2】 For the Pursuit of the Best Interests of Our Customers

<Complex Structured Bonds (Stock Index-Linked Bond, Exchangeable Bond, etc.)> (Result Index⑦, ⑧ and ⑨)

Since complex structured bonds are complicated products that incorporate options, etc., into bonds, the Bank has stopped handling them and will not resume handling at this time.

Result Index⑦ Customer Ratio by Investment P/L of Complex Structured Bonds

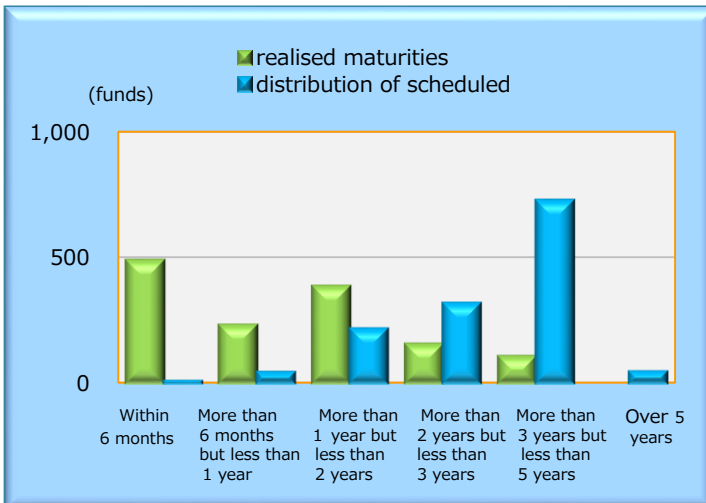


➤ Of the customers who held or had held 1,461 funds that were redeemed and 50 funds that were not redeemed as of the end of September 2023, 99.0% achieved profitability in investment.
* The data is for 1,511 funds of "complex structured bonds" issued after April 2016.

* Investment P/L is calculated based on the total return (annualized) of each fund from the issue date to the redemption date or the base date, and the funds that have not yet been redeemed are calculated using their market values as of the base date.

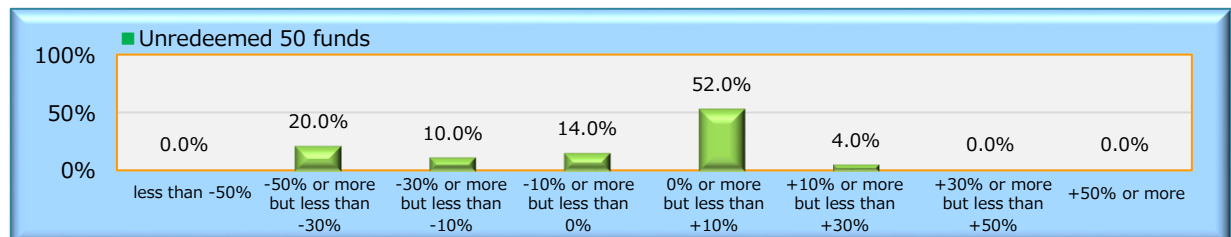
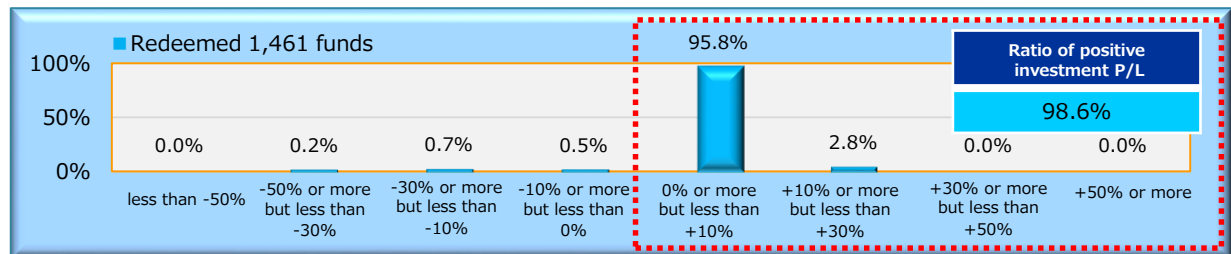
Result Index⑧ Scheduled Maturity/Realized Maturity of Complex Structured Bonds

- Of the 1,461 funds redeemed as of the end of September 2023, 1,373 funds (94.0%) were redeemed early.
- In the event of early redemption, the investors cannot receive any subsequent interest and may not be able to invest under the same conditions.



Result Index⑨ Investment P/L Status for Complex Structured Bonds

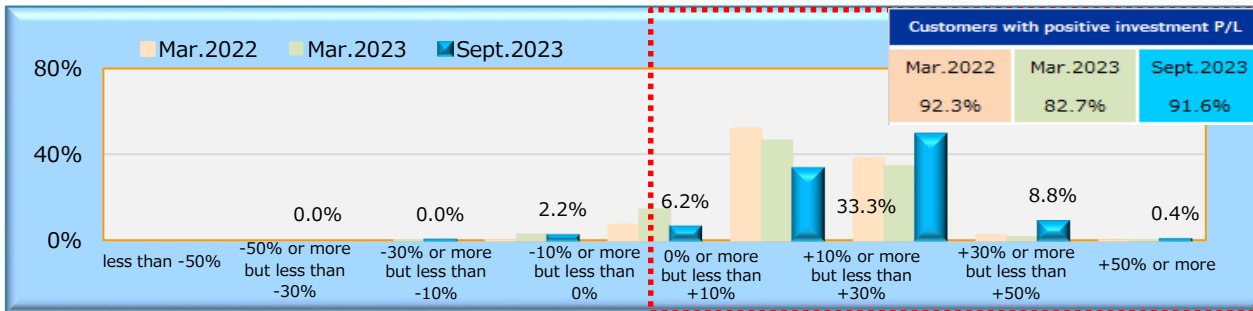
- Of the 1,461 funds redeemed as of the end of September 2023, 1,441 funds (98.6%) were redeemed with positive investment P/L.
- There is no active secondary market for structured bonds in Japan, and their liquidity is lower than that of general corporate bonds. The products are designed to be held until maturity, as it is not always possible to convert them into cash when the customer wishes to sell.



【Basic Policy 2】 For the Pursuit of the Best Interests of Our Customers

- In addition to asset management consultation, for customers who want to “leave a legacy” or “prepare for the future”, the Bank also provides a wide range of consulting services that meet the needs of its customers, such as proposals of insurance products, support on wealth transfer and business succession, etc., in order to help protect and pass on their accumulated assets to the next generation. (Result Index^⑩, ^⑪)

Index^⑩ Customer Ratio by Investment Evaluation for Foreign Currency Insurance [Common KPI]

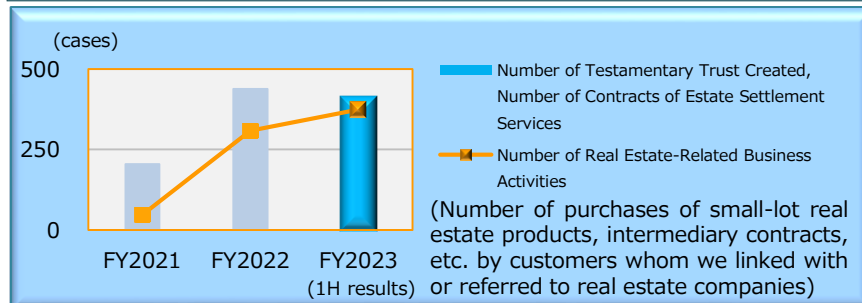


- As of the end of September 2023, 91.6% of customers holding foreign currency insurances had positive investment evaluations.

* Foreign currency insurance provides both security and investment in which insurance benefits will be paid upon maturity or death. Although surrender value is paid upon cancellation, the insurance products are designed to be held for a long period of time, and therefore, in particular, as for the surrender value received if the policy is cancelled early after inception, it is often less than the single premium due to a certain amount of cancel deductions and other factors.

