

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 May 31, 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 March 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](#))

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”.
- We established the “Sales Representative Qualification System” for the sale of financial products, and strive to maintain a high level of expertise by conducting qualification renewal tests every year.

(FY2022)

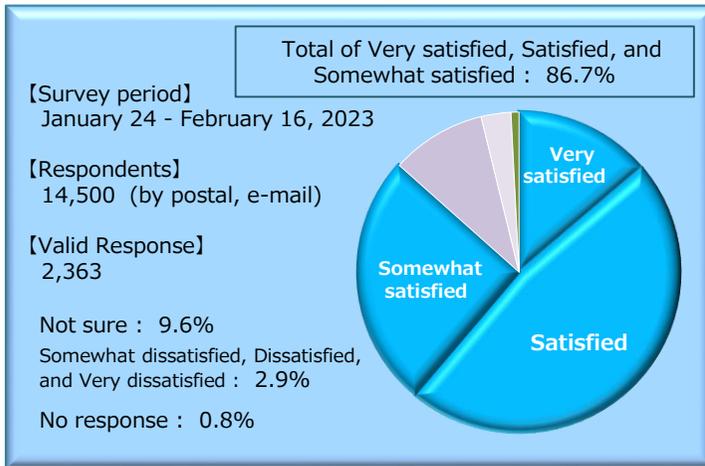
| Activities | Implemented in |
|---|---|
| ➤ Held office managers’ meetings on Customer-Oriented Business Management | April and October 2022 |
| ➤ For all employees of the Retail Banking Group, provided information on result indexes, etc. in the “Aozora Bank’s Initiatives for Customer-Oriented Business Management” | May and November 2022 |
| ➤ For all employees of the Retail Banking Group, conducted e-learning | June, August, and December 2022, January 2023 |
| ➤ Conducted interviews with the sales staff of the Retail Banking Group at each branch to confirm the degree of instillation of Customer-Oriented Business Management (total of 34 persons at all branches) | August 2022 |
| ➤ Established a new column on the Bank’s bulletin board entitled “Customer-Oriented Business Management” | August 2022 |

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

- 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. By practicing Aozora's Platform Business, we will meet the diverse needs of our customers. (Result Index②, ③)

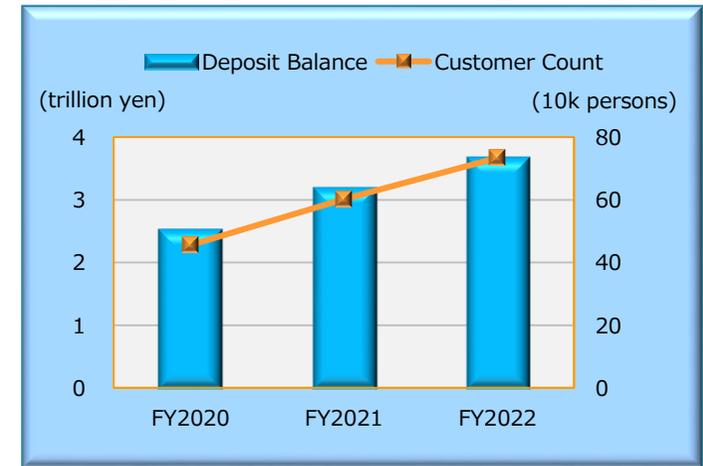
Result Index② Customer Satisfaction Survey

- 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.
- In FY2022, 86.7 % of customers were satisfied with our business.



Result Index③ Customer Count and Deposit Balance

- In FY2022, the number of customers and deposit balances were 121.9% and 115.1% of the previous year, respectively.



《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.
- In April 2023, we will newly establish an "Investment Advisory Division" within the headquarters, and plan to start "Investment Advisory Business" during FY2023 to provide advice to customers from a neutral standpoint.

《Platform》

《Financial Area》

Sale of financial products

- Investment trust
- Financial product intermediation
- Insurance

《Non-financial Area》

Other than Sale of financial products

- Real estate (referrals, etc.)
- Business succession
- Health/Medical/Nursing Care
- Travel/Food & Beverage, etc.

【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 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.

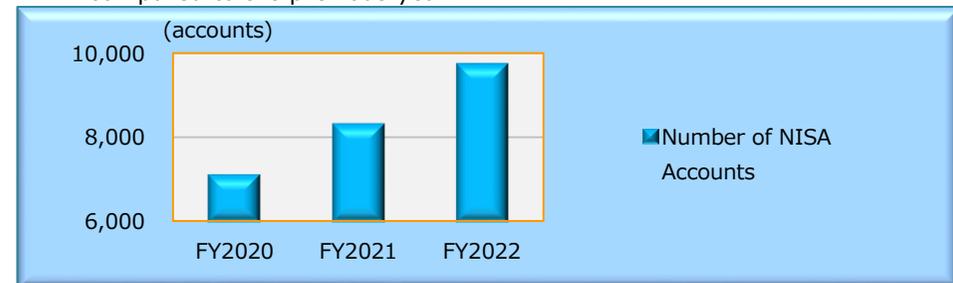
Result Index④ Number of Investment Trust Accounts and Net Asset Balance

➤ The Bank positions investment trusts as the core product of diversified investment. In FY2022, the number of investment trust accounts and net asset balance were 157.4% and 125.6% of the previous fiscal year, respectively.



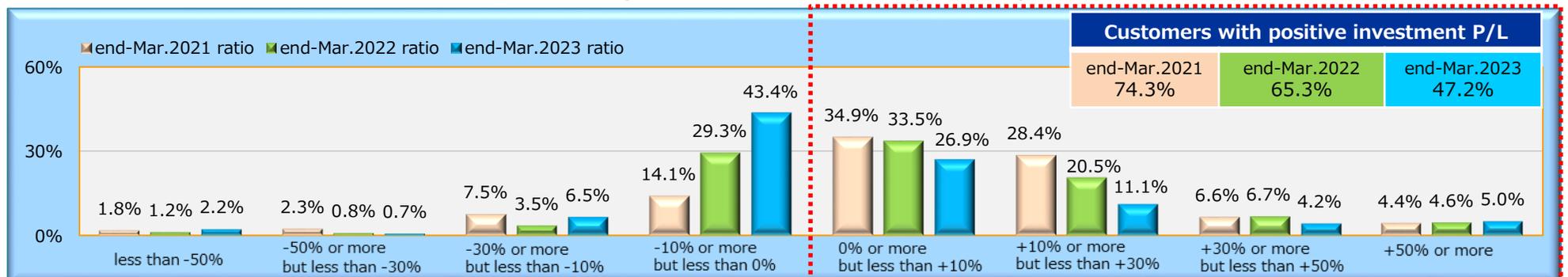
Result Index⑤ Number of NISA Accounts

➤ 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 FY2022 was 117.2% compared to the previous year.



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

➤ As of the end of March 2023, 47.2 % of customers holding investment trust achieved profitability in investment.



