

Aozora Bank's Initiatives for Customer-Oriented Business Management

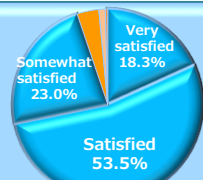
【Basic Policy 1】 Formulation and Disclosure of Basic Policies for Customer-Oriented Business Management

- Aozora Bank revised and announced its “Basic Policy on Customer-Oriented Business Management” on May 31, 2024. [“Basic Policy on Customer-Oriented Business Management” in the Aozora Bank Group](#)
- Please refer to the [Result Index①](#) to ② for the monitoring results (as of the end of March 2024) 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

- The Bank believes that meeting the diverse needs of our customers, such as those who want to increase their accumulated assets or protect and pass them on to the next generation, is in their best interest and will also lead to our growth. We will appropriately provide advanced financial/non-financial services and expertise tailored to the characteristics and needs of our customers by leveraging our “Aozora’s Platform Business” strengths in collaboration within the Group as well as with external partners. ([Result Index①](#))
- 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 strive to instill the “corporate culture” that aims for the best interests of the customers. ([Result Index ②](#))

Result Index① 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 FY2023, the results indicate 94.8% of customers were satisfied in total.

[Survey Period] January 23 - February 7, 2024
 [Respondents] 20,000
 [Valid Response] 2,274

Result Index② Initiatives to Instill and Establish “Customer-Oriented Business Management”

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

FY2023 2H	Examples of Major Initiatives	Implemented in
➤	Held an office managers' meeting on Customer-Oriented Business Management	Oct. 2023
➤	Provided monthly information on result indexes, etc. in the “Aozora Bank's Initiatives for Customer-Oriented Business Management” for all officers and employees of the Retail Banking Group	Oct. 2023 - Mar. 2024
➤	For customers, created “Aozora Bank's Initiatives for Customer-Oriented Business Management (simplified version)”	Nov. 2023
➤	Conducted a meeting to exchange opinions between the headquarters and business offices on customer-oriented business management	Nov. and Dec. 2023
➤	Conducted training(e-learning) to promote understanding and penetration of customer-oriented business management for all officers and employees of the Retail Banking Group	Dec.2023 and Feb. 2024

《Aozora's Platform Business》

Non-financial Area <Other than sale of financial products>

- Real estate (referrals, etc.)
- Business succession
- Wealth transfer

Financial Area <Sale of financial products>

- Investment trust
- Financial product intermediation
- Insurance, etc.

- The Bank has assigned full-time staff to promote “Aozora's Platform Business” in our business offices.
- August 2023 Started a referral business of “U.S. real estate”
- October 2023 Started a referral business of “Resort membership”
- March 2024 Started a referral business of “Purchase of goods” and “Family trust”

《Aozora's Sustainability Targets》

In Japan's aging society, the Group is committed to assuming its important role of helping individuals lead fulfilling lives and pass on their assets to the next generation, as well as of solving succession and human resource challenges faced by SMEs, which underpin the competitiveness of Japanese industries, for passing on the business to the next generation.

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

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

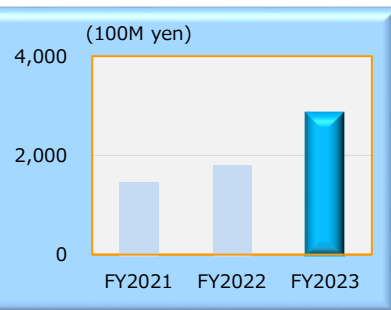
<Investment Trusts> (Result Index③, ④ and ⑤)

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 started in January 2024.

<Complex Structured Bonds (Stock Index-Linked Bond, Exchangeable Bond, etc.)>

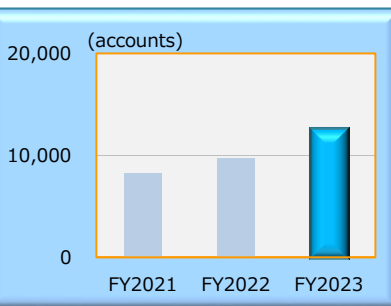
Since complex structured bonds are complicated products that incorporate options, etc., into bonds, the Bank has stopped handling them and will not resume handling at this time.

Result Index③ Investment Trust Net Asset Balance



- The Bank positions investment trusts as the core product of diversified investment.
- In FY2023, net asset balance was 159.0% compared to the previous year.