* The surrender value is converted into yen at the exchange rate as of the base date, and the valuation differs from those in the case when the insurance is held to maturity or the surrender value is received in a foreign currency.

Result Index^⑪ Number of Testamentary Trust Created, Number of Contracts for Estate Settlement Services and Number of Real Estate-Related Business Activities



- In the first half of FY2023, the total number of testamentary trust created, contracts for estate settlement services, and real estate-related business activities was 93.6% compared to the previous year.
- From April 2023, we have assigned full-time staff members to promote “Aozora’s Platform Business” in our business offices, and have improved the framework to meet a wide range of customer needs, from testaments and estate settlement to real estate-related consultations.

《Aozora’s Platform Business》



- The Bank will appropriately provide advanced financial/non-financial services and know-how tailored to the characteristics and needs of our customers through collaboration within the Aozora Bank Group as well as with external partners.

➢ August 2023

Started a referral business of “U.S. real estate”

➢ October 2023

Started a referral business of “Resort membership”

《Examples of Real Estate-Related Business Activities》



small-lot real estate product



Elderly care facility

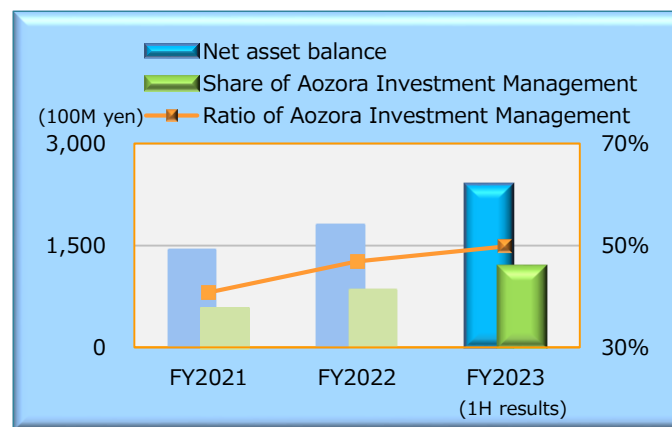
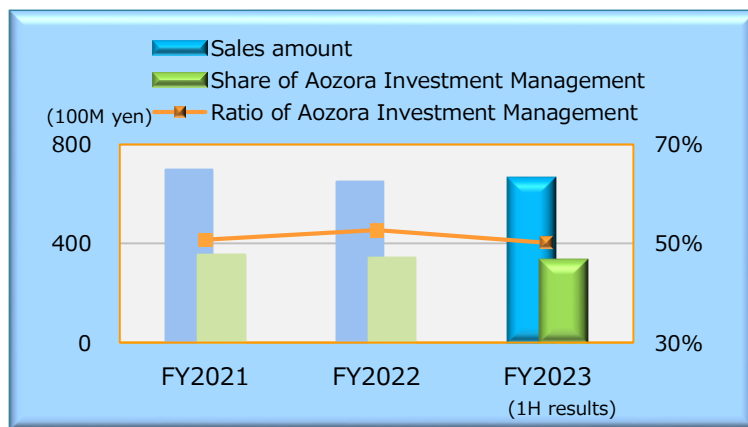


US real estate

【Basic Policy 3】 Appropriate Management System for Conflicts of Interest

- The Bank strives to accurately understand the possibility of conflict of interest with customers in transactions and the possibility of conflict of interest when developing and introducing products, and determine and identify whether interests of customers are unreasonably harmed by transactions that may cause conflict of interest, in a bid to pursue appropriate management to prevent conflict of interest.
- When proposing financial products and services, the Bank will not select products by considering fees paid by the company that provides the product or will not prioritize products of our Group companies, but always will make proposals from the customer's point of view. (Result Index^⑫, ^⑬)
- An overview of the Bank's conflict of interest management system is published in the "[Conflict of Interest Management Policy](#)".

Result Index^⑫ Ratio of the Group Investment Company (Sales amount, Net asset balance)



- In the first half of FY2023, the product sales amount of our group investment company, Aozora Investment Management, was 50.1% of the total, while its product net asset balance was 49.8% of the total.
- As of the end of September 2023, the number of products of Aozora Investment Management handled was 26 (16.7% of all products handled).

Result Index^⑬ Top 10 Funds by Sales of Investment Trust

Rank	Fund Name	Target Asset	Management Company	Purchase Fee (tax included) *
1	Aozora New Global Diversified Fund (limited addition) 2023-07)	Balanced	AIM	0.00%
2	Aozora New Global Diversified Fund (limited addition) 2023-04	Balanced	AIM	0.00%
3	SOMPO High Yield Convertible Bond Fund 2023-06 (Non Hedged・Limited Open Type)	Others	SOMPO AML	2.20%
4	Fine Blend (monthly dividend Type)	Balanced	Nikko AM	0.00%
5	SOMPO High Yield Convertible Bond Fund 2023-06 (Hedged・Limited Open Type)	Others	SOMPO AML	2.20%
6	AllianceBernstein U.S. Growth Stock Fund D	Stock	AB	3.30%
7	Major Next Generation U.S. Stock Fund	Stock	MUFJ AM	3.30%
8	Fine Blend (Growth Type)	Balanced	Nikko AM	0.00%
9	Aozora Ultimate Diversified Global Equity Fund	Stock	AIM	0.00%
10	Aozora New Global Core Fund (limited addition) 2023-1	Balanced	AIM	0.00%

- In the first half of FY2023, among the top 10 funds by sales in investment trusts, 4 funds are the products of Aozora Investment Management.

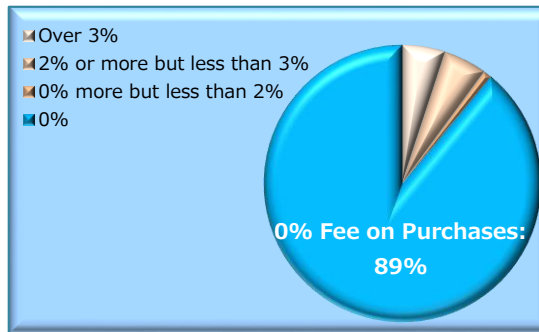
* From November 2022, the fee for purchase of investment trusts through Internet banking has been set at a flat 0%.

[Basic Policy 4] Fees to Be Borne by Customers

- The Bank will consider fees to be borne by customers as one of the important information to make their decision on transactions. We will thus strive to ensure transparency as well as provide easy-to-understand explanations, including presenting comparisons with similar products and alternative products. In addition, we will also post the information on the Bank's website and BANK app for easy confirmation. (Result Index¹⁴)
- For the details of fees and other costs, when proposing products and services, the Bank will ask customers to check with the Important Information Sheet, the documents delivered prior to the conclusion of the contract, or the prospectus, and after the transaction, to check with the reports and others. (Result Index¹⁵)

Result Index¹⁴ Sales Ratio by Purchase Fees in Investment Trusts

- Of the total investment trust sales in the first half of FY2023, the sales amount with a 0% purchase fee accounted for 89%.
- [Efforts to address "Different prices for identical products"] For the funds (6 funds in total) that offer different fees for the same index investment trust, we have posted information on the prospectus supplement and on our website that there are funds with lower indirect costs.



Result Index¹⁵ Examples of Documents on Fees and Other Costs

- Investment Trust: Important Information Sheet (Descriptions may vary by product.)

