

Aozora Bank's Initiatives for Customer-Oriented Business Management

(Policy 1) Formulation and Disclosure of Policies for Customer-Oriented Business Management

- Aozora Bank offers financial products and services that are truly beneficial to its customers asset formation and monitors various achievement criteria based on the following policies (2 to 7). The Bank verifies, evaluates and announces the results, etc. twice a year on its initiatives for customer-oriented business management.
- Please refer to the following pages for the status of the Bank's initiatives for customer-oriented business management as of the end of March 2021.

Policies

2. For the pursuit of the best interests of our customers

3. Appropriate management system for conflicts of interest

4. Fees to be borne by customers

5. Easy-to-understand provision of important information

6. Providing services suitable for customers

7. Consultant training policy and appropriate motivation framework

Achievement criteria

- ① Customer Satisfaction Survey
- ② Investment-Type Product AUM and Customer Count
- ③ Customer Ratio by Investment P/L of Investment Trust [Common KPI]
- ④ Changes in the Ratio of Customers Achieving Profitability of Investment Trust
- ⑤ Balance and Ratio of Investment Trust "Aozora Core Funds"

- ⑥ Fund Ratio of the Group Investment Companies
- ⑦ Top 10 Funds by Sales of Investment Trust (FY2020)

- ⑧ Aozora Fund Line-up
- ⑨ Example of Documents on Fees and Other Costs

- ⑩ 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]
- ⑪ 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)

- ⑫ Product Line-up
- ⑬ Reasons for Selecting New Products in the Second Half of FY2020
- ⑭ Number of After-Sales Follow-up

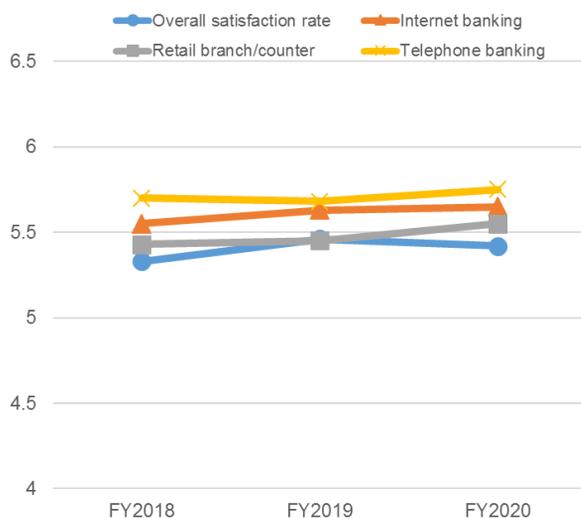
- ⑮ FP Holding Qualification
- ⑯ FP Headcount and FP Consultation Count
- ⑰ Number of Specialized Retail Training Programs/Study Sessions and Participation Rate

[Common KPI] : "Comparable Performance Indicators in Investment Trust Sales Companies" released by the Financial Services Agency in June 2018

(Policy 2) For the pursuit of the best interests of our customers

- The Bank conducts customer satisfaction surveys on an annual basis to reflect its customers' diverse views in its business management. In our achievement, the overall satisfaction level in FY 2020 showed that more than 80% of customers are satisfied. (Very satisfied / Satisfied / Slightly satisfied; 80.6% in total)
- In addition, the level of satisfaction with retail branch/counter and Internet banking has been increasing for the third consecutive year. Many customers commented such as "The customer service of the sales personnel is polite and courteous", "The branch is clean and tidy so I can relax while waiting", and "I want the Bank to develop a variety of reliable products further".
- We will continue to make efforts to further enhance our services based on feedback from customers.

① Customer Satisfaction Survey



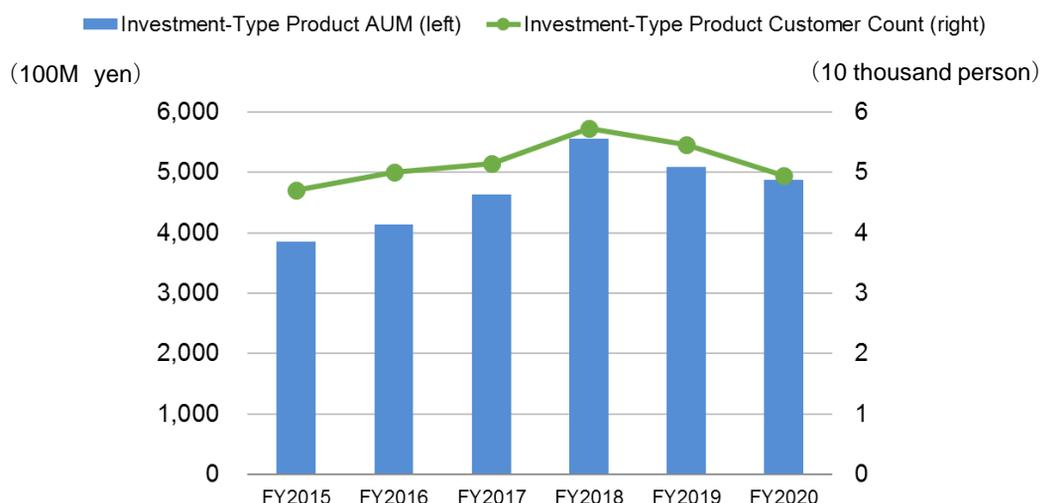
[Respondents]
10,000 (4,000 by postal, 6,000 on Web)

[Valid Response]
2,173

[Evaluation method]
7 : Very satisfied
6 : Satisfied
5 : Somewhat satisfied
4 : Not sure
3 : Somewhat dissatisfied
2 : Dissatisfied
1 : Very dissatisfied

- The Bank pursues the best interests of our customers and provides financial products and services suitable for them, thereby aiming to have many customers make transactions with us. And we strive to grow by increasing the balance of assets entrusted by our customers.
- We will not make proposals that do not match the customer's wishes, or will not make proposals by reviewing products in a short period of time that will not suit the interests of the customer.
- In FY 2020, both AUM and customer count decreased due to an increase in cancellations by customers who achieved their targets for foreign currency-denominated insurance products.

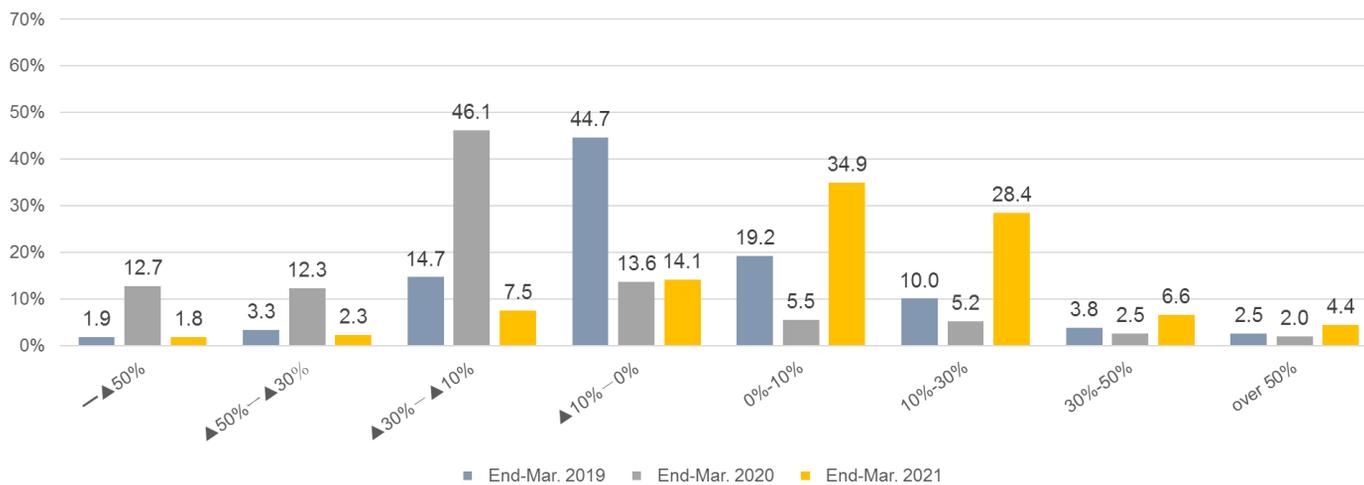
② Investment-Type Product AUM and Customer Count