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

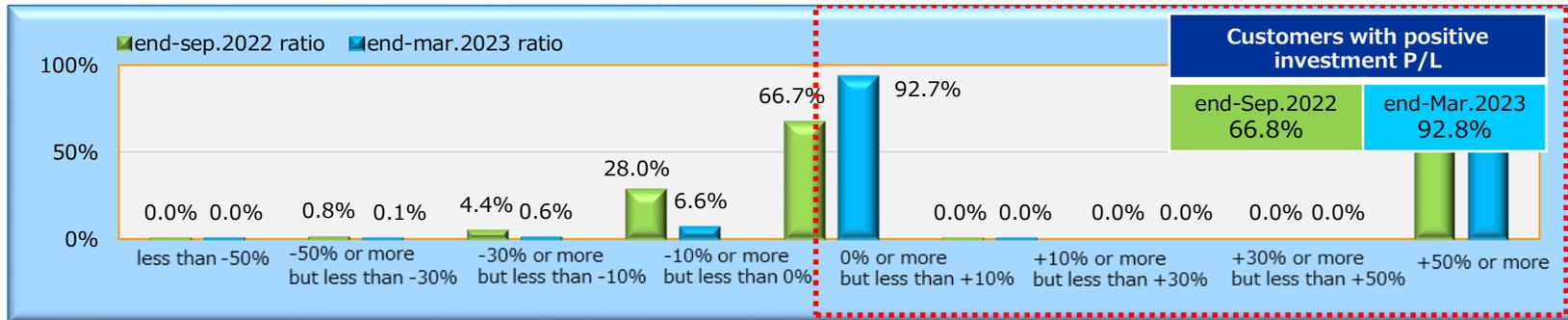
【Basic Policy 2】 For the Pursuit of the Best Interests of Our Customers

<Structured Bonds> (Result Index⑦, ⑧ and ⑨)

Structured bonds are not suitable for customers who aim for long-term stable asset building. There are two types of structured bonds: “complex structured bonds” and “non-complex structured bonds”. Since “complex structured bonds” are complicated products that incorporate options, etc., into bonds, they are not suitable for those who do not have sufficient investment experience or knowledge.

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

- Of the customers who held or had held 1,248 funds that were redeemed and 263 funds that were not redeemed as of the end of March 2023, 92.8% achieved profitability in investment.



* The data is for 1,511 funds of “complex structured bonds” issued after April 2016. (Funds for which the first interest payment has not yet arrived are excluded.)

* 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 Structured Bonds

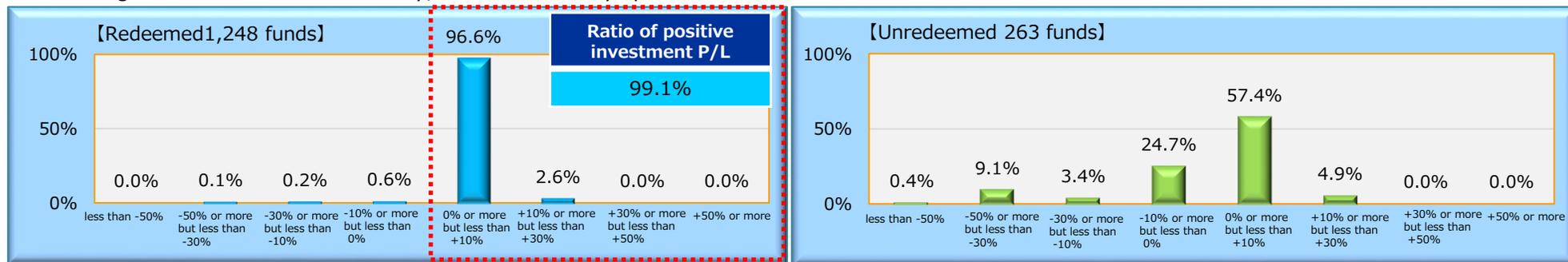
- Of the 1,248 funds redeemed as of the end of March 2023, 1,181 funds (94.6%) were redeemed early.
- In the event of early redemption, the investors cannot receive any subsequent interest and may not be able to invest under the same conditions.



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

Result Index^⑨ Investment P/L Status for Structured Bonds

- Of the 1,248 funds redeemed as of the end of March 2023, 1,237 funds (99.1%) 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.



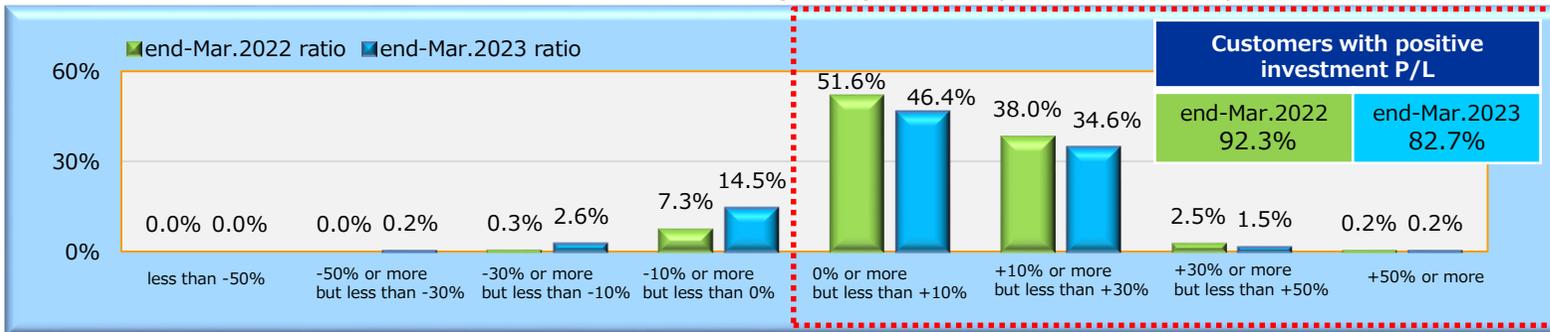
| Reference Index | Redeemed | | | | | | Unredeemed | | |
|--|--------------|-------------------------|--------------|-------------------------|-------------|--------------|--------------|-------------|--|
| | No. of Funds | Positive investment P/L | | Negative investment P/L | | No. of Funds | Knock-in | | |
| | | No. of Funds | % | No. of Funds | % | | No. of Funds | % | |
| NI225,EURO STOXX 50 Index | 402 | 402 | 100.0% | 0 | 0.0% | 20 | 0 | 0.0% | |
| NI225,S&P500 index,EURO STOXX 50 Index | 332 | 332 | 100.0% | 0 | 0.0% | 104 | 0 | 0.0% | |
| NI225,S&P500 index | 131 | 131 | 100.0% | 0 | 0.0% | 50 | 0 | 0.0% | |
| Nikkei-linked bonds | 93 | 93 | 100.0% | 0 | 0.0% | 1 | 0 | 0.0% | |
| EURO STOXX 50 Index linked bond | 8 | 8 | 100.0% | 0 | 0.0% | | | | |
| Dual currency bond (YEN/AUD) | 6 | 4 | 66.7% | 2 | 33.3% | | | | |
| Exchangeable Bond (no longer provided) | 126 | 123 | 97.6% | 3 | 2.4% | 81 | 20 | 24.7% | |
| NI225,Brazilian real linked bond (no longer provided) | 108 | 107 | 99.1% | 1 | 0.9% | 5 | 0 | 0.0% | |
| STOXX 50 Index, Brazilian real linked bond (no longer provided) | 28 | 28 | 100.0% | 0 | 0.0% | 2 | 0 | 0.0% | |
| Brazilian real linked bond (no longer provided) | 7 | 2 | 28.6% | 5 | 71.4% | | | | |
| S&P500S&P500 index, Brazilian real linked bond (no longer provided) | 7 | 7 | 100.0% | 0 | 0.0% | | | | |
| Total | 1,248 | 1,237 | 99.1% | 11 | 0.9% | 263 | 20 | 7.6% | |

【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 Index⑩, ⑪)

Result Index⑩ Customer Ratio by Investment Evaluation for Foreign Currency Insurance [Common KPI]

- As of the end of March 2023, 82.7% 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 Index⑪ Number of Testamentary Trust Created, Number of Contracts for Estate Settlement Services and Number of Real Estate-Related Business Activities

- In FY2022, the total number of testamentary trust created, contracts for estate settlement services, and real estate-related business activities was 213.7% compared to the previous year.
- From April 2023, we have assigned Solution Managers 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.