3. 費用（本商品の購入または保有には、費用が発生します）

購入時に支払う費用（販売手数料など）	購入時に購入金額に対して、以下の手数料率を乗じて得た額をお支払いいただけます。 ※インターネットバンキングからの申込は、購入時手数料はいただきません。 一律3.3%（税込）
継続的に支払う費用（信託報酬など）	実質的に負担する運用管理費用は、年1.727%（税込）です。 その他費用・手数料等が実費でファンドから支払われます。これらは事前に料率、上限等を表示することはできません。
運用成果に応じた費用（成功報酬など）	ありません。

[Basic Policy 5] Easy-to-Understand Provision of Important Information

- The Bank will explain important information in an easy-to-understand manner using the Important Information Sheet, sales materials, legal documents, and materials presenting easy comparison for each product, in order to propose products and services suitable for customers. In addition, we will also post the information on the Bank's website and BANK app for easy confirmation. The major "important information" is as follows. (Result Index¹⁶, ¹⁷, ¹⁸, ¹⁹, and ²⁰)
- ◆ Risks, returns, and transaction conditions of the products and services ◆ Attributes of potential customers for sale of the products ◆ Reasons for selecting the products and services ◆ Fees received as compensation for services to customers as well as fees received from third parties (Even in the same products, if the fee varies depending on the quantity, currency, course, etc., such information will be included.) ◆ Packaged or not

Result Index¹⁶ Status of Revision and Introduction of Information Materials

- The Bank has revised and introduced information materials to provide important information in an easy-to-understand manner, and has conducted study sessions on information materials for sales staff.

Implemented in	Examples of Major Efforts in FY2023
April 2023	➢ Revised "Aozora Fund Line-up"
October	➢ Revised "Aozora Bank's asset management product line-up"

《Excerpt from Aozora Fund Line-up》



インターネットバンキング専用ファンドのご紹介

eMAXIS シリーズラインアップ

種別	投資対象地域		
	国内	先進国(除く日本)	新興国
株式	日経225	NYダウ	先進国株式
	JPX日経400	先達国株式	新興国株式
	TOPIX	eMAXIS Slim 米国株式(S&P500)	
		eMAXIS Slim 全世界株(オール・カンTRIES)	
債券	国内債券	先進国債券	新興国債券
リート	国内リート	先進国リート	新興国リート



つみたてNISA 商品ラインアップ

つみたてんとう シリーズ

eMAXIS Slim

取引チャネル

- ・店頭
- ・テレフォンバンキング（簡易のみ）*
- ・インターネットバンキング
- *2023年7月31日付をもってテレフォンバンキングのサービス終了。

eMAXIS Slim 米国株式 (S&P500)

eMAXIS Slim 全世界株 (オール・カンTRIES)

つみたてNISA 商品ラインアップ

つみたて日本株式 (日経平均)

つみたて先進国株式

つみたて日本株式 (TOPIX)

つみたて新興国株式

つみたて8資産均等バランス

国内株式 先進国株式 国内債券 先進国債券

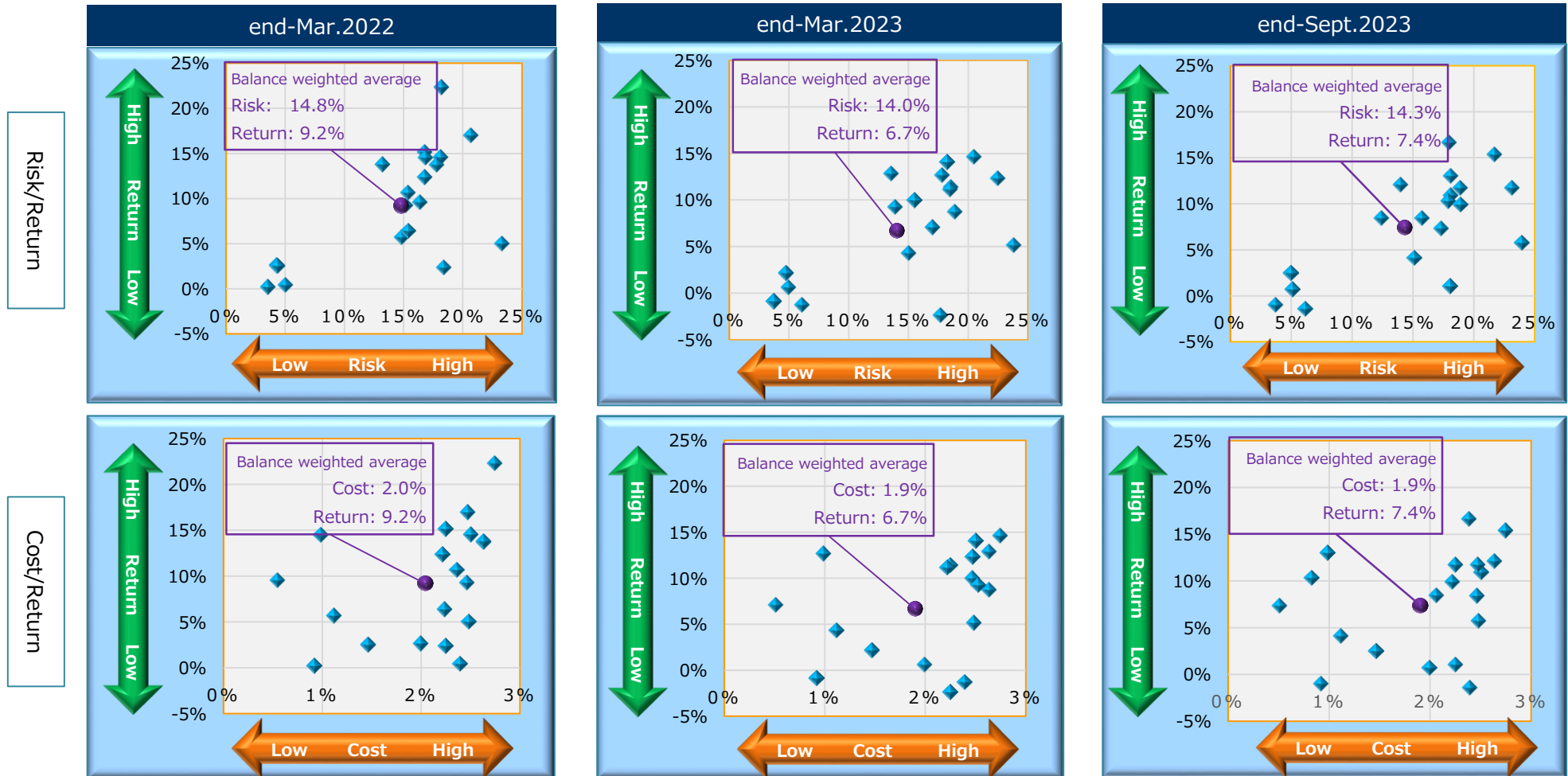
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【Basic Policy 5】 Easy-to-Understand Provision of Important Information

Index^⑰ Risk and Return/Cost and Return of Top 20 Funds by Balance of Investment Trust under Custody
(Investment period of 5 years or more) [Common KPI]

- The Bank provides information on the top 20 funds by balance of investment trusts under custody by comparing risk and return, and cost and return.
- As of the end of September 2023, the balance-weighted average return improved compared to the end of March 2023.



* Calculated using top 20 funds by balance of investment trusts under custody as of the base date. Percentage of the Bank's investment trust net asset balance: 32.8%

* Cost: sales charge rate/5 + custody fee rate, Return: total return for the last five years (converted monthly return to annual return),

Risk: Standard deviation of monthly return for the last five years (converted to annual return)