(Policy 2) For the pursuit of the best interests of our customers

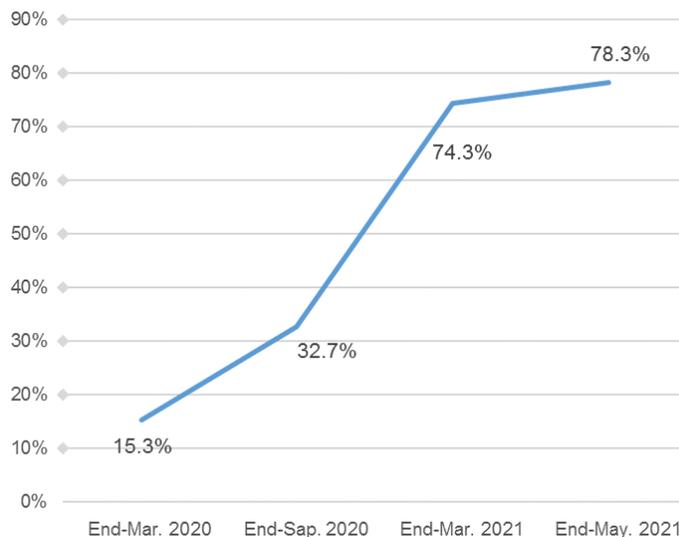
- To pursue the best interests of customers, the Bank defined investment trusts designed to meet the mid-to long-term stable asset management needs as “Aozora Core Funds”, and beginning October 1, 2020, we started to offer them with a 0% purchase fee (no-load) across all distribution channels.
- In FY2020, the investment performance of “Aozora Core Funds” was favorable, and the ratio of customers achieving profitability of investment trust improved significantly from 15.3% at the end of March 2020 to 74.3% at the end of March 2021. As of the end of May, it has risen to 78.3%. We will continue to pay due attention to the investment trust management status held by our customers and provide detailed follow-up services.
- To advance the pursuit of the best interests of our customers as a corporate culture, all sales personnel take e-learning on customer-oriented business management twice a year, and always work with a high level of awareness.

③ Customer Ratio by Investment P/L of Investment Trust [Common KPI]



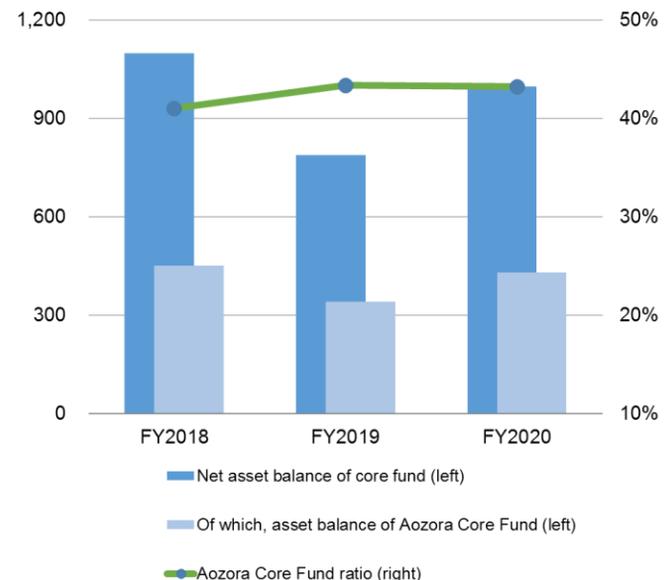
* It's already canceled, it's investment trust, a profit and loss aren't included.

④ Changes in the Ratio of Customers Achieving Profitability of Investment Trust



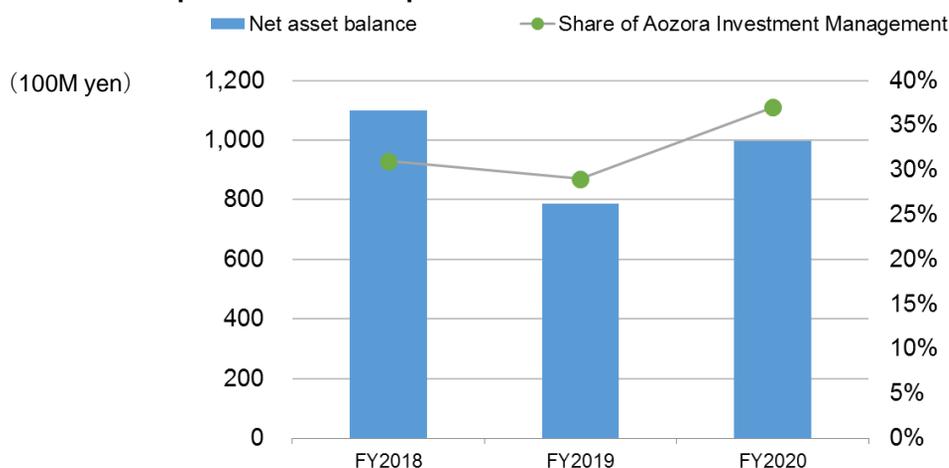
⑤ Balance and Ratio of Investment Trust “Aozora Core Funds”

(100M yen)



(Policy 3) Appropriate management system for conflicts of interest

- The Bank appointed the Compliance Management Division, which was independent of the Business Divisions, as the Conflicts of Interest Management Control Division where they determine and identify whether transactions that may cause conflicts of interest are unduly harming the interests of our customers, and strive to manage them appropriately to prevent conflicts of interest. In addition, we have established the Internal Audit Division as the audit division to regularly verify and evaluate the conflict of interest management system.
- When we propose financial products and services, we always make proposals from the customer's point of view, regardless of the fees paid by the company that provides the product.
- In order to provide better products and services to our customers, we do not stick to the products of our group companies when selecting financial products to sell. In addition, the sales amount of products of the group companies is not included in the item of the performance evaluation of offices or the personnel evaluation of sales personnel.

⑥ Fund Ratio of the Group Investment Companies**⑦ Top 10 Funds by Sales of Investment Trust (FY2020)**

Rank	Fund name	Asset	Managed by	Monthly Dividend Type	Aozora Core Fund	Fee (Tax Included)
1	Aozora New Global Core Fund (limited addition) 2020-II	Balanced	AIM		○	0.00%
2	Aozora New Global Core Fund (limited addition) 2020-I	Balanced	AIM		○	0.00%
3	Aozora New Global Diversified Fund (limited addition) 2021-01	Balanced	AIM		○	0.00%
4	Daiwa J-REIT Open (monthly distribution type)	Domestic REIT	Daiwa AM	○		1.65%
5	Aozora New Global Diversified Fund (limited addition) 2020-10	Balanced	AIM		○	0.00%
6	netWIN GS Technology Equity Fund (Course B, Unhedged)	Overseas stock	GSAM			3.30%
* 7	Aozora New Global Diversified Fund (limited addition) 2020-07	Balanced	AIM		○	2.75%
8	Robot/Technology related Stock Fund -Robotech-	Overseas stock	Daiwa AM			3.30%
9	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	Balanced	Tokio Marine AM	○	○	0.00%
10	Stock Index Fund 225	Domestic stock	Daiwa AM		○	0.00%

* Since October 2020, we started to offer "Zenzo Series" as the "Aozora Core Funds" with no load (no purchase fee).

(Policy 4) Fees to be borne by customers

➤ The Bank provides information using easy-to-understand materials such as Aozora Fund Line-up so that customers can select products that meet their needs while comparing them with similar products in terms of fees, other costs, etc.