【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 Index⑫ Ratio of the Group Investment Company (Sales amount, Net asset balance)

- In FY2022, the product sales amount of our group investment company, Aozora Investment Management, represents 52.7% of the total, while its product net asset balance represents 46.9% of the total. As of the end of March 2023, the number of products of Aozora Investment Management handled was 22 (14.9% of all products of investment trust handled).



Result Index⑬ Top 10 Funds by Sales of Investment Trust

- In FY2022, among the top 10 funds by sales in investment trusts, 6 funds are the products of Aozora Investment Management.

| Rank | Fund Name | Target Asset | Investment Company | Purchase Fee (tax included) |
|------|---|---------------------|--------------------|-----------------------------|
| 1 | Aozora New Global Diversified Fund (limited addition) 2023-01 | Balanced | AIM | 0.00% |
| 2 | Aozora New Global Diversified Fund (limited addition) 2022-10 | Balanced | AIM | 0.00% |
| 3 | Aozora New Global Diversified Fund (limited addition) 2022-07 | Balanced | AIM | 0.00% |
| 4 | Aozora Announces Launch of “Aozora Ultimate Diversified Global Sustainability Equity Fund” (“Manten Kansoku”) | Stock | AIM | 0.00% |
| 5 | Fine Blend (monthly dividend Type) | Balanced | Nikko AM | 0.00% |
| 6 | Aozora New Global Diversified Fund (limited addition) 2022-04 | Balanced | AIM | 0.00% |
| 7 | Aozora New Global Core Fund (limited addition) 2022-1 | Balanced | AIM | 0.00% |
| 8 | Stock Index Fund 225 | Domestic stock | Daiwa AM | 0.00% |
| 9 | Fine Blend (Growth Type) | Balanced | Nikko AM | 0.00% |
| 10 | Developed Markets Attractive Yield CB Fund 2023-03 (JPY Hedged) | Balanced and others | MUFJ KAM | 2.20% |

【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)
- Regarding 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, we will ask them to check with the reports and others. (Result Index¹⁵)

Result Index¹⁴ Sales ratio by Purchase Fees in Investment Trusts

- The Bank will explain in an easy-to-understand manners using materials such as "Aozora Fund Line-up" so that customers can select products that meet their needs.
- Of the total investment trust sales in FY2022, the sales amount with a 0% purchase fee accounted for 86%.



- Over 3%
- 2% or more but less than 3%
- 0% more but less than 2%
- 0%

【Efforts to address "Different prices for identical products"】
From October 2022, for the following six funds 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.

Stock Index Fund 225
Daiwa J-REIT Open (monthly dividend type)
Daiwa J-REIT Open
Daiwa JPX Nikkei 400 Fund
Topics index Open
MSCI Index Select Fund - Kokusai Portfolio

Result Index¹⁵ Example of Documents on Fees and Other Costs

➤ Structured Bonds: Important Information Sheet

Since October 2022, we have disclosed all the real costs borne by customers.

(Descriptions may vary by product.)

3. 費用等

費用等について

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※2 上記※1の理論値から算出した試算値です。

【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 Index 16](#), [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.

(FY2022)

| Implemented in | Details |
|----------------|--|
| Apr. 2022 | ➤ Introduced the Important Information Sheet (Individual product edition_Structured bonds) (for Publicly offered bonds) |
| Oct. 2022 | ➤ Introduced "Aozora Model Portfolio" (Excel version) |
| Oct. 2022 | <ul style="list-style-type: none"> ➤ Revised the Important Information Sheet (Individual product edition_Structured bonds) •All real costs borne by customers were disclosed ➤ Revised Aozora Bank's asset management product line-up |
| Nov. 2022 | <ul style="list-style-type: none"> ➤ Published information on structured bonds "Risk/Return by Reference Index" "Customer Ratio by Investment P/L" "Investment P/L Status" "Status of Scheduled Maturity/Realized Maturity" |

【Excerpt from "Aozora Fund Line-up"】 (Revised in April 2023)

This material is provided as a support tool to help customers select funds that match their investment policy and risk tolerance, and as an information tool for novice investors.

お客さまの目的に合ったファンドをご案内

あおぞらファンドラインアップ



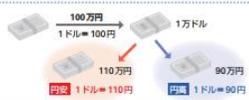
投資信託の主なリスク

投資信託の価格である基準価額は変動します。この変動をもたらす主な要因として、次のようなリスクがあります。

- 価格変動リスク**

 投資対象とする株式・債券・リート(不動産投資信託)・コモディティ(商品)等の価格(市場)変動により基準価額は変動します。
- 為替変動リスク**

 外貨建資産に投資するファンドの場合、為替相場の変動などにより基準価額は変動します。


- 信用リスク**

 投資対象とする株式・債券・リート(不動産投資信託)等の発行体の倒産や事業活動の変化、財務状況の悪化等により基準価額は変動します。


- デリバティブの取引のリスク**

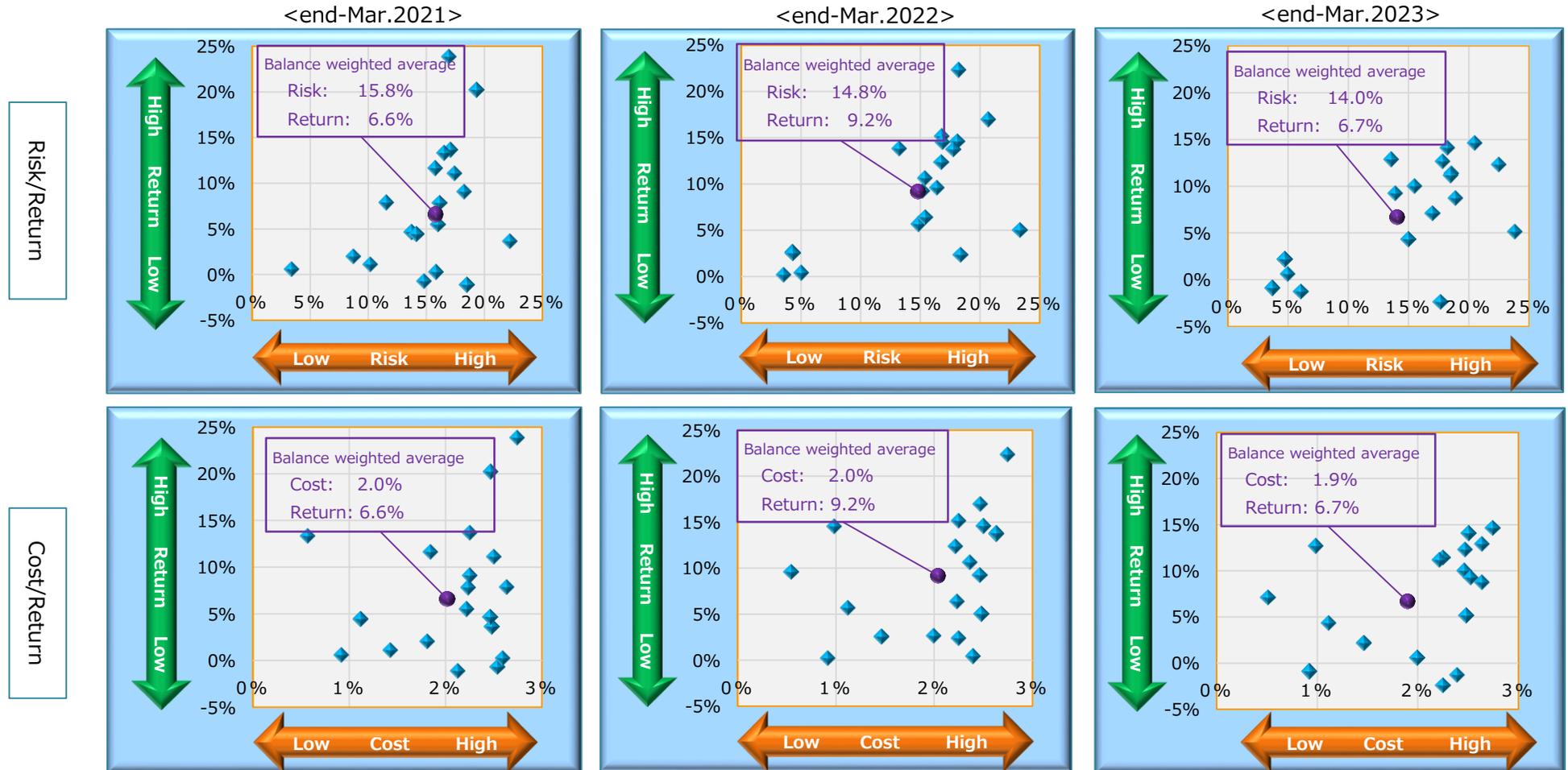
 先物取引やオプション取引など金融派生商品の価格変動により基準価額は変動します。
- その他リスク**
(国別リスク、カントリーリスク等)