【Basic Policy 5】 Easy-to-Understand Provision of Important Information

		end-Mar.2022			end-Mar.2023				end-Sept.2023			
Rank	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return
1	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.4%	5.0%	Fine Blend (Monthly Dividend Type)	1.5%	4.8%	2.2%	Fine Blend (Monthly Dividend Type)	1.5%	5.0%	2.5%
2	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	18.2%	22.3%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	20.5%	14.6%	Fine Blend (Growth Type)	1.5%	5.0%	2.5%
3	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.6%	0.2%	Fine Blend (Growth Type)	1.5%	4.8%	2.2%	Major Next Generation U.S. Stock Fund	2.3%	18.9%	11.7%
4	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.2%	9.3%	Pictet Global Income Equity Fund (Monthly Dividend type)	2.5%	15.5%	10.0%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	21.7%	15.4%
5	Daiwa J-REIT Open (monthly dividend type)	1.1%	14.9%	5.7%	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.9%	5.1%	Pictet Global Income Equity Fund (Monthly Dividend type)	2.5%	15.8%	8.4%
6	Robot/Technology related Stock Fund -Robotech-	2.5%	20.7%	17.0%	Daiwa J-REIT Open (monthly Dividend type)	1.1%	15.0%	4.3%	Daiwa J-REIT Open (monthly Dividend type)	1.1%	15.2%	4.1%
7	JPM Global Healthcare Fund	2.5%	18.2%	14.6%	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.8%	-0.9%	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	24.0%	5.7%
8	Major Next Generation U.S. Stock Fund	2.3%	16.8%	15.1%	Robot/Technology related Stock Fund -Robotech-	2.5%	22.5%	12.3%	JPM Global Healthcare Fund	2.5%	18.2%	10.9%
9	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual)	2.4%	5.1%	0.4%	Stock Index Fund 225	0.5%	17.1%	7.1%	Tokio Marine Japanese Yen Asset Balance Fund (annual)	0.9%	3.8%	-1.0%
10	Stock Index Fund 225	0.6%	16.4%	9.6%	Major Next Generation U.S. Stock Fund	2.3%	18.6%	11.4%	Robot/Technology related Stock Fund -Robotech-	2.5%	23.2%	11.7%
11	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	16.8%	12.4%	JPM Global Healthcare Fund	2.5%	18.3%	14.0%	AllianceBernstein U.S. Growth Stock Fund D	2.4%	18.0%	16.6%
12	Japan Excellent	2.3%	18.4%	2.4%	MSCI Index Select Fund - Kokusai Portfolio	1.0%	17.9%	12.7%	MSCI Index Select Fund - Kokusai Portfolio	1.0%	18.1%	13.0%
13	Pictet Multi Asset Allocation Fund (also known as "Quattro")	2.0%	4.3%	2.6%	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual)	2.4%	6.1%	-1.3%	Stock Index Fund 225	0.5%	17.4%	7.3%
14	Global Impact Fund (Better World)	2.6%	17.8%	13.7%	Japan Excellent	2.3%	17.7%	-2.4%	Morgan Stanley Global Premium Stock Open (without FX hedge)	2.6%	14.0%	12.1%
15	MSCI Index Select Fund - Kokusai Portfolio	1.0%	16.9%	14.5%	Morgan Stanley Global Premium Stock Open (without FX hedge)	2.6%	13.6%	12.9%	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual)	2.4%	6.2%	-1.4%
16	Fine Blend (Monthly Dividend Type)	1.5%	4.4%	2.5%	Pictet Multi Asset Allocation Fund (also known as "Quattro")	2.0%	5.0%	0.6%	Japan Excellent	2.3%	18.1%	1.0%
17	Fine Blend (Growth Type)	1.5%	4.4%	2.5%	Tokio Marine Japanese Yen Asset Balance Fund (annual)	0.9%	3.8%	-0.9%	Aozora Ultimate Diversified Global Equity Fund	0.8%	17.9%	10.3%
18	Morgan Stanley Global Premium Stock Open (without FX hedge)	2.6%	13.3%	13.8%	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	18.5%	11.1%	Global Allocation Open (B course)	2.1%	12.4%	8.4%
19	JPM Japan Meister	2.4%	15.4%	10.6%	Global Impact Fund (Better World)	2.6%	18.9%	8.7%	Pictet Multi Asset Allocation Fund (also known as "Quattro")	2.0%	5.2%	0.7%
20	Aozora Global Dividend Stars Premium Fund	2.2%	15.5%	6.4%	Daiwa FE Global Value (Non Hedged)	2.5%	13.9%	9.2%	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	19.0%	9.9%
Balance Weighted Average		2.0%	14.8%	9.2%	Balance Weighted Average	1.9%	14.0%	6.7%	Balance Weighted Average	1.9%	14.3%	7.4%

[Basic Policy 5] Easy-to-Understand Provision of Important Information

Result Index^⑱ Risk and Return/Cost and Return of Top 20 Funds by Balance of Investment Trust under Custody
(Including investment period of less than 5 years)

➤ As of the end of September 2023, the balance-weighted average risk and return improved compared to the end of March 2023.



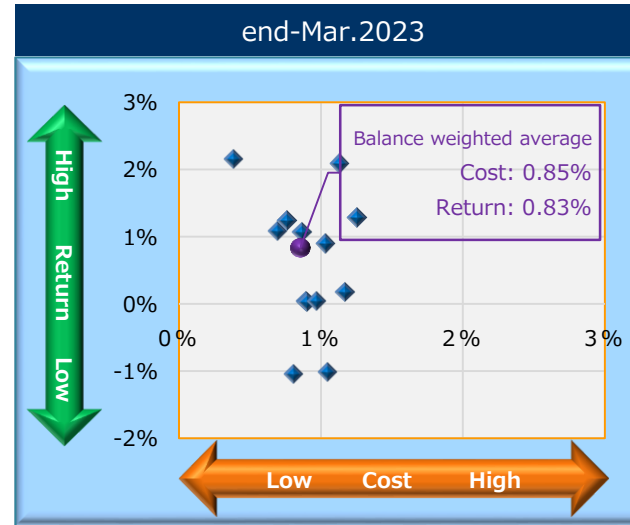
* Calculated using top 20 funds by balance of investment trusts under custody as of the base date. Percentage of the Bank's investment trust net asset balance: 57.5%
* Cost: sales charge rate/5 + custody fee rate, Return: total return for the last five years (converted monthly return to annual return), Risk: Standard deviation of monthly return for the last five years (converted to annual return); For funds with an investment period of less than five years, calculated based on the period since the establishment.