⑧ Aozora Fund Line-up



取扱いファンドインデックス

運用方針	投資対象	ファンド名
国内債券	国内債券	ダイワ日本国債ファンド (毎月分配型) / (年1回決算型) P.11
		東京海上・円資産バランスファンド (毎月決算型) (変動・円換金) / (年1回決算型) (変動・円換金) P.11
海外債券	海外債券	あおぞら・先進国中短期公社債ファンド (毎月ヘッジあり) (変動・為替) P.11
		東京海上・ニッポン世界債券ファンド (毎月ヘッジあり) / (毎月決算型) (変動・為替) P.11
海外債券	海外債券	UBS公益・金融社債ファンド (毎月ヘッジあり) (変動・為替) P.11
		東京海上・ニッポン世界債券ファンド (毎月ヘッジあり) (年1回決算型) P.11
海外債券	海外債券	ニッコウ・マネー・マーケット・ファンド <USドル・ポートフォリオ> P.11
		MHAM豪ドル債券ファンド (毎月決算型) P.11
海外債券	海外債券	ダイワ高格付カナダドル債オープン (毎月分配型) P.11
		短期豪ドル債オープン (毎月分配型) P.11



取扱いファンド一覧

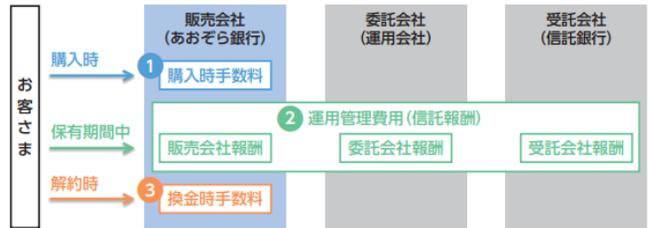
運用方針	投資対象	ファンド名
国内債券	国内債券	トピックス・インデックス・オープン P.15
		ダイワJPX日経400ファンド P.15
		JPMジャパンマイスター P.15
		フィデリティ・日本配当成長株・ファンド (分配重視型) P.15
		トヨタ自動車/トヨタグループ株式ファンド P.15
		あおぞら・世界配当成長株ベガ・ファンド (毎月分配型) (変動・くらだし) P.15
		JPMグローバル医療関連株式ファンド P.15
		ダイワFEGローバル・パリュール (毎月ヘッジなし) P.15
		あおぞら・先進国中短期公社債ファンド (毎月ヘッジあり) (変動・為替) P.15
		東京海上・円資産バランスファンド (毎月決算型) (変動・円換金) / (年1回決算型) (変動・円換金) P.11
海外債券	海外債券	あおぞら・日本株式フォーカス戦略ファンド (変動・しゅういつ) P.15
		ジャパン・エクセレント P.15
		フィデリティ・日本成長株・ファンド P.15
		MSCIインデックス・セレクト・ファンド <コクサイ・ポートフォリオ> P.15
		ロボット・テクノロジー関連株式ファンド - ロボテック- P.15
		ダイワFEGローバル・パリュール (毎月ヘッジなし) P.15
		あおぞら・世界配当成長株ベガ・ファンド (毎月分配型) (変動・くらだし) P.15
		JPMグローバル医療関連株式ファンド P.15
		ダイワFEGローバル・パリュール (毎月ヘッジなし) P.15
		東京海上・円資産バランスファンド (毎月決算型) (変動・円換金) / (年1回決算型) (変動・円換金) P.11

マージのご説明 ● コアファンド ● 価格 価格変動リスク ● 為替 為替変動リスク ● 信用 信用リスク ● 経験者向けファンド ● デリバティブ デリバティブ取引のリスク ● その他 その他リスク (流動性リスク・カントリーリスク等)

運用方針	投資対象	ファンド名	委託会社	主な投資対象・特徴	為替ヘッジ	決算頻度	分配金コース*	手数料・費用等(その他費用が別途かかります)**	主なリスク*					
								購入時手数料(税込)†	換金時手数料(税込)	運用管理費用(信託報酬等)(年率・税込)	信託財産留保額			
国内債券	国内債券	トピックス・インデックス・オープン ●	野村アセットマネジメント	東証株価指数(TOPIX)に連動する投資成果を目指します。	-	年1回	再投資	なし	なし	0.682%以内	なし	価格 為替 信用 デリバ その他		
		ストックインデックスファンド225 ●	大和アセットマネジメント	日経平均株価(日経225)に連動する投資成果を目指します。	-	年1回	受取/再投資	なし	なし	0.572%	なし	価格 為替 信用 デリバ その他		
		ダイワJPX日経400ファンド ●	大和アセットマネジメント	JPX日経インデックス400に連動する投資成果を目指します。	-	年1回	再投資	なし	なし	0.7205%	なし	価格 為替 信用 デリバ その他		
		あおぞら・日本株式フォーカス戦略ファンド (変動・しゅういつ)	あおぞら投資	国内上場企業の中から成長性がある企業と判断される銘柄に集中投資いたします。										価格 為替 信用 デリバ その他
		JPMジャパンマイスター	JPMオルガン・アセット・マネジメント	全上場銘柄の中から、時価総額にこだわらずに、かつ株数が数社と判断される国内上場企業を厳選し、時価総額(TOPIX(仮当金))を上回る投資成果を目指す。										価格 為替 信用 デリバ その他
		ジャパン・エクセレント ●	大和アセットマネジメント	中小企業を含む国内株式に投資します。銘柄主に業績成長、株価のバリュエーション等に注力し、株価水準等を考慮し、ポートフォリオ										価格 為替 信用 デリバ その他
		フィデリティ・日本配当成長株・ファンド (分配重視型)	フィデリティ投資	企業の今後の配当成長(増配)に注目し、配当利回りが高く平均以上の国内上場企業に投資する。時価総額(TOPIX(仮当金))を上回る投資成果を目指す。										価格 為替 信用 デリバ その他
		フィデリティ・日本成長株・ファンド	フィデリティ投資	国内上場企業から成長企業と判断される銘柄を厳選し、時価総額(TOPIX(仮当金))を上回る投資成果を目指す。										価格 為替 信用 デリバ その他
海外債券	海外債券	トヨタ自動車/トヨタグループ株式ファンド	三井住友DSアセットマネジメント	トヨタ自動車およびそのグループ投資します。									価格 為替 信用 デリバ その他	

費用について

投資信託の購入・保有・解約にかかる費用



お客さまにご負担いただく費用と、主なご提供サービスの基本的な考え方についてご説明いたします。

- 1 購入時手数料**
 投資信託をご購入いただく際には、購入金額(※1)に一定率を乗じた購入時手数料がかかります。資産運用のご相談、ファンドの特色や運用手法などの商品説明、投資対象・投資地域等の投資環境のご説明や情報提供に加え、ご注文の入力作業やご購入代金の振替、取引報告書の作成・送付など、購入に係る事務手続き等のサービスの対価として、お客さまに直接ご負担いただく費用です。手数料水準については、ご購入にあたり必要な、商品や投資環境のご説明、情報提供等の複雑性や難易度の高いものほど、相対的に高い手数料を設定することを基本的な考え方としております。ただし、商品の特性やお客さまにご負担いただく各種費用の総額などを総合的に判断し、上記以外の設定とする場合がございます。
- 2 運用管理費用(信託報酬)**
 投資信託をご購入後、保有期間中にかかる運用・管理費用として、お客さまに間接的にご負担いただきます。あらかじめ定められた報酬率が保有中の信託財産から差し引かれ、以下のサービスの対価として、販売会社、委託会社、受託会社に支払われます。
 - 販売会社報酬**
投資信託の運用状況や投資環境等の情報提供などのアフターフォローや、運用報告書の送付、取引履歴報告書の作成・送付に加え、分配金のお支払いや徴収に関する事務などの口座管理に係るサービス等を行います。
 - 委託会社報酬**
ファンドの運用や、運用報告書等法定書類の作成、基準価額の算出等を行います。
 - 受託会社報酬**
信託財産の保管、管理、委託会社からの運用指図の実行等を行います。
- 3 換金時手数料**
 一部投資信託については、ご解約される際に、解約金額(※2)に一定率を乗じた換金時手数料がかかります。投資信託ご解約時に係る事務手続き等の対価として、お客さまに直接ご負担いただく費用です。

(※1) 購入金額 = 基準価額 × 購入口数 (※2) 解約金額 = 換金価額(基準価額) × 解約口数
 ※本ページに記載の費用のほかにも、信託財産留保額や監査費用、有価証券の売買等に係る費用などがかかります。各ファンドの手数料の詳細については、投資信託説明書(交付目録見直し)および目録見直し書をご確認ください。

(Policy 4) Fees to be borne by customers

- The Bank provides easy-to-understand explanation using documents about the fees and other costs borne by customers for the financial products we handle.
- Regarding the details of fees and other costs, when proposing products and services, we ask the customer to confirm the details by the documents delivered prior to the conclusion of the contract or the prospectus, and after the transaction, we ask the same by the reports, etc.