 ファンドの組入れ資産を現金化できない場合や、新興国等、投資対象国・地域の政治・経済状況の変化による市場の混乱等、不測の事態が発生した場合に基準価額は変動します。

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

Index¹⁷ 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 March 2023, the balance-weighted average risk and cost improved compared to the end of March 2022.



*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: 37.4%
 *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

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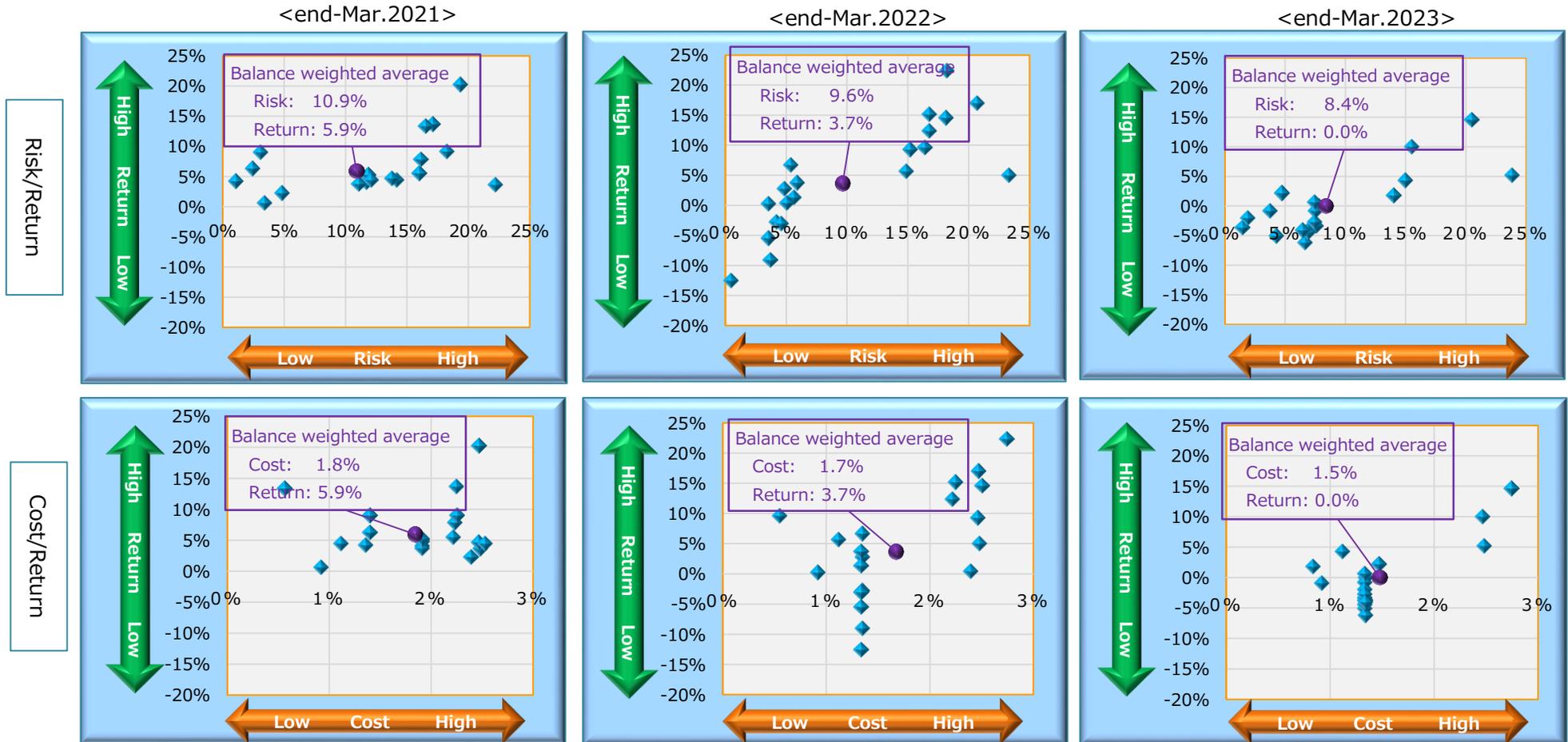
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| Rank | Fund Name | Cost | Risk | Return | Fund Name | Cost | Risk | Return | Fund Name | Cost | Risk | Return |
|------|--|------|-------|--------|--|------|-------|--------|--|------|-------|--------|
| 1 | Nissay Australia High Income Stock Fund (monthly settlement type) | 2.5% | 22.2% | 3.6% | 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% |
| 2 | Daiwa J-REIT Open (monthly dividend type) | 1.1% | 14.2% | 4.4% | 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% |
| 3 | Pictet Global Income Equity Fund (monthly dividend type) | 2.5% | 13.8% | 4.6% | 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% |
| 4 | Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type) | 0.9% | 3.5% | 0.6% | 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% |
| 5 | Japan Excellent | 2.3% | 18.3% | 9.1% | 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% |
| 6 | Robot/Technology related Stock Fund -Robotech- | 2.5% | 19.4% | 20.2% | 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% |
| 7 | Daiwa US-REIT Open (monthly) Course B (without FX hedge) | 2.2% | 16.1% | 5.5% | 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% |
| 8 | Major Next Generation U.S. Stock Fund | 2.3% | 17.1% | 13.6% | 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% |
| 9 | Stock Index Fund 225 | 0.6% | 16.6% | 13.3% | 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% |
| 10 | Aozora Japanese Equity Focus Strategy Fund | 2.2% | 16.2% | 7.8% | Stock Index Fund 225 | 0.6% | 16.4% | 9.6% | Major Next Generation U.S. Stock Fund | 2.3% | 18.6% | 11.4% |
| 11 | JPM Global Healthcare Fund | 2.5% | 17.5% | 11.1% | 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% |
| 12 | Aozora Global Dividend Stars Premium Fund | 2.5% | 14.9% | -0.7% | Japan Excellent | 2.3% | 18.4% | 2.4% | MSCI Index Select Fund - Kokusai Portfolio | 1.0% | 17.9% | 12.7% |
| 13 | Short-term Australian Bond Open (monthly dividend type) | 1.4% | 10.2% | 1.1% | 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% |
| 14 | Brazil Bond Open (monthly settlement type) | 2.1% | 18.5% | -1.1% | Global Impact Fund (Better World) | 2.6% | 17.8% | 13.7% | Japan Excellent | 2.3% | 17.7% | -2.4% |
| 15 | MHAM Australian Dollars Bond Fund (monthly settlement type) | 1.8% | 8.8% | 2.0% | 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% |
| 16 | netWIN GS Technology Equity Fund (Course B, Unhedged) | 2.8% | 17.0% | 23.8% | 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% |
| 17 | High Dividend Global REIT Premium Fund (without yen hedge course) | 2.6% | 15.9% | 0.3% | Fine Blend (Growth Type) | 1.5% | 4.4% | 2.5% | Tokio Marine Japanese Yen Asset Balance Fund (annual) | 0.9% | 3.8% | -0.9% |
| 18 | Daiwa J-REIT Open | 1.1% | 14.2% | 4.4% | 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% |
| 19 | Global High Dividend Equity Open | 1.8% | 15.8% | 11.6% | JPM Japan Meister | 2.4% | 15.4% | 10.6% | Global Impact Fund (Better World) | 2.6% | 18.9% | 8.7% |
| 20 | GW Seven Eggs | 2.6% | 11.6% | 7.9% | Aozora Global Dividend Stars Premium Fund | 2.2% | 15.5% | 6.4% | Daiwa FE Global Value (Non Hedged) | 2.5% | 13.9% | 9.2% |
| | Balance Weighted Average | 2.0% | 15.8% | 6.6% | Balance Weighted Average | 2.0% | 14.8% | 9.2% | Balance Weighted Average | 1.9% | 14.0% | 6.7% |