【Basic Policy 5】 Easy-to-Understand Provision of Important Information

Rank	end-Mar.2022				end-Mar.2023				end-Sept.2023			
	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return
1	Aozora New Global Core Fund (limited addition) 2020-2	1.4%	4.9%	2.8%	Aozora New Global Core Fund (limited addition)2020-2	1.3%	7.8%	-0.1%	Aozora New Global Diversified Fund (limited addition) 2023-07	1.3%	0.6%	-1.7%
2	Aozora New Global Core Fund (limited addition) 2021-1	1.4%	4.2%	-2.8%	Aozora New Global Core Fund (limited addition)2021-1	1.3%	7.2%	-3.7%	Aozora New Global Diversified Fund (limited addition) 2023-04	1.3%	1.2%	0.0%
3	Aozora New Global Diversified Fund (limited addition) 2021-04	1.3%	5.7%	1.3%	Aozora New Global Diversified Fund (limited addition) 2021-04	1.3%	7.5%	-0.8%	Fine Blend (Monthly Dividend Type)	1.5%	5.0%	2.5%
4	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.4%	5.0%	Aozora New Global Diversified Fund (limited addition) 2023-01	1.3%	1.5%	-3.7%	Aozora New Global Core Fund (limited addition)2020-2	1.3%	8.0%	2.8%
5	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	18.2%	22.3%	Aozora New Global Diversified Fund (limited addition) 2022-10	1.3%	1.9%	-2.0%	Fine Blend (Growth Type)	1.5%	5.0%	2.5%
6	Aozora New Global Core Fund (limited addition) 2021-2	1.4%	3.8%	-9.1%	Aozora New Global Diversified Fund (limited addition) 2022-07	1.3%	4.3%	-5.1%	Aozora New Global Core Fund (limited addition)2021-1	1.3%	7.7%	0.3%
7	Aozora New Global Diversified Fund (limited addition) 2021-10	1.3%	3.6%	-5.5%	Fine Blend (Monthly Dividend Type)	1.5%	4.8%	2.2%	Aozora New Global Diversified Fund (limited addition) 2021-04	1.3%	7.5%	2.7%
8	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.6%	0.2%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	20.5%	14.6%	Aozora New Global Diversified Fund (limited addition) 2021-10	1.3%	3.7%	4.0%
9	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.2%	9.3%	Fine Blend (Growth Type)	1.5%	4.8%	2.2%	Aozora New Global Diversified Fund (limited addition) 2023-01	1.3%	2.6%	2.2%
10	Aozora New Global Diversified Fund (limited addition) 2021-01	1.3%	5.9%	3.7%	Aozora New Global Diversified Fund (limited addition) 2021-10	1.3%	7.6%	-3.4%	Aozora New Global Diversified Fund (limited addition) 2022-07	1.3%	5.6%	3.0%
11	Aozora New Global Diversified Fund (limited addition) 2021-07	1.3%	4.7%	-3.1%	Aozora New Global Core Fund (limited addition) 2021- II	1.3%	6.7%	-6.3%	Major Next Generation U.S. Stock Fund	2.3%	18.9%	11.7%
12	Daiwa J-REIT Open (monthly dividend type)	1.1%	14.9%	5.7%	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.5%	10.0%	Aozora Announces Launch of "Aozora Ultimate Diversified Global Sustainability Equity Fund" ("Manten Kansoku")	0.8%	13.3%	12.0%
13	Aozora New Global Core Fund (limited addition) 2020-1	1.4%	5.4%	6.6%	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.9%	5.1%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	21.7%	15.4%
14	Aozora New Global Diversified Fund (limited addition) 2022-01	1.3%	0.5%	-12.5%	Daiwa J-REIT Open (monthly dividend type)	1.1%	15.0%	4.3%	Aozora New Global Diversified Fund (limited addition) 2021-10	1.3%	7.6%	1.8%
15	Robot/Technology related Stock Fund -Robotech-	2.5%	20.7%	17.0%	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.8%	-0.9%	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.8%	8.4%
16	JPM Global Healthcare Fund	2.5%	18.2%	14.6%	Aozora New Global Diversified Fund (limited addition) 2021-07	1.3%	7.5%	-2.7%	Aozora New Global Core Fund (limited addition)2021-2	1.3%	7.0%	-1.8%
17	Major Next Generation U.S. Stock Fund	2.3%	16.8%	15.1%	Aozora New Global Diversified Fund (limited addition)2021-01	1.3%	7.5%	0.6%	SOMPO High Yield Convertible Bond Fund 2023-06 (Non Hedged-Limited Open Type)	1.6%	9.5%	11.7%
18	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual)	2.4%	5.1%	0.4%	Aozora Announces Launch of "Aozora Ultimate Diversified Global Sustainability Equity Fund" ("Manten Kansoku")	0.8%	14.1%	1.8%	Daiwa J-REIT Open (monthly dividend type)	1.1%	15.2%	4.1%
19	Stock Index Fund 225	0.6%	16.4%	9.6%	Aozora New Global Diversified Fund (limited addition)2022-01	1.3%	7.0%	-4.5%	Aozora New Global Diversified Fund (limited addition) 2021-07	1.3%	7.5%	1.7%
20	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	16.8%	12.4%	Aozora New Global Core Fund (limited addition) 2022- I	1.3%	6.5%	-4.1%	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	24.0%	5.7%
	Balance Weighted Average	1.7%	9.6%	3.7%	Balance Weighted Average	1.5%	8.4%	0.0%	Balance Weighted Average	1.5%	7.9%	3.6%

[Basic Policy 5] Easy-to-Understand Provision of Important Information

Index¹⁹ Cost and Return of Foreign Currency Insurance by Fund [Common KPI]



➤ The Bank provides information on the cost/return comparison of foreign currency insurance by fund as of the end of March each year.

* Cost: It uses a value where weighted average with the single premium (converted to yen) at the time of contracting for each policy is provided on the new contract fee rate and renewal fee rate applied to each policy calculated by the insurance company that establishes the funds. The subjects of the policies are those that have passed 60 months or more since the inception of the policies (those valid as of the base date) among all policies for the funds held by the insurance companies.

* Return: Firstly the rate of return for each policy is calculated by converting a value derived by the following formula into an annual percentage rate:

$$\frac{(\text{surrender value as of the base date} + \text{amount already paid as of the base date} - \text{single premium as of the policy made}) \div (\text{single premium as of the policy made})}{\text{single premium as of the policy made}}$$

And then for the resulting value(= the rate of return for each policy), weighted average is provided with the single premium at the time of contracting for each policy (all converted to yen). The market price adjustment due to interest rate fluctuations is reflected in order to evaluate the market value of the surrender value.

* In order of; surrender value as of the base date + amount already paid up to the base date

* Foreign currency insurance provides both security and investment in which insurance benefits will be paid upon maturity or death. Although surrender value is paid upon cancellation, the insurance products are designed to be held for a long period of time, and therefore, in particular, as for the surrender value received if the policy is cancelled early after inception, it is often less than the single premium due to a certain amount of cancel deductions and other factors.

* The surrender value is converted into yen at the exchange rate as of the base date, and the valuations differ from those in the case when the insurance is held to maturity or the surrender value is received in a foreign currency.

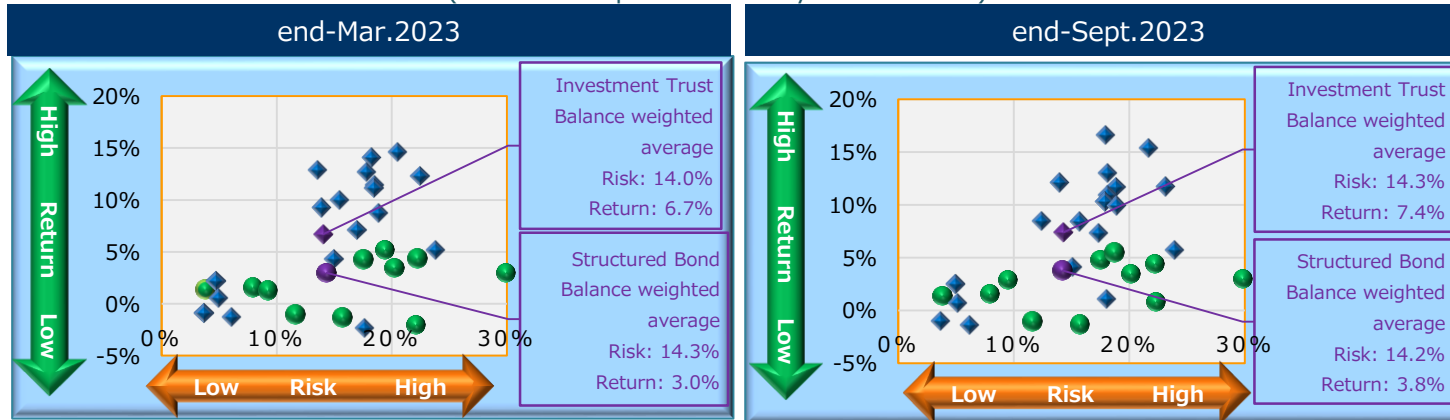
Rank	Fund Name	Cost	Return
1	Shiawase Zutto	0.94%	1.26%
2	Puremia resiibu (denominated in foreign currency)	0.73%	1.44%
3	Puremia Janpu	1.01%	0.37%
4	Mirainitsunageru syuushinhoken	1.24%	0.74%
5	Rongu Doriimu G O L D	0.92%	1.60%
6	Puremia Janpu Nenkin (denominated in foreign currency)	1.12%	0.23%
7	Yuyujikan adobansu(denominated in US dollars)	1.16%	2.33%
8	Yuyujikan adobansu(denominated in AUS dollars)	1.18%	1.95%
9	Aporo	0.43%	2.47%
10	Puremia Janpu2 Nenkin (denominated in foreign currency)	1.34%	2.15%
	Balance Weighted Average	0.92%	1.19%

Rank	Fund Name	Cost	Return
1	Shiawase Zutto	0.87%	1.06%
2	Puremia resiibu(denominated in foreign currency)	0.70%	1.08%
3	Mirainitsunagerusyuushinhoken	1.17%	0.17%
4	Puremia Janpu	0.90%	0.04%
5	Rongu Doriimu G O L D	0.77%	1.24%
6	Yasashisatsunagu	0.81%	-1.05%
7	Eburibadeipurasu	1.26%	1.28%
8	Shogaipuremiamuwaarudo4	0.91%	0.02%
9	Yuyujikan adobansu(denominated in US dollars)	1.04%	0.90%
10	Puremia Janpu Nenkin (denominated in foreign currency)	0.97%	0.04%
11	Yuyujikan adobansu(denominated in AUS dollars)	1.05%	-1.02%
12	Aporo	0.39%	2.15%
13	Puremia Janpu2 Nenkin (denominated in foreign currency)	1.14%	2.08%
	Balance Weighted Average	0.85%	0.83%

[Basic Policy 5] Easy-to-Understand Provision of Important Information

Result Index²⁰ Risk/Return by Reference Index for Complex Structured Bonds

- Complex Structured Bond ◆ Investment Trust: Top 20 funds by balance under custody (Investment period of five years or more)



➤ The Bank provides information on risk/return by reference index for complex structured bonds to allow comparison with other investment products.