③ Example of Documents on Fees and Other Costs

Example of insurance products: Product outline/ Application supplementary materials

(There are also statements in the product pamphlet, design document, document prior to contract conclusion, contract brochure/contract)

お客さまにご負担いただく諸費用等

①契約時							
ご契約時の費用	あり						
	ご契約の締結等にかかる費用(契約初期費用)として、一時払保険料から次の金額を控除します。						
	<table border="1"> <tr> <th>契約通貨</th> <th>契約初期費用(一時払保険料に対する割合)</th> </tr> <tr> <td>円建</td> <td>4.0%</td> </tr> <tr> <td>米ドル建・豪ドル建</td> <td>5.5%</td> </tr> </table>	契約通貨	契約初期費用(一時払保険料に対する割合)	円建	4.0%	米ドル建・豪ドル建	5.5%
契約通貨	契約初期費用(一時払保険料に対する割合)						
円建	4.0%						
米ドル建・豪ドル建	5.5%						
②保険期間中							
保険期間中の費用	あり						
	あり						
	円建 契約初期費用以外に返還期間・年金受取期間中に直接ご負担いただく費用はありません。ただし、積立金額の計算等に用いる積立利率は、基準金利をもとに積立利率を設定する際に、ご契約の維持に必要な費用と死亡保障に必要な費用を差し引いています。						
	米ドル建・豪ドル建 年金受取時の費用として、毎年の年金受取時に年金額の1%の年金管理費を積立金から控除します。なお、積立金額の計算等に用いる積立利率は、基準金利をもとに積立利率を設定する際に、ご契約の締結や維持に必要な費用と死亡保障に必要な費用を差し引いています。						

③その他(特定のお客さまにご負担いただく諸費用)									
解約をした場合の費用	なし								
	この保険には、解約控除はありません。								
外国通貨のお取扱いに必要な費用(通貨換算に関する特約含む)	あり								
	あり								
	<ul style="list-style-type: none"> ●外貨建の保険料を円貨や契約通貨以外の外貨にてご用意される際には為替手数料が必要となる場合があります。また、保険料を外貨にてお払い込みになる際、および年金等を外貨でお受け取りになる際に、金融機関所定の手数料等が必要となる場合があります。くわしくは、取扱金融機関にご確認ください。 ●特約の付加による次の場合、適用される為替レートとTTM(対顧客電信仲値)*との差額を、為替手数料として通貨交換時にご負担いただけます。 								
	<table border="1"> <tr> <th>契約通貨</th> <th>適用為替レート</th> </tr> <tr> <td>米ドル建 豪ドル建</td> <td>保険料を円貨で払込む場合 【保険料円入金特約】</td> </tr> <tr> <td>豪ドル建</td> <td>保険料を円 【保険料外】</td> </tr> <tr> <td>豪ドル建</td> <td>死亡給付金 【円支払特約】</td> </tr> </table>	契約通貨	適用為替レート	米ドル建 豪ドル建	保険料を円貨で払込む場合 【保険料円入金特約】	豪ドル建	保険料を円 【保険料外】	豪ドル建	死亡給付金 【円支払特約】
契約通貨	適用為替レート								
米ドル建 豪ドル建	保険料を円貨で払込む場合 【保険料円入金特約】								
豪ドル建	保険料を円 【保険料外】								
豪ドル建	死亡給付金 【円支払特約】								
	TTM+50銭								

※ Fees and other costs vary depending on the products.

**Example of investment trust:
Items explained for transactions
(There are also statements in the prospectus distributed in advance of application, and the prospectus supplementary document.)**

投資信託の取引時の説明事項									
ファンドの名称	ニッセイ豪州ハイ・インカム株式ファンド (毎月決算型) (愛称: ラッキー・カンツリー)								
内国・外国投信の別	内国投信								
建て通貨	円								
ファンドの性格 投資の基本方針 投資対象 分配方針 クローズド期間 など	<ul style="list-style-type: none"> ・主に投資信託証券「LM・オーストラリア高配当株ファンド (適格機関投資家専用)」を通じて、主にオーストラリアの証券取引所に上場している株式および不動産投資信託(リート)に投資し、配当等収益の確保と信託財産の中長期的な成長をめざします。 ・外貨建資産について、原則、為替ヘッジを行いません。 ・毎月の決算時に基準価額の水増し、市況動向等を勘案して分配を行います。分配対象額は、経費控除後の配当等収益と先買益(評価益を含みます。)等とします。分配対象額が少額の場合は分配を行わないことがあります。 ・当ファンドは、2本の投資信託証券に投資する「ファンド・オブ・ファンズ」です。このうち、同じ投資方針を有する投資信託証券への投資割合を高位に保ちます。 								
損失発生の原因とリスク要因	・「価格変動リスク」、「信用リスク」、「為替変動リスク」、「流動性リスク」等があります。								
費用	<p><購入時> 購入手数料 購入時に購入金額に対して、購入代金に応じて、以下の手数料率を乗じて得た額をお支払いいただきます。</p> <table border="1"> <tr> <td>3千万円未満</td> <td>.....3.3% (税込)</td> </tr> <tr> <td>3千万円以上1億円未満</td> <td>.....2.2% (税込)</td> </tr> <tr> <td>1億円以上5億円未満</td> <td>.....1.1% (税込)</td> </tr> <tr> <td>5億円以上</td> <td>.....0.55% (税込)</td> </tr> </table> <p>購入金額 = 基準価額 × 購入口数 手数料 = 購入金額 × 手数料率 (税込) 購入代金 = 購入金額 + 手数料 (税込)</p> <p><換金時> 解約手数料 ありません 信託財産留保額 ありません</p> <p><保有期間中> 信託報酬 純資産総額に以下の利率を乗じて得た額をお支払いいただきます。</p> <p>本投資信託は、ファンドオブファンズ形式であるため、本投資信託固有の利率に投資対象投資信託証券の信託報酬の利率を加えた、以下の利率を純資産総額に乘じて得た額を実質的にお支払いいただきます。</p> <p>年率1.826% (税込) 程度 (内訳) 本投資信託固有の年率 1.21% (税込) 投資対象投資信託証券の年率 0.616% (税込)</p>	3千万円未満3.3% (税込)	3千万円以上1億円未満2.2% (税込)	1億円以上5億円未満1.1% (税込)	5億円以上0.55% (税込)
3千万円未満3.3% (税込)								
3千万円以上1億円未満2.2% (税込)								
1億円以上5億円未満1.1% (税込)								
5億円以上0.55% (税込)								

(Policy 5) Easy-to-understand provision of important information

- The Bank will explain important information about financial products and services in an easy-to-understand manner in order to propose those suitable for customers. The major "important information" we provide is as follows.
 - Risks, returns, and transaction conditions of the products and services we propose
 - Attributes of potential customers for sale of the products
 - Reasons for selecting the products and services we propose
 - 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., that information will be included.)

※Regarding Principle 5 (Note 2) of the "Principles for Customer-Oriented Business Conduct" published by the Financial Services Agency (FSA), the Bank does not implement it as we discontinued the sales of foreign currency denominated single premium policies aimed at asset formation, in March 2021.

[Principles for Customer-Oriented Business Conduct \(website of FSA\)](#)

- When providing important information, the Bank will explain in an easy-to-understand manner using sales materials, legal documents, and materials presenting easy comparison for each product (such as "Aozora Fund Line-up" for investment trusts).
- The Bank will constantly verify and evaluate our activities to provide important information in an easy-to-understand manner, and will announce the results in the "status of activities". We plan to prepare the "Important Information Sheet" within this fiscal year intended to provide explanations to our customers.
- The Bank conducts regular surveys to verify and evaluate whether the explanatory materials or information provided were easy to understand for customers who purchased investment-type products. In 2020, we performed it twice in August and November.

(Policy 5) Easy-to-understand provision of important information

- We provide information on the top 20 funds by balance of investment trusts under custody by comparing cost/risk and returns. As of the end of March 2021, for the top 20 funds by balance under custody with an investment period of five years or more that accounted for 38.0% of the total balance of the Bank's investment trusts under custody, the average return improved compared to the end of March 2020 (▲ 1.7% → 6.6%), with the return (6.6%) exceeding the cost (2.0%).