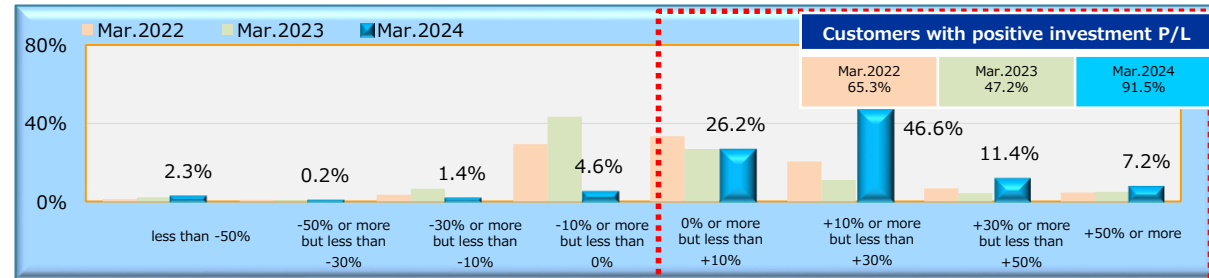
Result Index④ Number of NISA Accounts



- 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 FY2023 was 129.8% compared to the previous year.

Result Index⑤ Customer Ratio by Investment P/L of Investment Trust [Common KPI]

- As of the end of March 2024, 91.5% of customers holding investment trust achieved profitability in investment.



[Common KPI] : It is based on the "Comparable Result Index for Investment Trust Distributors" published by the FSA (Financial Services Agency) in June 2018, and profits and losses of already canceled investment trusts aren't included.

《Initiatives for the New NISA System》

- The Bank supports customers in selecting funds by carefully selecting Low-Cost Index Funds, which are popular on social media, and Active Funds, which aim to achieve returns that exceed index over the long term.
- In FY2023, we started to offer three products that correspond to the new NISA system.
 - [Growth Investment Quota/ Tsumitate (i.e. installment) Investment Quota] "Hifumi Plus"
 - [Growth Investment Quota] "Aozora Neo Global Premium Fund" ("Rokuyon")
 - "Aozora Neo Global Premium Fund (with initial gradual increase period, limited addition) 2024-01" ("Zenko Plus 2401")
- The "Asset Management Support Desk" (a dedicated contact point for asset management inquiries) is available on weekdays and Saturdays for any concerns or questions regarding the NISA.



BANK CHOICE

投資信託の銘柄選びに、もう迷わない。

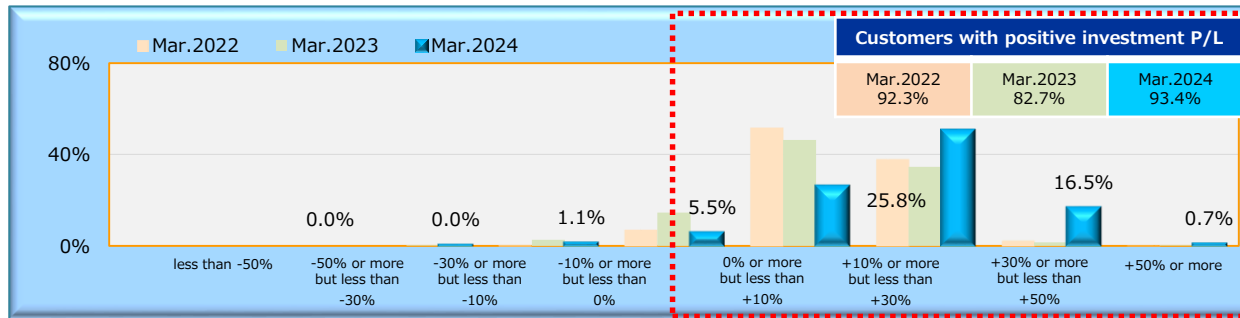
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[Basic Policy 2] For the Pursuit of the Best Interests of Our Customers

- 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 Index⑥, ⑦)

Result Index⑥ Customer Ratio by Investment Evaluation for Foreign Currency Insurance [Common KPI]

- As of the end of March 2024, 93.4% of customers holding foreign currency insurances had positive investment evaluations.