➤ For complex structured bonds, we have stopped handling them and will not resume handling at this time.

* The data is for funds issued after April 2016, and as of the end of September 2023, with redeemed 1,461 and not redeemed 49 (more than 1 year after issuance). The balance weighted average of structured bonds is calculated based on the issuance amount.

* Return: Total return (annualized) of each fund from the issue date to the redemption date or the base date

Risk: Standard deviation of monthly return (annualized) from the issue date to the redemption date or up to the base date

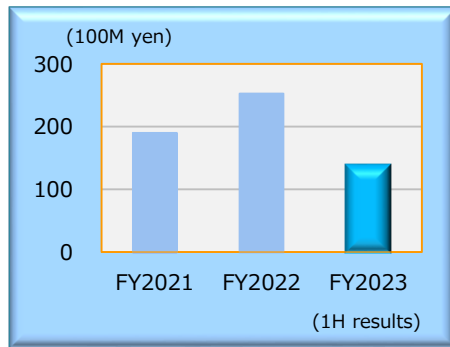
Reference Index	end-Mar.2023					end-Sept.2023				
	No. of Funds	Risk	Return			No. of Funds	Risk	Return		
			Average	Max	Min			Average	Max	Min
NI225,EURO STOXX 50 Index	417	17.5%	4.3%	11.3%	-4.7%	422	17.5%	4.8%	11.3%	-0.3%
NI225,S&P500 index,EURO STOXX 50 Index	392	19.4%	5.2%	19.5%	-7.1%	436	18.7%	5.5%	19.5%	0.1%
NI225,S&P500 index	156	9.2%	1.3%	7.0%	-15.7%	181	9.5%	2.9%	7.5%	-2.8%
Nikkei-linked bonds	94	3.8%	1.4%	8.0%	0.8%	94	3.8%	1.4%	8.0%	0.8%
EURO STOXX 50 Index linked bond	8	7.9%	1.6%	2.0%	1.2%	8	7.9%	1.6%	2.0%	1.2%
Dual currency bond (YEN/AUD)	6	11.6%	-1.0%	1.4%	-5.9%	6	11.6%	-1.0%	1.4%	-5.9%
Exchangeable Bond [no longer provided]	178	22.1%	-2.0%	15.3%	-47.4%	206	22.3%	0.8%	19.3%	-37.3%
NI225,Brazilian real linked bond [no longer provided]	113	20.2%	3.5%	8.5%	-15.0%	113	20.1%	3.5%	8.5%	-15.0%
STOXX 50 Index, Brazilian real linked bond [no longer provided]	30	29.9%	3.0%	6.0%	0.9%	30	29.8%	3.0%	5.7%	0.9%
Brazilian real linked bond [no longer provided]	7	15.7%	-1.3%	5.0%	-4.2%	7	15.7%	-1.3%	5.0%	-4.2%
S&P500S&P500 index,Brazilian real linked bond [no longer provided]	7	22.2%	4.4%	5.0%	3.5%	7	22.2%	4.4%	5.0%	3.5%
Balance Weighted Average	1,408	14.3%	3.0%			1,510	14.2%	3.8%		

[Basic Policy 6] Providing Services Suitable for Customers

<Maintenance of branches and infrastructure>


- The Bank will provide “BANK™” services for customers who do not have a branch nearby. We offer “Bank The Debit” and “Bank The Savings” as services for “Spending” and “Saving”, and “BANK The Teiki (time deposit)” as a service for “Increasing”, as well as financial products such as investment trusts. (Result Index②)

Result Index② Visa Debit Card Spending Amount



- The spending amount of Visa debit card in the first half of FY2023 was 54.4% compared to the previous year.
- The Visa debit card is currently offering a flat 1% cash back for all debit purchases. (*)

* The “Visa Debit Cash Back Program” in effect as of the end of November 2023 will end on January 31, 2024.



BANK™ The Debit

貯まりやすい、使いやすい。
“キャッシュレスサービス”の決定版。

BANK™が提供するVisaデビット機能つきキャッシュカードは、国内主要店舗で利用できるキャッシュカードです。コンビニやカフェなどの店舗からネットショッピングまで世界中のVisa加盟店でご利用いただけます。食料がスムーズにもり、お得なキャッシュバックも、ネットショッピング時を早く使えるお得なカードです。

Visaデビットのご利用に際してキャッシュバック
最大 **1%**

Visaデビットのご利用限度額
1日最大 **500万円**

世界中のVisa加盟店で利用可能

- 全国コンビニエンスストア
- スーパーマーケット
- 病院
- ファストフードレストラン
- ファスフードチェーン
- 全国百貨店

and more...
全国のVisa加盟店にてご利用可能

BANK™ The Savings

目標を決めてお金を貯めてみませんか？
知らず知らずのうちに貯蓄できる「自動積立貯蓄」

「英会話スクールに通う費用を貯めたい」
けと給とは分けて貯めたい

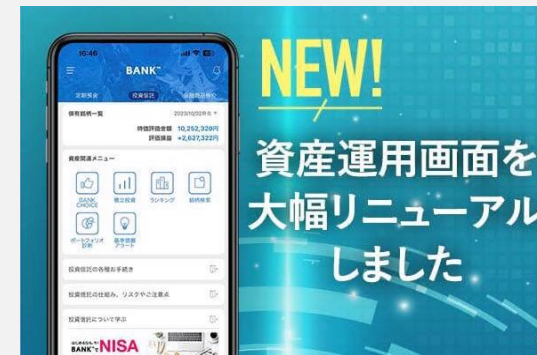
出していく
お金の多さで
かなり差が出ないと
貯蓄できない

最初に目標と積立方法を決めるだけで！
専用のBANKアプリ(無料)で、目標金額や、積立ルールを設定するだけ。
1分もかかりません！

- 積立方法3種類(積立方法の選択もできます)
- ① **デビット積立** Visaデビットでお買い物をするだけで、事前に設定した比率が自動で積み立てられます。
- ② **毎月定額積立** 事前に設定した金額が毎月自動で積み立てられます。
- ③ **手動積立** 収入が人それぞれでも、手動で積み立てができます。

積立方法を詳しく知る

《July 2023 - Improved the BANK app functionality》



- We have added a model portfolio diagnostic function to help customers allocate their assets according to their own investment policy.

《August 2023 - Established the Asset Management Support Desk》



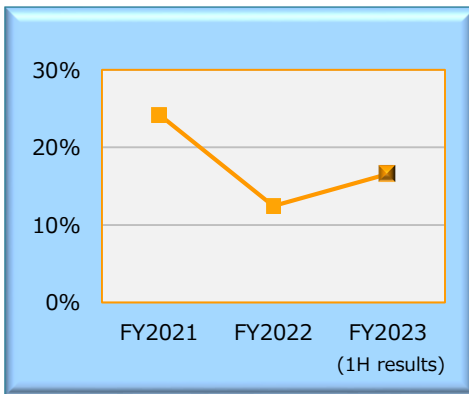
- Our experts are ready to assist each and every customer with any questions or concerns related with customers’ asset management, such as investment trusts, from checking the custody status to providing operational guidance and investment consultation.