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

(As of end- Mar. 2021)

	Fund name	Cost	Risk	Return		Fund name	Cost	Risk	Return
1	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	22.2%	3.6%	11	JPM Global Healthcare Fund	2.5%	17.5%	11.1%
2	Daiwa J-REIT Open (monthly dividend type)	1.1%	14.2%	4.4%	12	Aozora Global Dividend Stars Premium Fund	2.5%	14.9%	-0.7%
3	Pictet Global Income Equity Fund (monthly settlement type)	2.5%	13.8%	4.6%	13	Short-term Australian Bond Open (monthly dividend type)	1.4%	10.2%	1.1%
4	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.5%	0.6%	14	Brazil Bond Open (monthly settlement type)	2.1%	18.5%	-1.1%
5	Japan Excellent	2.3%	18.3%	9.1%	15	MHAM Australian Dollars Bond Fund (monthly dividend type)	1.8%	8.8%	2.0%
6	Robot/Technology related Stock Fund -Robotech-	2.5%	19.4%	20.2%	16	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	17.0%	23.8%
7	Daiwa J-REIT Open (monthly dividend type)	2.2%	16.1%	5.5%	17	High Dividend Global REIT Premium Fund (without yen hedge course)	2.6%	15.9%	0.3%
8	Major Next Generation U.S. Stock Fund	2.3%	17.1%	13.6%	18	Daiwa J-REIT Open	1.1%	14.2%	4.4%
9	Stock Index Fund 225	0.6%	16.6%	13.3%	19	Global High Dividend Equity Open	1.8%	15.8%	11.6%
10	Aozora Japanese Equity Focus Strategy Fund	2.2%	16.2%	7.8%	20	GW Seven Eggs	2.6%	11.6%	7.9%

- As of the end of March 2021, for the top 20 funds by balance of investment trust under custody including those with investment period of less than five years that accounted for 77.9% of the total balance of the Bank's investment trusts under custody, the average return improved from the end of March 2020 (▲ 2.5% → 5.9%).

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

(As of end- Mar. 2021)

	Fund name	Cost	Risk	Return
1	Aozora New Global Core Fund (limited addition) 2020-2	1.4%	2.5%	6.3%
2	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	22.2%	3.6%
3	Aozora New Global Diversified Fund (limited addition) 2021-01	1.4%	1.1%	4.2%
4	Aozora New Global Core Fund (limited addition) 2020-1	1.4%	3.1%	9.0%
5	Daiwa J-REIT Open (monthly dividend type)	1.1%	14.2%	4.4%
6	Aozora New Global Diversified Fund (limited addition) 2017-09	1.9%	11.8%	4.1%
7	Pictet Global Income Equity Fund (monthly settlement type)	2.5%	13.8%	4.6%
8	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual)	2.4%	4.9%	2.2%
9	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.5%	0.6%
10	Japan Excellent	2.3%	18.3%	9.1%

	Fund name	Cost	Risk	Return
11	Robot/Technology related Stock Fund -Robotech-	2.5%	19.4%	20.2%
12	Aozora New Global Diversified Fund (limited addition) 2018-02	1.9%	11.8%	4.8%
13	Aozora New Global Diversified Fund (limited addition) 2017-04	1.9%	11.1%	3.7%
14	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	16.1%	5.5%
15	Aozora New Global Diversified Fund (limited addition) 2018-04	1.9%	11.8%	5.0%
16	Aozora New Global Diversified Fund (limited addition) 2018-07	1.9%	11.9%	5.3%
17	Major Next Generation U.S. Stock Fund	2.3%	17.1%	13.6%
18	Stock Index Fund 225	0.6%	16.6%	13.3%
19	Aozora Japanese Equity Focus Strategy Fund	2.2%	16.2%	7.8%
20	Daiwa FE Global Value (with FX hedge)	2.5%	12.1%	4.4%

(Policy 5) Easy-to-understand provision of important information

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

(As of end- Mar. 2020)

	Fund name	Cost	Risk	Return
1	Nissay Australia High Income Equity Fund (monthly settlement type)	2.5%	21.2%	-8.2%
2	Pictet Global Income Equity Fund (monthly settlement type)	2.5%	13.6%	0.0%
3	Daiwa J-REIT Open (monthly distribution type)	1.1%	13.4%	-0.2%
4	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	1.3%	3.4%	0.6%
5	Japan Excellent	2.3%	18.2%	-1.0%
6	Stock Index Fund 225	0.9%	17.1%	1.2%
7	Daiwa US-REIT Open (monthly settlement type) Course B(without FX hedge)	2.2%	16.8%	-1.9%
8	Major Next Generation U.S. Stock Fund	2.3%	18.1%	1.9%
9	Brazil Bond Open (monthly settlement type)	2.1%	20.8%	-0.2%
10	Aozora Japanese Equity Focus Strategy Fund	2.2%	17.7%	-1.1%

	Fund name	Cost	Risk	Return
11	MHAM Australian Dollars Bond Fund (monthly dividend type)	1.8%	8.9%	-3.4%
12	Short-term Australian Bond Open (monthly dividend type)	1.4%	10.3%	-5.0%
13	High Dividend Global REIT Premium Fund (without yen hedge course)	2.6%	15.9%	-7.8%
14	Sumitomo Mitsui U.S. High Yield Bond Fund (no FX hedge type)	2.4%	10.2%	-0.6%
15	Daiwa US-REIT Open (monthly settlement type) Course B(without FX hedge)	1.1%	13.4%	-0.1%
16	Tokio Marine Japanese Yen Asset Balance Fund (annual settlement type)	1.3%	3.4%	0.6%
17	GW Seven Eggs	2.6%	12.0%	0.0%
18	Daiwa JGB Fund (monthly dividend type)	1.0%	1.5%	0.5%
19	JPM Medical Care Stock	2.5%	18.8%	-1.0%
20	Morgan Stanley Global Premium Stock Open (without FX hedge)	2.6%	14.9%	5.8%

(As of end- Mar. 2019)

	Fund name	Cost	Risk	Return
1	Nissay Australia High Income Stock Fund (monthly settlement type)	2.4%	15.9%	2.2%
2	Daiwa J-REIT Open (monthly dividend type)	1.1%	8.8%	8.4%
3	Japan Excellent	2.2%	16.8%	13.6%
4	Pictet Global Income Equity Fund (monthly dividend type)	2.4%	10.9%	3.9%
5	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	1.2%	2.2%	3.4%
6	Major Next Generation U.S. Stock Fund	2.2%	16.6%	10.7%
7	Brazil Bond Open (monthly settlement type)	2.1%	19.4%	2.3%
8	Stock Index Fund 225	0.9%	15.7%	8.8%
9	High Dividend Global REIT Premium Fund (without yen hedge course)	2.6%	11.5%	2.4%
10	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	15.6%	10.0%

	Fund name	Cost	Risk	Return
11	Asia High Yield REIT Fund	2.4%	12.0%	10.6%
12	MHAM Australian Dollars Bond Fund (monthly dividend type)	1.8%	8.5%	0.2%
13	Short-term Australian Bond Open (monthly dividend type)	1.4%	9.6%	-1.9%
14	Daiwa J-REIT Open	1.1%	8.8%	8.4%
15	Sumitomo Mitsui U.S. High Yield Bond Fund (no FX hedge type)	2.6%	9.4%	4.5%
16	GW Seven Eggs	2.6%	11.1%	5.3%
17	Mexico Bond Open (monthly settlement type)	2.1%	14.2%	-3.1%
18	Sumitomo Mitsui Global REIT Open	2.1%	12.4%	5.5%
19	JPM Medical Care Stock	2.5%	18.9%	7.2%
20	Global 3 Assets Fund	1.9%	9.4%	2.9%

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

(As of end- Mar. 2020)

	Fund name	Cost	Risk	Return
1	Nissay Australia High Income Equity Fund (monthly settlement type)	2.5%	21.2%	-8.2%
2	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual dividend type)	2.4%	4.9%	-0.1%
3	Aozora New Global Diversified Fund (limited addition) 2017-09	2.0%	11.3%	-6.1%
4	Aozora New Global Diversified Fund (limited addition) 2017-04	2.5%	13.6%	0.0%
5	Aozora New Global Diversified Fund (limited addition) 2018-02	2.0%	11.6%	-6.1%
6	Daiwa J-REIT Open (monthly distribution type)	2.0%	10.7%	-4.4%
7	Robot/Technology related Stock Fund -Robotech-	1.1%	13.4%	-0.2%
8	Japan Excellent	1.3%	3.4%	0.6%
9	Aozora New Global Diversified Fund (limited addition) 2018-07	2.3%	18.2%	-1.0%
10	Aozora New Global Diversified Fund (limited addition) 2018-04	2.5%	20.0%	7.0%