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

Result Index[®] 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 March 2023, the balance-weighted average risk and cost improved compared to the end of March 2022.



*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: 58.4%
 *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

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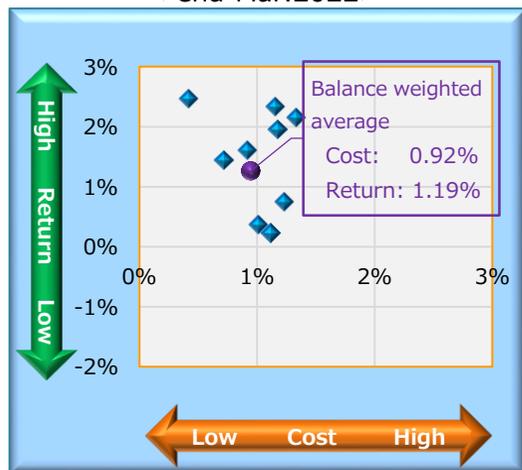
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| Rank | Fund Name | Cost | Risk | Return | Fund Name | Cost | Risk | Return | Fund Name | Cost | Risk | Return |
|------|--|------|-------|--------|--|------|-------|--------|---|------|-------|--------|
| 1 | Aozora New Global Core Fund (limited addition) 2020-2 | 1.4% | 2.5% | 6.3% | 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% |
| 2 | Nissay Australia High Income Stock Fund (monthly settlement type) | 2.5% | 22.2% | 3.6% | 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% |
| 3 | Aozora New Global Diversified Fund (limited addition) 2021-01 | 1.4% | 1.1% | 4.2% | 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% |
| 4 | Aozora New Global Core Fund (limited addition) 2020-1 | 1.4% | 3.1% | 9.0% | 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% |
| 5 | Daiwa J-REIT Open (monthly dividend type) | 1.1% | 14.2% | 4.4% | 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% |
| 6 | Aozora New Global Diversified Fund (limited addition) 2017-09 | 1.9% | 11.8% | 4.1% | 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% |
| 7 | Pictet Global Income Equity Fund (monthly dividend ype) | 2.5% | 13.8% | 4.6% | 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% |
| 8 | Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual) | 2.4% | 4.9% | 2.2% | 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% |
| 9 | Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type) | 0.9% | 3.5% | 0.6% | Pictet Global Income Equity Fund (monthly dividend type) | 2.5% | 15.2% | 9.3% | Fine Blend (Growth Type) | 1.5% | 4.8% | 2.2% |
| 10 | Japan Excellent | 2.3% | 18.3% | 9.1% | 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% |
| 11 | Robot/Technology related Stock Fund -Robotech- | 2.5% | 19.4% | 20.2% | 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% |
| 12 | Aozora New Global Diversified Fund (limited addition) 2018-02 | 1.9% | 11.8% | 4.8% | 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% |
| 13 | Aozora New Global Diversified Fund (limited addition) 2017-04 | 1.9% | 11.1% | 3.7% | 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% |
| 14 | Daiwa US-REIT Open (monthly) Course B (without FX hedge) | 2.2% | 16.1% | 5.5% | 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% |
| 15 | Aozora New Global Diversified Fund (limited addition) 2018-04 | 1.9% | 11.8% | 5.0% | 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% |
| 16 | Aozora New Global Diversified Fund (limited addition) 2018-07 | 1.9% | 11.9% | 5.3% | 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% |
| 17 | Major Next Generation U.S. Stock Fund | 2.3% | 17.1% | 13.6% | 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% |
| 18 | Stock Index Fund 225 | 0.6% | 16.6% | 13.3% | 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% |
| 19 | Aozora Japanese Equity Focus Strategy Fund | 2.2% | 16.2% | 7.8% | 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% |
| 20 | Daiwa FE Global Value (with FX hedge) | 2.5% | 12.1% | 4.4% | 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% |
| | Balance Weighted Average | 1.8% | 10.9% | 5.9% | Balance Weighted Average | 1.7% | 9.6% | 3.7% | Balance Weighted Average | 1.5% | 8.4% | 0.0% |

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

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

- The Bank provides information on the cost/return comparison of foreign currency insurance by funds as of the end of March each year.
 < end-Mar.2022>



< end-Mar.2023>



*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:

$$\frac{\text{surrender value as of the base date} + \text{amount already paid as of the base date} - \text{single premium as of the policy made}}{\text{single premium as of the policy made}}$$
 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 | Mirainitsunagerusyushinhoken | 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% |

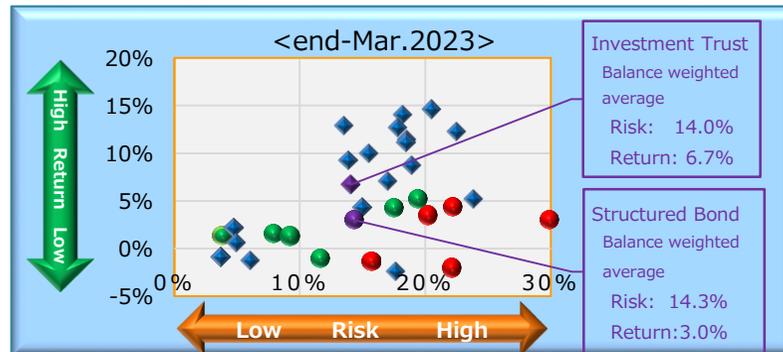
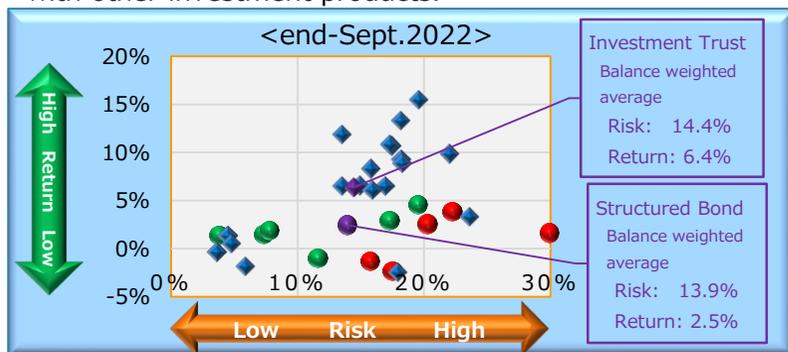
[Basic Policy 5] Easy-to-Understand Provision of Important Information