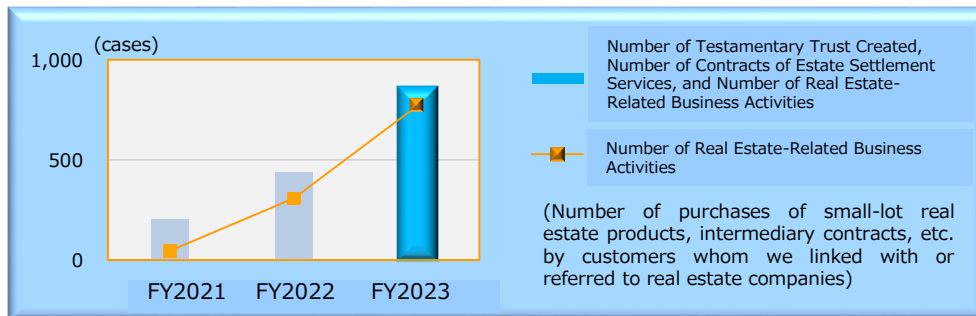


* Foreign currency insurance provides both security and investment in which insurance benefits will be paid upon maturity or death. Although surrender value is paid upon cancellation, the insurance products are designed to be held for a long period of time, and therefore, in particular, as for the surrender 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 Index⑦ Number of Testamentary Trust Created, Number of Contracts for Estate Settlement Services and Number of Real Estate-Related Business Activities

- The Bank has assigned full-time staff in our business offices to meet a wide range of customer needs, from testaments and estate settlement to real estate-related consultations.
- In FY2023, the total number of testamentary trust created, contracts for estate settlement services, and real estate-related business activities was 196.3% compared to the previous year.



《Examples of Real Estate-Related Business》



small-lot real estate product



Elderly care facility



US real estate

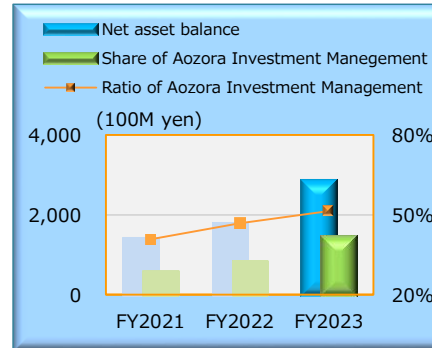
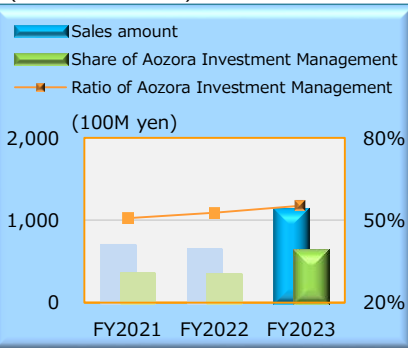
【Basic Policy 3】 Appropriate Management System for Conflicts of Interest

- ▶ The Bank strives to accurately understand the possibility of conflict of interest with customers in transactions and the possibility of conflict of interest when developing and introducing products, and determine and identify whether interests of customers are unreasonably harmed by transactions that may cause conflict of interest, in a bid to pursue appropriate management to prevent conflict of interest.
- ▶ When proposing financial products and services, the Bank will not select products by considering fees paid by the company that provides the product or will not prioritize products of our Group companies, but always will make proposals from the customer's point of view. (Result Index⑧, ⑨)
- ▶ An overview of the Bank's conflict of interest management system is published in the [“Conflict of Interest Management Policy”](#).

Result Index⑧ Ratio of the Group Investment Company (Sales amount, Net asset balance)

Result Index⑨ Top 10 Funds by Sales of Investment Trust

- ▶ In FY2023, our group investment company, Aozora Investment Management, had 55.3% of the total product sales, 51.4% of the total net asset balance, and 27 products offered (17.1% of the total).
- ▶ In FY2023, among the top 10 funds by sales in investment trusts, 6 funds were the products of Aozora Investment Management.
- * The fee for purchase of investment trusts through Internet banking has been set at a flat 0% from November 2022.