	Fund name	Cost	Risk	Return
11	Pictet Global Income Equity Fund (monthly dividend type)	2.0%	11.6%	-7.3%
12	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	2.0%	11.6%	-6.6%
13	Daiwa FE Global Value (with FX hedge)	0.9%	17.1%	1.2%
14	Aozora New Global Diversified Fund (limited addition) 2018-10	2.2%	16.8%	-1.9%
15	Aozora Japanese Equity Focus Strategy Fund	2.0%	11.8%	-7.4%
16	Daiwa FE Global Value (without FX hedge)	2.3%	18.1%	1.9%
17	Major Next Generation U.S. Stock Fund	2.5%	13.0%	0.1%
18	Brazil Bond Open (monthly settlement type)	2.4%	4.8%	-0.1%
19	Stock Index Fund 225	2.1%	20.8%	-0.2%
20	Aozora Global Dividend Stars Premium Fund (monthly dividend type)	2.2%	17.7%	-1.1%

(As of end- Mar. 2019)

	Fund name	Cost	Risk	Return
1	Nissay Australia High Income Stock Fund (monthly settlement type)	2.4%	15.9%	2.2%
2	Nomura Pimco Global Income Strategy Fund Course A	2.4%	2.0%	2.2%
3	Aozora New Global Diversified Fund (limited addition) 2017-09	1.9%	8.4%	-1.8%
4	Aozora New Global Diversified Fund (limited addition) 2017-04	1.9%	7.9%	-0.1%
5	Aozora New Global Diversified Fund (limited addition) 2018-02	1.9%	7.9%	-0.1%
6	Daiwa J-REIT Open (monthly dividend type)	1.1%	8.8%	8.4%
7	Robot Technology Related Equity Fund - Robotech	2.4%	18.3%	11.0%
8	Japan Excellent	2.2%	16.8%	13.6%
9	Aozora New Global Diversified Fund (limited addition) 2018-07	1.9%	5.1%	0.4%
10	Aozora New Global Diversified Fund (limited addition) 2018-04	1.9%	6.9%	-0.1%

	Fund name	Cost	Risk	Return
11	Pictet Global Income Equity Fund (monthly dividend type)	2.4%	10.9%	3.9%
12	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	1.2%	2.2%	3.4%
13	Daiwa FE Global Value (with FX hedge)	2.5%	7.9%	1.5%
14	Aozora New Global Diversified Fund (limited addition) 2018-10	1.9%	2.8%	3.9%
15	Aozora Japanese Equity Focus Strategy Fund	2.2%	17.5%	2.2%
16	Daiwa FE Global Value (without FX hedge)	2.5%	10.6%	6.0%
17	Major Next Generation U.S. Stock Fund	2.2%	16.6%	10.7%
18	Brazil Bond Open (monthly settlement type)	2.1%	19.4%	2.3%
19	Stock Index Fund 225	0.9%	15.7%	8.8%
20	Aozora Global Dividend Stars Premium Fund (monthly dividend type)	2.5%	9.8%	-2.5%

(Policy 5) Easy-to-understand provision of important information

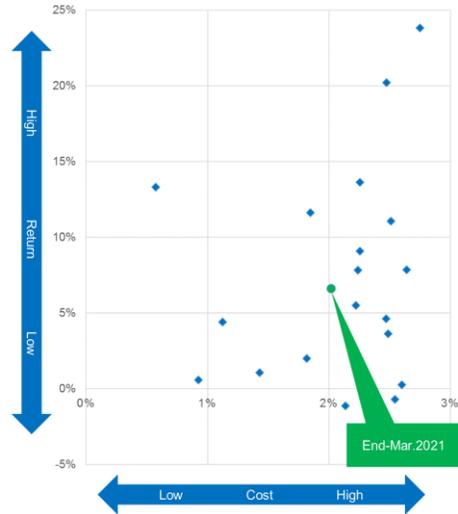
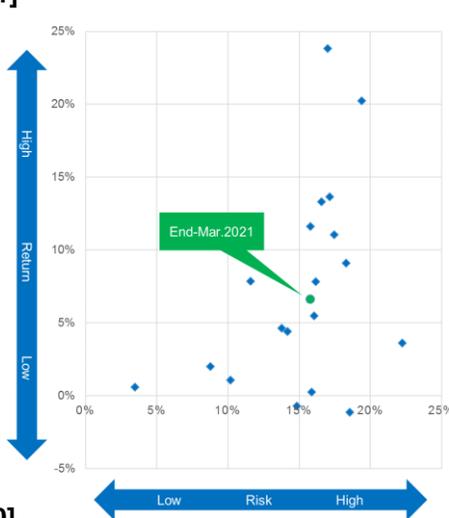
⑩ Risk and Return/Cost and Return of Top 20 Funds by Balance of Investment Trust under Custody (Investment period of 5 years or more) [Common KPI]

[Risk and Return]

[Cost and Return]

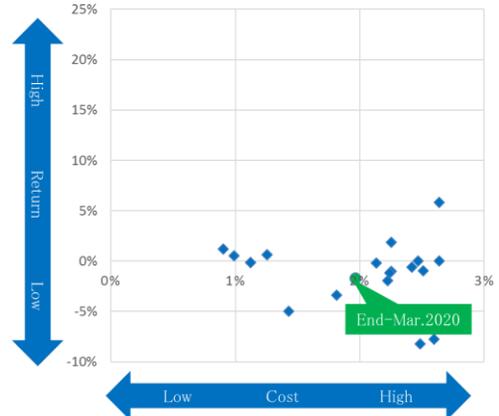
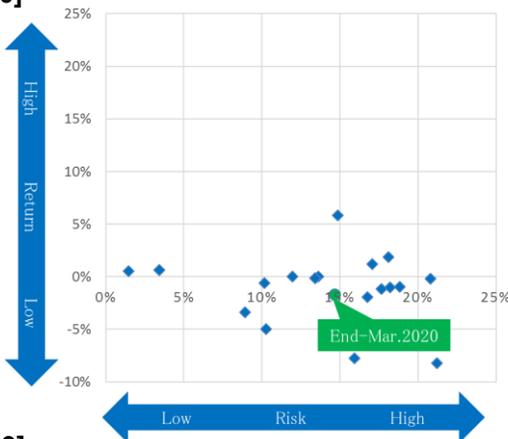
[As of end-Mar. 2021]

Weighted average
Risk 15.8%
Cost 2.0%
Return 6.6%



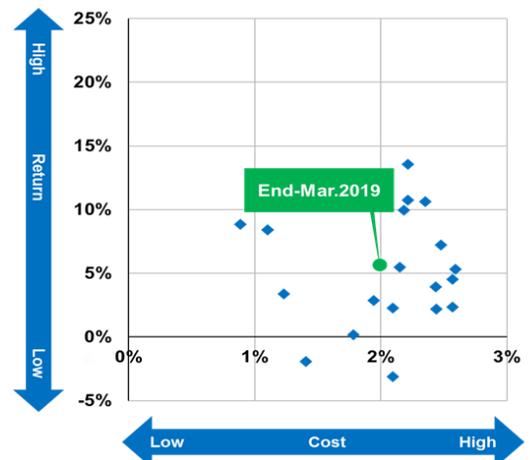
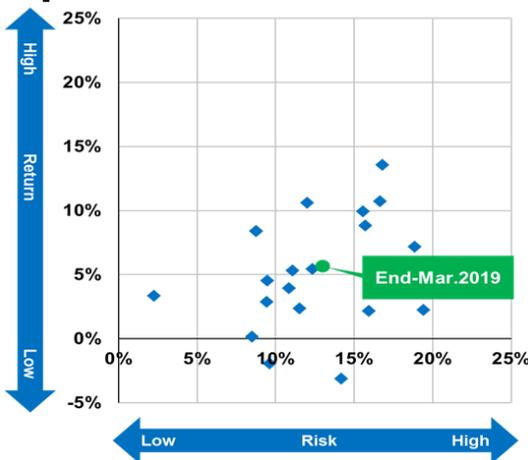
[As of end-Mar. 2020]

Weighted average
Risk 14.7%
Cost 2.0%
Return ▲1.7%



[As of end-Mar. 2019]