Result Index²⁰ Risk/Return by Reference Index for Structured Bonds

● Structured Bond
 (● no longer provided)

◆ 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 structured bonds to allow comparison with other investment products.



| Reference Index | end-Sept.2022 | | | | | | end-Mar.2023 | | | | |
|---|---------------|--------------|-------------|-------|--------|--------------|--------------|-------------|-------|--------|--|
| | No. of Funds | Risk | Return | | | No. of Funds | Risk | Return | | | |
| | | | Ave. | Max | Min | | | Ave. | Max | Min | |
| NI225,EURO STOXX 50 Index | 409 | 17.3% | 2.9% | 11.3% | -17.5% | 417 | 17.5% | 4.3% | 11.3% | -4.7% | |
| NI225,S&P500 index,EURO STOXX 50 Index | 363 | 19.5% | 4.6% | 19.5% | -16.7% | 392 | 19.4% | 5.2% | 19.5% | -7.1% | |
| NI225,S&P500 index | 137 | 7.7% | 1.9% | 7.0% | -21.2% | 156 | 9.2% | 1.3% | 7.0% | -15.7% | |
| Nikkei-linked bonds | 93 | 3.8% | 1.4% | 8.0% | 0.8% | 94 | 3.8% | 1.4% | 8.0% | 0.8% | |
| EURO STOXX 50 Index linked bond | 6 | 7.3% | 1.5% | 1.8% | 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) | 120 | 17.5% | -2.3% | 15.0% | -35.0% | 178 | 22.1% | -2.0% | 15.3% | -47.4% | |
| NI225,Brazilian real linked bond (no longer provided) | 113 | 20.2% | 2.6% | 8.5% | -15.0% | 113 | 20.2% | 3.5% | 8.5% | -15.0% | |
| STOXX 50 Index, Brazilian real linked bond (no longer provided) | 30 | 29.9% | 1.6% | 4.9% | -2.1% | 30 | 29.9% | 3.0% | 6.0% | 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% | 3.9% | 4.3% | 2.5% | 7 | 22.2% | 4.4% | 5.0% | 3.5% | |
| Balance Weighted Average | 1,291 | 13.9% | 2.5% | | | 1,408 | 14.3% | 3.0% | | | |

* The data is for funds issued after April 2016, and as of the end of March 2023, with redeemed 1,248 and not redeemed 160 (more than 1 year after issuance), for "complex structured bonds" only. 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

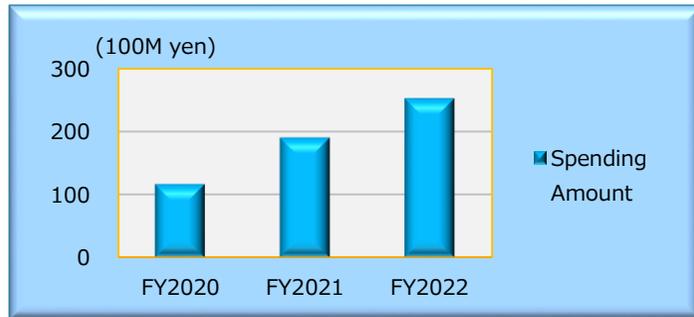
[Basic Policy 6] Providing Services Suitable for Customers

<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

- Our efforts through the “BANK” branches on the Internet to offer highly convenient and attractive services have resulted in a 132.5% increase in the amount of Visa debit card spending in FY2022 compared to the previous year. (“BANK” is used as a generic name for the BANK Branch and all other branches with “BANK” in their names.)
- 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 May 2023 will end on July 31, 2023.

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、国内最高水準の最大1%をキャッシュバック。コンビニやカフェなどの日常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。会計がスムーズになり、お得なキャッシュバックも、キャッシュレス時代を賢く生きるためのカードです。

| | |
|--|--|
| <p>Visaデビットのご利用額に応じてキャッシュバック</p> <p>最大 1%</p> <p>世界中のVisa加盟店で利用可能</p> <ul style="list-style-type: none"> ● 全国コンビニエンスストア ● スーパーマーケット ● 病院 ● ファミリーレストラン ● ファストフード店 ● 全国百貨店 <p>and more... 全国のVisa加盟店にてご利用可能</p>  | <p>Visaデビットのご利用限度額</p> <p>1日最大 500万円</p> <p>「ピッ!」っただけ国際標準のVisaタッチ決済にも対応</p>  |
|--|--|

BANK™ The Savings

BANKアプリ限定貯蓄預金

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「自動積立貯金箱」

「英会話スクールに通う費用を貯めたい」
けど他とは分けて貯めたい

金額が低いから銀行に預けて貯める気になれない

出ていくお金が多くて、かなり意識しないと貯蓄できない

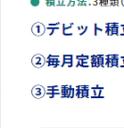
最初に目標と積立方法を決めるだけ!

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(積立方法の重複もできます)

- 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** 思わぬ収入が!そんな時でも、手動で積み立てができます。

[設定方法を詳しく見る](#)



[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 Average Holding Period of Investment Trusts

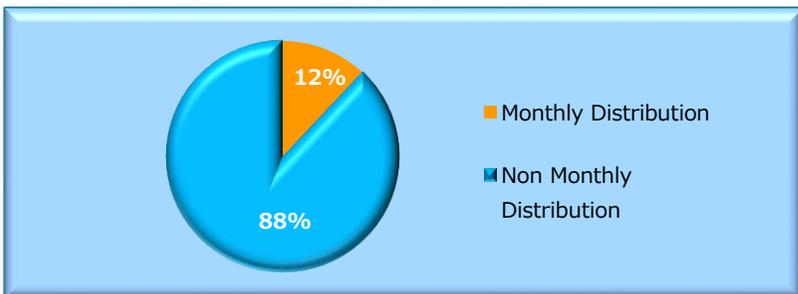
- The Bank will not propose a review of products in a short period of time that will not suit the interests of the customers. The average holding period for investment trusts in FY2022 was longer than the previous year.



* Average holding period = (balance at the end of the previous fiscal year + balance at the end of the fiscal year) ÷ 2 ÷ (annual cancellation amount + redemption amount)

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

- In the sale of investment trusts in FY2022, the sales amount of the "Non-Monthly Distribution Type" products significantly exceeded that of the "Monthly Distribution Type" products.