[Basic Policy 6] Providing Services Suitable for Customers

<Providing financial products>

- After accurately recognizing the customers' needs and fully understanding the customers' financial knowledge, investment experience, transaction purpose, asset status, risk tolerance, life plan, etc., the Bank will carefully consider the target asset amount, study appropriate asset ratio using "Aozora Model Portfolios", and select and propose the product suitable for each and every customer from the diverse product line-up, taking into consideration whether the product is provided as a package or not. In addition, we will also post the information including product line-up on the Bank's website and BANK app for easy confirmation. (Result Index②, ③)

Result Index② Cancellation Rate of Investment Trusts



- The Bank will not propose a review of products in a short period of time that will not suit the interests of the customers.

- The cancellation rate of investment trusts in the first half of FY2023 was 16.6%.

* Cancellation rate

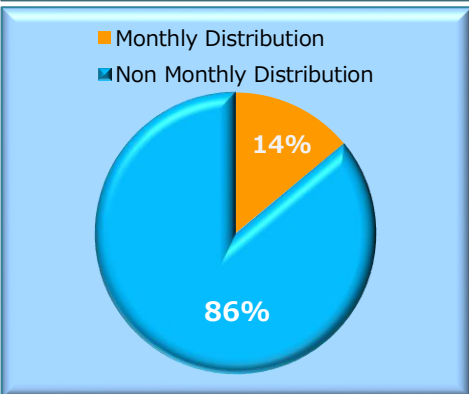
$\text{annual cancellation amount} \cdot \text{redemption amount} \div (\text{balance at the end of the previous fiscal year} + \text{balance at the end of the fiscal year}) \div 2$

<Calculated as follows for FY2023>

"annual cancellation amount · redemption amount" :
cancellation amount · redemption amount in the first half × 2

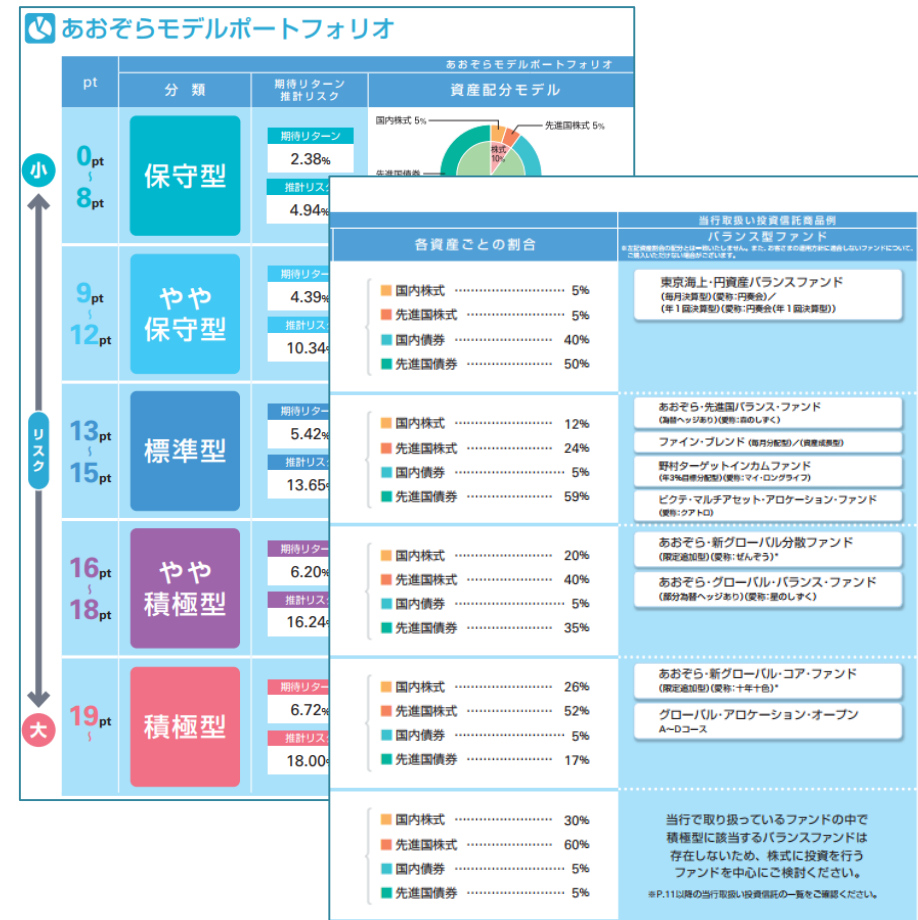
"balance at the end of the fiscal year" :
balance at the end of the first half

Result Index③ Breakdown of Investment Trust Sales (Monthly Distribution Type, Non-Monthly Distribution Type)



- In the sale of investment trusts in the first half of FY2023, the sales amount of the "Non-Monthly Distribution Type" products significantly exceeded that of the "Monthly Distribution Type" products.

《Excerpt from Aozora Model Portfolio》



[Basic Policy 6] Providing Services Suitable for Customers

<Providing financial products>

- The Bank will coordinate with a wide range of domestic and international asset management companies and insurance companies, and based on the attributes of the target potential customers, we will improve our product line-up that will contribute to our customers' mid-to long-term asset management needs by introducing financial products and services and reviewing their handling. In addition, in order to understand customers' diverse needs, we will conduct regular surveys to customers, and make good use of the results to improve our product line-up. (Result Index²⁴, ²⁵)

Result Index²⁴ Product Line-up

- The Bank enhanced the product line-up to meet the diverse needs of its customers.
- In the first half of FY2023, 40% of all investment trust products was offered with a 0% purchase fee.

<Investment Trust>

Investment	Product	Share
Equities	58	37%
Domestic	19	12%
Developed Market	13	8%
Emerging Market	9	6%
Global	17	11%
Bonds	35	22%
Domestic	4	3%
Developed Market	8	5%
Emerging Market	8	5%
Global	11	7%
H Y	4	3%
REITs	12	8%
Domestic	3	2%
Overseas	5	3%
U.S.	4	3%
Balance	37	24%
Domestic	2	1%
Overseas	35	22%
Other	14	9%
Total	156	100%

Of which, no-load 62 40%

<Life Insurance>

Product Type		Product	Share	
Single Premium	Yen	7	37%	
		Variable Annuity	0	0%
		Fixed Annuity	1	5%
		Variable Whole Life	0	0%
		Fixed Whole Life	6	32%
		Fixed Endorsement	0	0%
	Foreign currency	5	26%	
	Variable Annuity	0	0%	
	Fixed Annuity	2	11%	
	Variable Whole Life	0	0%	
	Fixed Whole Life	3	16%	
	Fixed Endorsement	0	0%	
	Total	12	63%	
Installment	Yen	7	37%	
		Whole Life	2	11%
		Fixed Life	2	11%
		Medical	1	5%
		Education	0	0%
		Pension	0	0%
	Care	2	11%	
	Foreign currency	0	0%	
	Pension	0	0%	
	Total	7	37%	
Total	19	100%		
Products with fee disclosure	7	37%		

<Structured Bond> (Publicly Offered Bond)

Product Type	Product	Share
Complex structured bonds	0	0%
NKY225	0	0%
NKY225・EUR50	0	0%
NKY225・S&P500	0	0%
Non Complex structured bonds	5	100%
Callable Bond	5	100%
Total	5	100%

For complex structured bonds, the Bank has stopped handling them and will not resume handling at this time.

Result Index²⁵ Customer Survey on Asset Management

- The Bank has conducted regular surveys to understand customers' diverse needs and has used the results to enhance the product line-up.
- The results of the FY2023 survey are scheduled to be published in May 2024.