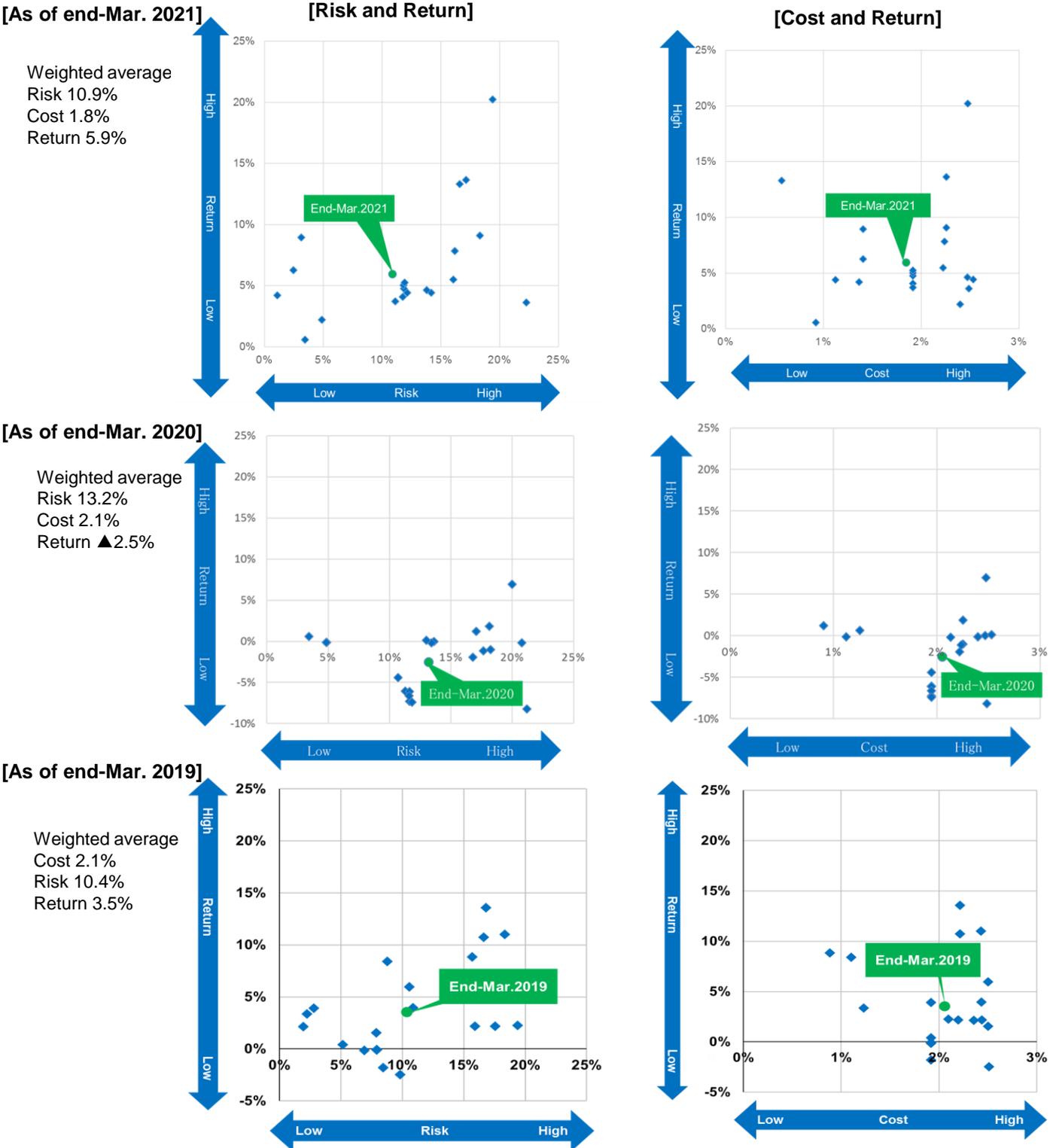
Weighted average
Risk 13.0%
Cost 2.0%
Return 5.6%



*Calculated using top 20 funds by balance of investment trusts under custody as of the base date
*Cost: sales charge rate/5 + custody fee rate
*Return: total return for the last five years (converted monthly return to annual return)
*Risk: average deviation of monthly return for the last five years (converted to annual return)

(Policy 5) Easy-to-understand provision of important information

㊦ 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)



*Calculated using top 20 funds by balance of investment trusts under custody as of the base date
 *Cost: sales charge rate/5 + custody fee rate
 *Return: total return for the last five years (converted monthly return to annual return); for funds with an investment period of less than five years, calculated based on the period since the establishment
 *Risk: average 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

(Policy 6) Providing services suitable for customers

- The Bank conducts regular surveys to understand the diverse needs of its customers and utilizes the results to further enhance our product line-up.
- In addition, while coordinating with a wide range of domestic and international asset management companies and insurance companies, based on the attributes of our customers, we improve the product line-up by introducing financial products and services focused on “mid- to long-term” and a shift “from savings to investment” as well as by reviewing the services. For newly introduced products, we announce the reason for selection on the Bank’s website.

⑫ Product Line-up**<Investment Trust>**

Subject for Investment	End-Mar. 2021	
	No of Products	Share
Equities	50	35%
Domestic	19	13%
Developed Market	8	6%
Emerging Market	9	6%
Global	14	10%
Bonds	38	27%
Domestic	4	3%
Developed Market	9	6%
Emerging Market	8	6%
Global	11	8%
HY	6	4%
REITs	14	10%
Domestic	3	2%
Overseas	7	5%
U.S.	4	3%
Balance	33	23%
Domestic	2	1%
Overseas	31	22%
Other	8	6%
Total	143	100%
Of which, no-load	42	29%

<Life Insurance>

Product Type		End-Mar. 2021	
		No of Products	Share
Single Premium	Yen	4	29%
	Variable Annuity	0	0%
	Fixed Annuity	1	25%
	Variable Whole Life	0	0%
	Fixex Whole Life	3	75%
	Care/Meridal Insurance	0	0%
	Foreign currency	10	71%
	Variable Annuity	0	0%
	Fixed Annuity	3	30%
	Variable Whole Life	0	0%
Fixed Whole Life	6	60%	
Fixed Endorsement	1	10%	
Total	14	100%	
Installment	Yen	9	100%
	Whole Life Insurance	2	22%
	Fixed Life Insurance	2	22%
	Medical/Cancer Insurance	3	33%
	Education Endowment Insurance	0	0%
	Pension/Endowment Insurance	0	0%
	Care Insurance	2	22%
	Foreign currency	0	0%
	Pension Insurance	0	0%
	Total	9	100%
Products with fee disclosure		12	52%

<Structured Bond, Foreign Bond>

Reference Index/Denominated Currency	FY2020	
	No of Products	Share
NKY225	2	5%
NKY225・EUR50	13	33%
NKY225・S&P500	24	62%
AUD/Yen	0	0%
Total	39	100%

⑬ Reasons for Selecting New Products in the Second Half of FY2020

	Disclosure date	Product name	Reason for selecting the product
Investment trusts	November 2020	netWIN GS Technology Equity Fund (Course B, Unhedged)	Amid the circumstance where countries seek to change to a new normal and expand the use of technology in various fields such as working from home as a permanent style, the use of cloud infrastructure, etc., we introduced the product to propose to customers who think it is promising to invest in stocks that will benefit from the development of technology in the long term. In addition, a customer survey conducted by the Bank in July 2020 confirmed that there is a strong need for funds with excellent management performance that predominantly invest in US stocks. Accordingly, among the funds that invest in stocks that will benefit from the development of technology, we introduced the product that targets the U.S. as the investment area and marks excellent management performance in the same genre.
	November 2020	Pictet Gold	Amid the situation where many countries have implemented proactive financial and fiscal policies aiming to succeed in both infection control and economic revitalization at the same time and such attitude is expected to continue in the future, as a substitute for financial products such as bonds or currencies, we introduced the product to propose to the customers who consider physical investment in "Gold" through this fund to be promising in the long term. In addition, the fund is expected to improve investment efficiency by holding it together with investment trusts that invest in stocks or multiple assets, and accordingly we will propose further diversified investment to our customers.

(Policy 6) Providing services suitable for customers

<Validation when introducing new products and services>

- When introducing new financial products and services, the business divisions validate whether they are suitable for our customers, and the related business group investigates, analyzes and examines various issues and problems such as product risks and provision systems for customers. Then, the Integrated Risk Committee, the Customer Protection Committee, etc. have discussions as necessary and finally the Group Head decides the introduction.