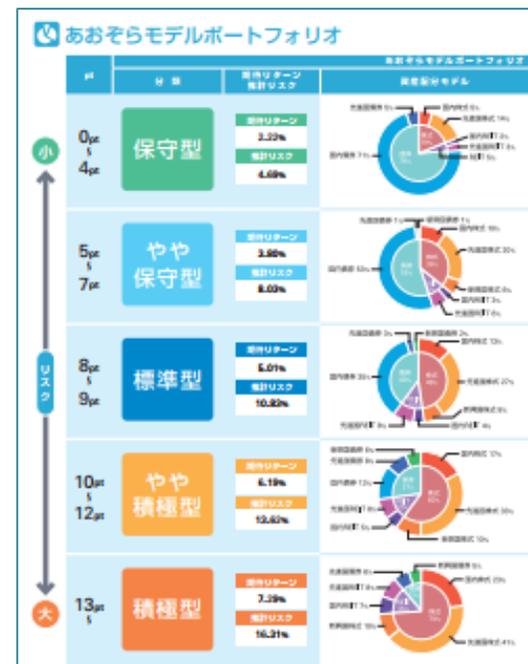


[Excerpt from "Aozora Bank Asset Management Line-up"] [Excerpt from "Aozora Model Portfolio"]

あおぞら銀行の資産運用商品ラインアップ



| 商品 | 特徴 | 主なポイント |
|--------|------------------|-----------------------|
| 仕組預金 | 金利が優遇された商品です。 | 一般的な預金商品と比べて優遇されています。 |
| 外貨定期預金 | 外貨で運用できます。 | 為替変動によるリスクがあります。 |
| 投資信託 | 多様な資産に分散投資できます。 | 長期運用が前提です。 |
| 仕組債 | 金利が優遇された商品です。 | 一般的な預金商品と比べて優遇されています。 |
| 外貨建て債券 | 外貨で運用できます。 | 為替変動によるリスクがあります。 |
| 個人年金保険 | 老後の生活資金に活用できます。 | 長期運用が前提です。 |
| 積立投資 | 少額から積み立てて運用できます。 | 長期運用が前提です。 |



[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 FY2022, 39% of all investment trust products was offered with a 0% purchase fee.

<Investment Trust>

| Investment | Product | Share |
|------------------|------------|-------------|
| Equities | 57 | 39% |
| Domestic | 19 | 13% |
| Developed Market | 13 | 9% |
| Emerging Market | 9 | 6% |
| Global | 16 | 11% |
| Bonds | 35 | 24% |
| 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 | 34 | 23% |
| Domestic | 2 | 1% |
| Overseas | 32 | 22% |
| Other | 10 | 7% |
| Total | 148 | 100% |

Of which, no-load 58 39%

<Life Insurance>

| Investment | 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% |
| | Care/Meridal | 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% |
| Instalment | Yen | 7 37% |
| | Whole Life ins. | 2 11% |
| | Fixed Life ins. | 2 11% |
| | Medical/Cancer ins. | 1 5% |
| | Education Endowment | 0 0% |
| | Pension/Endowment | 0 0% |
| | Care ins. | 2 11% |
| | Foreign currency | 0 0% |
| | Pension | 0 0% |
| | Total | 7 |
| Total | 19 | 100% |
| Products with fee disclosure | 7 | 37% |

<Structured Bond>

[1H] (Publicly Offered Bond)

| Product Type | Product | Share |
|------------------------------|-----------|-------------|
| Complex structured bonds | 14 | 82% |
| NKY225 | 0 | 0% |
| NKY225・EUR50 | 4 | 24% |
| NKY225・S&P500 | 10 | 59% |
| Non Complex structured bonds | 3 | 18% |
| Callable Bond | 3 | 18% |
| Total | 17 | 100% |

[2H]

| Product Type | Product | Share |
|------------------------------|-----------|-------------|
| Complex structured bonds | 4 | 40% |
| NKY225 | 0 | 0% |
| NKY225・EUR50 | 1 | 10% |
| NKY225・S&P500 | 3 | 30% |
| Non Complex structured bonds | 6 | 60% |
| Callable Bond | 6 | 60% |
| Total | 10 | 100% |

For "Complex structured bonds", we have suspended active solicitations since October 2022, and have not provided them since December 2022.

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.

<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 the 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, the Integrated Risk Committee, the Customer Protection Committee, etc. have discussions as necessary and finally the Group Head 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

- The reasons for selecting new products are published on the Bank's website.

(1H of FY2022 : Example of publication)

| Date of Publication | Product Name | Assumed Customers | Reason for Selecting the Product |
|---------------------|--|--|--|
| Feb. 2023 | Investment trusts Developed Markets Attractive Yield CB Fund 2023-03 (JPY Hedged)/ (Unhedged) | <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 customer surveys. ・Those who mainly aim to earn capital gains (gains on price appreciation/asset growth) ・In the Bank's customer information, those who fall under the categories of Investment Policy: "Desire to consider the balance between profitability and stability" or "Desire to focus on profitability", and of Investment Experience: "All customers including novices who have no investment experience" | 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 surveys. |

Result Index②⑦ Initiatives to Improve and Enhance Explanations to Customers

- 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.
- In FY2022, the Bank exceeded the "Expected level of customer service" set by a research company in each section of branch location, telephone, and general in the sales branches, and we conducted training on problem solving in October 2022. We will continue to improve our explanations to customers and our response to telephone calls.

| Target | Survey Item | Perfect Score | Expected Level of Customer Service | Survey Results |
|--------------------|-------------|---------------|------------------------------------|----------------|
| Branch | Branch | 100 | 78 | 86.2 |
| | Telephone | 64 | 49 | 49.6 |
| | Total | 164 | 127 | 135.8 |
| Aozora Call center | Telephone | 40 | 31 | 30.0 |

【Survey Period】 July 4 (Mon) to July 13 (Wed) in 2022

【Target】 All branches, Aozora Call center
(named Aozora Home Call)

【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 at least once a year for customers who own investment products, and explains the investment status, merchantability, market conditions, etc.



Result Index²⁹ Trend of "Customer's Voice"

- The growth rate of the number of customers in FY2022 is 158.7% and the growth rate of customer feedback is 73.8%, when FY2020 is set as 100.



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

- Examples of major responses to "Customer's Voice" in FY2022 are as follows.

| Implemented in | Response Cases |
|----------------|---|
| May 2022 | <ul style="list-style-type: none"> ➢ Launched BANK deposit account opening web service <p>Customers are allowed to complete the application for opening a BANK deposit account by simply taking a picture of your face and one identity verification document using the camera function of your smartphone.</p> <p>Customers under the age of 15 are allowed to apply to open an account from a smartphone or PC, which was previously handled only at branch locations.</p> |
| Jun. 2022 | <ul style="list-style-type: none"> ➢ Improved address change function in Internet banking <p>Customers are allowed to check the currently registered address and phone number on the "Change Address" page.</p> |
| Aug. 2022 | <ul style="list-style-type: none"> ➢ Improved the important notices on the website <p>The "Important Notice List" was updated to include date in chronological order for easy reference.</p> |
| Jan. 2023 | <ul style="list-style-type: none"> ➢ Established a "Dedicated dial for financial product intermediation" at the call center <p>Customers are allowed to directly inquire about financial product intermediation (structured bonds).</p> |

【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 obtain 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 Index ③①, ③② and ③③)

Result Index③① Participation Rate for Specialized Retail Training

- The Bank has enhanced training by remote system and other activities for sales personnel to build up their skills of providing courteous and highly specialized services.
- In FY2022, training and other activities were conducted 122 times.

| | FY2020 | FY2021 | FY2022 |
|--|--------|--------|--------|
| Participation Rate for Specialized Retail Training | 100% | 100% | 100% |

Result Index③② Dementia Supporter Initiatives

- The Bank encourages employees in the Retail Banking Group to take a “Dementia Supporter” training course to gain an accurate understanding of dementia, and the employees strive to act as supporters who warmly watch over people with dementia and their families.