[FY2022 Survey Results]

<Investment Trust>

Survey Items	Answers
➢ Important investment policy	Low risk/Low return 41%, Balanced 52%, High risk/High return 7%
➢ Investment target of interest	Equities 41%, Bonds 21%, REITs 14%
➢ Points of focus	Fees, etc. 26%, Easy to understand 21%, Investment performance 19%

<Life Insurance>

Survey Items	Already worked on	Desire to work on in future	No plan to work on
➢ Living funds for bereaved family	23%	29%	37%
➢ Smooth inheritance division and inheritance tax reduction	15%	39%	34%
➢ Living donation	11%	29%	48%
➢ Living fund after retirement	31%	31%	27%
➢ Nursing-care funds	21%	33%	34%
➢ Medical expenses	26%	28%	34%
➢ Income security	23%	25%	39%
➢ Dementia security	20%	32%	36%
➢ Business insurance	4%	12%	31%

[Survey period] From May 23(Mon) to May 27(Fri) in 2022
[Valid Response] 297

【Basic Policy 6】 Providing Services Suitable for Customers

<Providing financial products>

- When introducing new financial products and services, the Business Divisions validate whether they are suitable for the target potential customers, and the related business group investigates, analyzes and examines various issues and problems such as product risks and provision systems for customers. Then, management has discussions in the Integrated Risk Committee, the Customer Protection Committee, etc. as necessary and finally the Group Head of the Responsible Division decides the introduction. (Result Index②⑥)
 - In preparation for introducing complicated or high-risk financial products to customers or providing information for those with limited investment experience, the Bank will create solicitation rules such as suitability judgment and solicitation start criteria, and we will thus provide services more carefully. In addition, we will monitor whether confirmation of the customer's intension and explanation to the customer were properly performed, and will provide instructions and training to sales personnel in order to improve and enhance the explanation to customers. (Result Index②⑦)
- * Regarding Principle 6 (Note 3) of the "Principles for Customer-Oriented Business Conduct" published by the FSA (Financial Services Agency), it is not applicable to the Bank as we are not a financial business operator involved in the establishment of financial products.

Result Index②⑥ Reasons for Selecting New Products

(1H of FY2023 : Example of publication)

Date of Publication	Product Name	Assumed Customers	Reason for Selecting the Product
June 2023	Investment trusts SOMPO High Yield Convertible Bond Fund 2023-06 (Non Hedged・Limited Open Type) SOMPO High Yield Convertible Bond Fund 2023-06 (Hedged・Limited Open Type)	<p><Assumed customer segment by the Bank></p> <ul style="list-style-type: none"> ・Those who wish to reduce the risk of price fluctuations of incorporated bonds when holding the fund until the expiration of the trust period by "buy & hold investment" ・Those who understand price fluctuation risk, foreign exchange risk, credit risk, liquidity risk, risk of investing in low-rated bonds, etc., of major investment targets and can tolerate price fluctuations or losses. ・Those who mainly aim to earn capital gains (gains on price appreciation/asset growth) ・In the Bank's customer information, all customers who fall under the categories of Investment Policy: "Desire to consider the balance between profitability and stability", "Desire to focus on profitability", and in addition, novices who have no investment experience. <p><Assumed customer segment by origination company (management company)></p> <ul style="list-style-type: none"> ・Those whose investment objective is to secure stable income and asset growth over the mid- to long-term by investing in convertible bonds of developed countries including Japan (with/without currency hedging) ・Those who have funds that can tolerate a certain degree of credit risk (with currency hedging) ・Those who have funds that can tolerate a certain degree of credit risk and foreign exchange risk (without currency hedging) 	The fund was selected as one of the products that can meet the "needs for global bond funds" which have been continuously observed in our regular customer surveys.

Result Index②⑦ Initiatives to Improve and Enhance Explanations to Customers

Target	Survey Item	Perfect Score	Expected Level of Customer Service	Survey Results
Branch location	Basic	12	10	10.3
	Reception	32	25	25.7
	Needs interview	30	26	24.6
	Total	74	61	60.6

- The Bank periodically conducts undercover survey by external research company to check the manners when explaining to customers and answering the phone at branch locations.
- The survey for the branch location section in FY2023 was conducted not on sales staff but on back-office staff, and the Bank exceeded the "Expected level of customer service" set by a research company in the items of "Basic" and "Reception". Based on the results of this survey, we will conduct training on problem solving within this fiscal year and strive to improve explanations to customers and other aspects.
- The results of the telephone section survey for FY2023 are scheduled to be published in May 2024.

<Survey in FY2023> Survey Period : 【Branch location】 June 26 - July 7, 2023 【Telephone】 September 20 - 22, 2023

【Basic Policy 6】 Providing Services Suitable for Customers

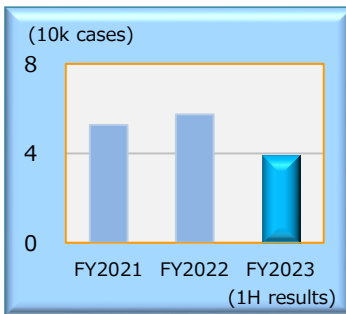
<Detailed follow-up services>

- The Bank will make proposals while giving due consideration to the customer's life plan, and after the sale of financial products and services as well, we will regularly provide information such as the status of customer's owned products and market trends, and in addition, we will provide information from a long-term perspective in response to changes in the customer's life stage. Through those efforts, we will contribute to the asset formation of our customers for a long time. (Result Index²⁸)

<Responding to Customers' Voice>

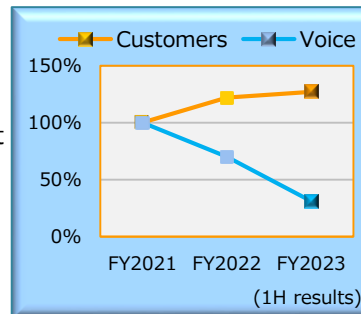
- The Bank will take the "Customer's Voice" received in the branches and call center seriously and make good use of their feedback for service improvement and product design. (Result Index²⁹, ³⁰)

Result Index²⁸ Number of After-Sales Follow-up



- The Bank conducts regular follow-up activities, in principles at least once a year, for customers who own investment products, and explains the investment status, merchantability, market conditions, etc.
- The results for the first half of FY2023 were 68.0% of the previous year's level.

Result Index²⁹ Trend of "Customer's Voice"



- The customer feedback rate was 31.0%, with FY2021 as 100%.

Result Index³⁰ Examples of Responses to "Customer's Voice"

- May 2023 Revised the 'Internet banking "First-time User Registration Guide"'

The "First-time User Registration Guide" was revised as the "First-time User Registration & One-Time Password (Token Issuance) Settings Guide" to facilitate smooth procedures.

【Basic Policy 7】 Consultant Training Policy and Appropriate Motivational Framework

- To appropriately evaluate the customer-oriented business management with highly specialized and courteous consulting services, the Bank abolished personnel evaluation based on the amount of revenue, and instead, with plans prepared by each business office based on assets under custody and provision of non-financial services, we conduct business management while focusing primarily on customer attributes and needs.
- To instill the customer-oriented business management, the Bank developed the "Specialized Retail Training Program" that fully considers enhancement of consulting skills and improvement of compliance awareness, and for realizing highly specialized consulting services, we encourage all sales personnel to acquire financial planner qualifications.
- Regarding the framework for consultant training and appropriate motivation, such as training implementation and its understanding level, performance evaluation system, the Bank will regularly check, verify and evaluate the results and progress status. (Result Index³¹, ³² and ³³)

Result Index³¹ Participation Rate for Specialized Retail Training

- The Bank trains sales personnel to provide courteous and highly specialized services to customers. In the first half of FY2023, training and other activities were conducted 25 times.

Training Participation Rate	FY2021	FY2022	FY2023
	100%	100%	100%

Result Index³² Dementia Supporter Initiatives

- The Bank promotes the participation of "Dementia Supporter" training course to gain an accurate understanding of dementia, and we strive to act as supporters who warmly watch over people with dementia and their families.

Participation Rate for Dementia Supporter Training Course	FY2021	FY2022	FY2023
	99%	99%	100%

Result Index³³ FP Qualification Status

- In order to realize highly specialized consulting, the Bank promotes the acquisition of financial planner qualification for all sales personnel, and sets a target of acquiring the second grade of FP.

Qualification Holding Rate of FP 2nd Grade or Higher	FY2021	FY2022	FY2023
	95%	96%	93%