<Explanation and sales to customers>

- To appropriately and sufficiently explain the structures and risks of the products and services for the understanding of customers, the Bank fully complies with the customer suitability principle and fulfills accountability by establishing sales standards and sales guidelines, developing internal rules concerning customer explanation and enhancing training. In addition, we have developed its Solicitation Policy for Financial Products on matters employees should comply with during solicitation and disclosed it at its sales branches and on its website.
- We recommend products from our extensive product line-up which are best suited to the respective needs of our customers, based on a detailed assessment of each customer's financial knowledge, investment experience, transaction objectives, level of assets, risk tolerance, life plan, etc. while considering their target asset amount and appropriate asset ratio.
- When introducing complicated or high-risk financial products or when providing information to customers who have less experience in asset management, we propose products more carefully. Regarding the sales of investment products, we monitor whether the customer's intentions are confirmed and the explanation to customers is appropriate, and provide instructions and training to sales personnel and revise solicitation rules in order to improve and enhance the explanation to customers.

※Regarding Principle 6 (Note 2) of the "Principles for Customer-Oriented Business Conduct" published by the Financial Services Agency (FSA), the Bank does not implement it as we discontinued the sales of foreign currency denominated single premium policies aimed at asset formation, in March 2021. In addition, for (Note 3) in the said Principle 6, it is not applicable to the Bank because we are not a financial business operator involved in the establishment of financial products.

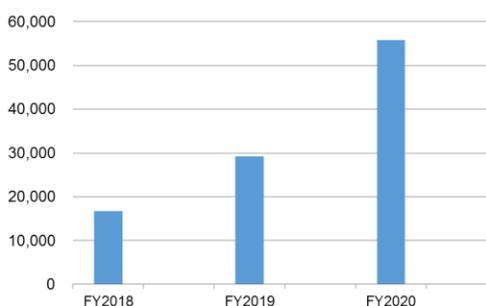
[Principles for Customer-Oriented Business Conduct \(website of FSA\)](#)

<After sales follow-up for financial products and services>

- To customers with a total balance of investment products of 1 million yen or more, we provide information on the status of their products and market trends on a regular basis once a year.(*). We will contribute to the asset formation of our customers for a long time by providing information with the long-term perspective in response to changes in the customer's life stage. (*It excludes customers who hold investment products only on BANK™ and who hold only Internet banking exclusive investment trust.)
- We carry out careful after-sales follow-up. For instance, in addition to regular information, we provide timely and appropriate information when the market situation is uncertain. And especially when there is a significant impact on the products owned by the customers due to sudden changes in the market, we promptly inform customers of accurate information and provide advice on market prospects.
- In FY2020, we conducted after-sales follow-up for all foreign currency-denominated policyholders. The number of after-sales follow-up was 16,753 in FY2018, 29,191 in FY2019, and 55,849 in FY2020.

⑭ Number of After-Sales Follow-up

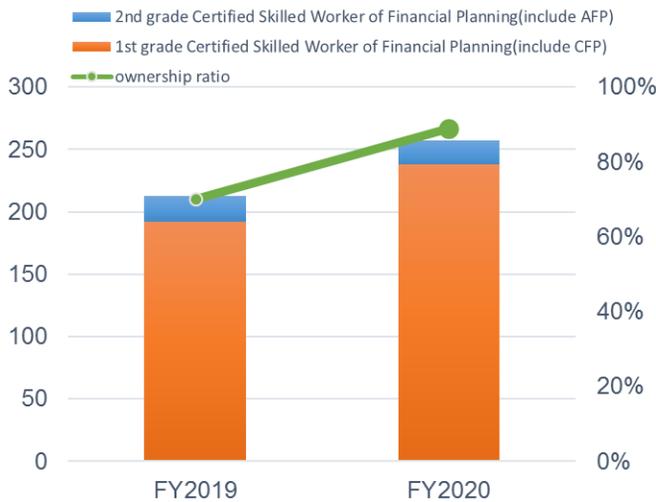
■ Number of after-sales follow-ups



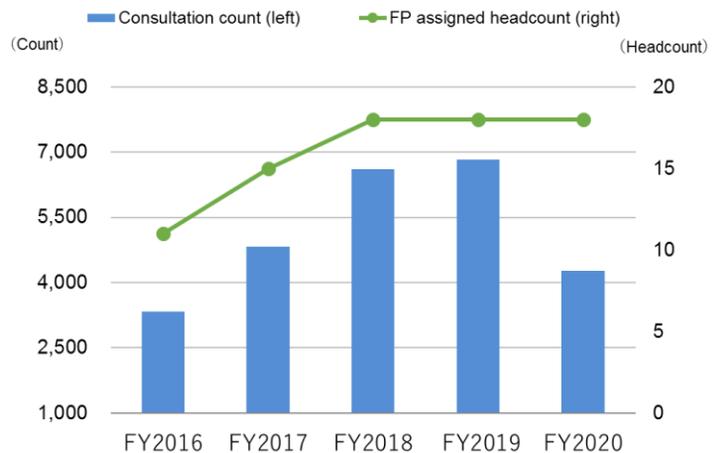
(Policy 7) Consultant training policy and appropriate motivation framework

- In order to select financial products suitable for each customer and realize highly specialized consulting, the Bank promotes the acquisition of financial planner (FP) qualifications for all sales personnel, and sets a target of acquiring the second grade. As of the end of March 2021, 257 of the 289 sales personnel (88.9%) have the second grade or higher qualifications.
- Apart from the sales personnel, we assigned experienced financial planners (FPs) at the 19 retail branches nationwide and developed a remote consultation system. Furthermore, since April 2020, we have assigned specialized personnel with tax account qualifications to the Financial Advisor Office set up at the business group to strengthen the framework to respond to inquiries from customers regarding business succession and inheritance.

⑮ FP Holding Qualification

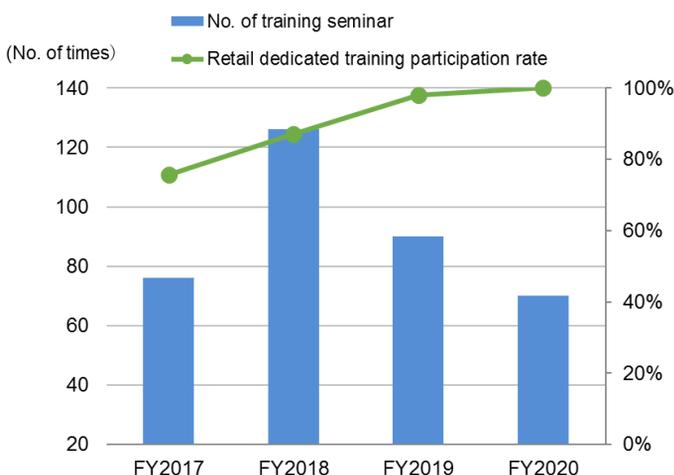


⑯ FP Headcount and FP Consultation Count



- In FY2020, the number of training decreased due to the spread of COVID-19. However, responding to the current environment, we have enhanced training by remote system for sales personnel to build up skills of courteous and comfortable services.
- We also conduct a questionnaire survey after the training to confirm the understanding level of the content, and if the trainees have any questions, we follow up them individually. In particular, regarding the training for new hires, we regularly check whether they perform customer-oriented business management after the training, and the training staff visits the branches to which the new hires belong in order to follow up them as appropriate.

⑰ Number of Specialized Retail Training Programs/Study Sessions and Participation Rate



[Major training contents]

- Product training to thoroughly inform sales personnel of product features, risks, and points to note when explaining to customers (45 times)
- Training to enhance consulting skills for sales personnel at the Aoyama training center (24 times)

*Participation rate= Number of Participants/Sales Headcount

(Policy 7) Consultant training policy and appropriate motivation framework

- The Bank has established a system of performance evaluation and personnel evaluation in consideration of realizing customer-oriented business management.
For example, in the measures aimed at expanding assets under custody in FY 2020, we changed the performance evaluation item from “investment trust sales amount” to “net increase in trust fee amount”. The change was made from the viewpoint of customer-oriented business management and as we judged the revision would further contribute to the mid-to long-term asset formation. Also, we abolished personnel evaluation based on the amount of revenue.
- Regarding the framework of consultant development and appropriate motivation, such as the acquisition status of FP qualifications, training implementation and its understanding level, performance evaluation system, we regularly check, verify and evaluate the results and progress status.
For example, we have introduced a “skill chart” to visualize the strengths and weaknesses of respective sales personnel’s skills (response manners to customers, product knowledge, communication, legal compliance status, etc.), and the business group and business office work together on human resource development for sales personnel.