| | FY2020 | FY2021 | FY2022 |
|---|--------|--------|--------|
| Participation Rate for Dementia Supporter Training Course | 95% | 99% | 99% |

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.
- As of the end of March 2023, 227 sales personnel hold the second grade or higher FP qualification.

| | FY2020 | FY2021 | FY2022 |
|--|--------|--------|--------|
| Qualification Holding Rate of FP 2nd Grade or Higher | 89% | 95% | 96% |

《Correspondence with the FSA “Principles for Customer-Oriented Business Conduct”》

➤ Aozora Bank has adopted the “Principles for Customer-Oriented Business Conduct” published by the FSA (Financial Services Agency). The table below shows the correspondence (corresponding page) between the Principles and our “Aozora Bank’s Initiatives for Customer-Oriented Business Management”.

| Principles for Customer-Oriented Business Conduct (FSA's website) | Complied or Not | Page |
|---|-----------------|-------------------|
| 【原則 2】 金融事業者は、高度の専門性と職業倫理を保持し、顧客に対して誠実・公正に業務を行い、顧客の最善の利益を図るべきである。金融事業者は、こうした業務運営が企業文化として定着するよう努めるべきである。 | complied | 1P |
| (注) 金融事業者は、顧客との取引に際し、顧客本位の良質なサービスを提供し、顧客の最善の利益を図ることにより、自らの安定した顧客基盤と収益の確保につなげていくことを目指すべきである。 | complied | 2P |
| 【原則 3】 金融事業者は、取引における顧客との利益相反の可能性について正確に把握し、利益相反の可能性がある場合には、当該利益相反を適切に管理すべきである。金融事業者は、そのための具体的な対応方針をあらかじめ策定すべきである。 | complied | 7P |
| (注) 金融事業者は、利益相反の可能性を判断するに当たって、例えば、以下の事情が取引又は業務に及ぼす影響についても考慮すべきである。 ・販売会社が、金融商品の顧客への販売・推奨等に伴って、当該商品の提供会社から、委託手数料等の支払を受ける場合 ・販売会社が、同一グループに属する別の会社から提供を受けた商品を販売・推奨等する場合 ・同一主体又はグループ内に法人営業部門と運用部門を有しており、当該運用部門が、資産の運用先に法人営業部門が取引関係等を有する企業を選ぶ場合 | complied | 7P |
| 【原則 4】 金融事業者は、名目を問わず、顧客が負担する手数料その他の費用の詳細を、当該手数料等がどのようなサービスの対価に関するものを含め、顧客が理解できるよう情報提供すべきである。 | complied | 8P |
| 【原則 5】 金融事業者は、顧客との情報の非対称性があることを踏まえ、上記原則 4 に示された事項のほか、金融商品・サービスの販売・推奨等に係る重要な情報を顧客が理解できるよう分かりやすく提供すべきである。 | complied | 9P～15P |
| (注 1) 重要な情報には以下の内容が含まれるべきである。 ・顧客に対して販売・推奨等を行う金融商品・サービスの基本的な利益（リターン）、損失その他のリスク、取引条件 ・顧客に対して販売・推奨等を行う金融商品の組成に携わる金融事業者が販売対象として想定する顧客属性 ・顧客に対して販売・推奨等を行う金融商品・サービスの選定理由（顧客のニーズ及び意向を踏まえたものであると判断する理由を含む） ・顧客に販売・推奨等を行う金融商品・サービスについて、顧客との利益相反の可能性がある場合には、その具体的内容（第三者から受け取る手数料等を含む）及びこれが取引又は業務に及ぼす影響 | complied | 9P |
| (注 2) 金融事業者は、複数の金融商品・サービスをパッケージとして販売・推奨等する場合には、個別に購入することが可能であるか否かを顧客に示すとともに、パッケージ化する場合としない場合を顧客が比較することが可能となるよう、それぞれの重要な情報について提供すべきである（（注 2）～（注 5）は手数料等の情報を提供する場合においても同じ）。 | complied | 9P |
| (注 3) 金融事業者は、顧客の取引経験や金融知識を考慮の上、明確、平易であって、誤解を招くことのない誠実な内容の情報提供を行うべきである。 | complied | 9P |
| (注 4) 金融事業者は、顧客に対して販売・推奨等を行う金融商品・サービスの複雑さに見合った情報提供を、分かりやすく行うべきである。単純でリスクの低い商品の販売・推奨等を行う場合には簡潔な情報提供とする一方、複雑又はリスクの高い商品の販売・推奨等を行う場合には、顧客において同種の商品の内容と比較することが容易となるように配慮した資料を用いつつ、リスクとリターンの関係など基本的な構造を含め、より分かりやすく丁寧な情報提供がなされるよう工夫すべきである。 | complied | 9P, 15P |
| (注 5) 金融事業者は、顧客に対して情報を提供する際には、情報を重要性に応じて区別し、より重要な情報については特に強調するなどして顧客の注意を促すべきである。 | complied | 9P |
| 【原則 6】 金融事業者は、顧客の資産状況、取引経験、知識及び取引目的・ニーズを把握し、当該顧客にふさわしい金融商品・サービスの組成、販売・推奨等を行うべきである。 | complied | 17P |
| (注 1) 金融事業者は、金融商品・サービスの販売・推奨等に関し、以下の点に留意すべきである。 ・顧客の意向を確認した上で、まず、顧客のライフプラン等を踏まえた目標資産額や安全資産と投資性資産の適切な割合を検討し、それに基づき、具体的な金融商品・サービスの提案を行うこと ・具体的な金融商品・サービスの提案は、自らが取り扱う金融商品・サービスについて、各業法の枠を超えて横断的に、類似商品・サービスや代替商品・サービスの内容（手数料を含む）と比較しながら行うこと ・金融商品・サービスの販売後において、顧客の意向に基づき、長期的な視点にも配慮した適切なフォローアップを行うこと | complied | 17P 18P 20P |
| (注 2) 金融事業者は、複数の金融商品・サービスをパッケージとして販売・推奨等する場合には、当該パッケージ全体が当該顧客にふさわしいかについて留意すべきである。 | complied | 17P |
| (注 3) 金融商品の組成に携わる金融事業者は、商品の組成に当たり、商品の特性を踏まえて、販売対象として想定する顧客属性を特定・公表するとともに、商品の販売に携わる金融事業者においてそれに沿った販売がなされるよう留意すべきである。 | Not applicable | 19P |
| (注 4) 金融事業者は、特に、複雑又はリスクの高い金融商品の販売・推奨等を行う場合や、金融取引被害を受けやすい属性の顧客グループに対して商品の販売・推奨等を行う場合には、商品や顧客の属性に応じ、当該商品の販売・推奨等が適当かより慎重に審査すべきである。 | complied | 19P |
| (注 5) 金融事業者は、従業員がその取り扱い金融商品の仕組み等に係る理解を深めるよう努めるとともに、顧客に対して、その属性に応じ、金融取引に関する基本的な知識を得られるための情報提供を積極的に行うべきである。 | complied | 20P |
| 【原則 7】 金融事業者は、顧客の最善の利益を追求するための行動、顧客の公正な取扱い、利益相反の適切な管理等を促進するように設計された報酬・業績評価体系、従業員研修その他の適切な動機づけの仕組みや適切なガバナンス体制を整備すべきである。 | complied | 21P |
| (注) 金融事業者は、各原則（これらに付されている注を含む）に関して実施する内容及び実施しない代わりに講じる代替策の内容について、これらに携わる従業員に周知するとともに、当該従業員の業務を支援・検証するための体制を整備すべきである。 | complied | 21P |