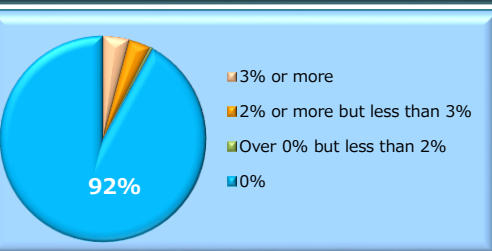
Rank	Fund Name	Management Company	Purchase Fee *
1	Aozora New Global Diversified Fund (limited addition) 2023-07	AIM	0.00%
2	Aozora New Global Diversified Fund (limited addition) 2023-04	AIM	0.00%
3	Aozora New Global Diversified Fund (limited addition) 2024-01	AIM	0.00%
4	Aozora New Global Diversified Fund (limited addition) 2023-10	AIM	0.00%
5	AllianceBernstein U.S. Growth Stock Fund D	AB	3.30%
6	Fine Blend (monthly dividend type)	Nikko AM	0.00%
7	Major Next Generation U.S. Stock Fund	MUFJ AM	3.30%
8	Aozora Ultimate Diversified Global Equity Fund	AIM	0.00%
9	Aozora Neo Global Premium Fund 2024-01 (with initial gradual increase period, limited addition)	AIM	0.00%
10	SOMPO High Yield Convertible Bond Fund 2023-06 (Non Hedged・Limited Open Type)	SOMPO AML	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 Index⑩)
- ▶ For the details of fees and other costs, when proposing products and services, we will ask customers to check with the Important Information Sheet, the documents delivered prior to the conclusion of the contract, or the prospectus, and after the transaction, to check with the reports and others. (Result Index⑪)

Result Index⑩ Sales Ratio by Purchase Fees in Investment Trusts

Result Index⑪ Examples of Documents on Fees and Other Costs



- ▶ Of the total investment trust sales in FY2023, the sales amount with a 0% purchase fee accounted for 92%.
- ▶ 【Efforts to address “Different prices for identical products”】
For the 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.

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

3. 費用（本商品の購入または保有には、費用が発生します）

購入時に支払う費用（販売手数料など）	購入時に購入金額に対して、以下の手数料率を乗じて得た額をお支払いいただきます。 ※インターネットバンキングからの申込は、購入時手数料はいただきません。 一律3.3%（税込）
継続的に支払う費用（信託報酬など）	純資産総額に対して年率2.09%（税抜1.9%）。 その他の費用・手数料等がファンドから支払われますが、事前に料率・上限等を表示できません。
運用成果に応じた費用（成功報酬など）	ありません。

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

- The Bank will explain important information in an easy-to-understand manner using the Important Information Sheet, sales materials, legal documents, and materials presenting easy comparison for each product, in order to propose products and services suitable for customers. In addition, we will also post the information on the Bank's website and BANK app for easy confirmation. The major "important information" is as follows. (Result Index^⑫, ^⑬, ^⑭ and ^⑮)
 - ◆ 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

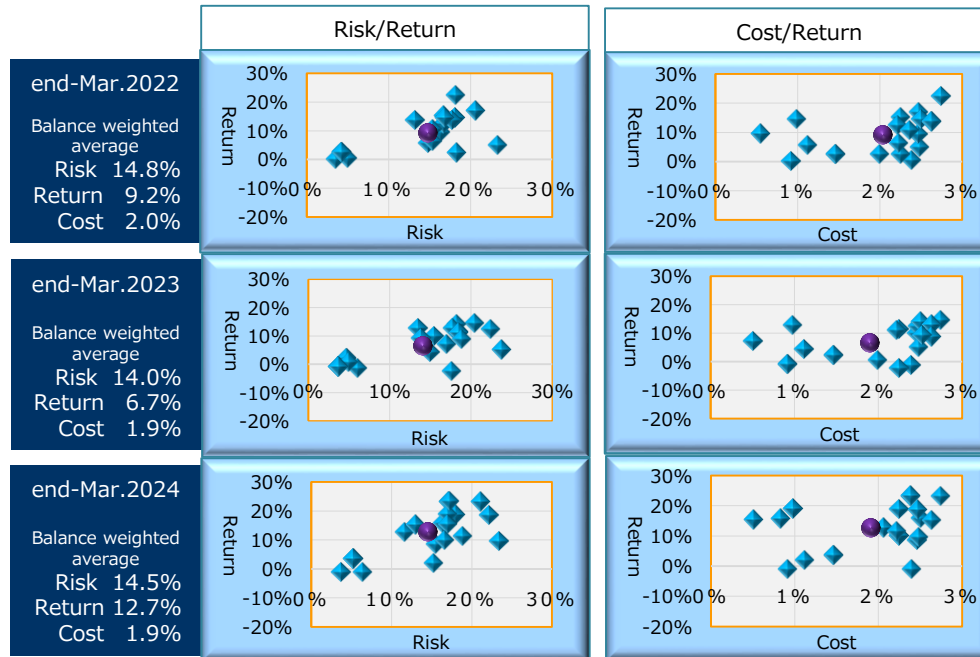
Result Index^⑫ Status of Revision and Introduction of Information Materials

Implemented in	FY2023 2H Examples of Major Initiatives
October 2023	➤ Revised "Aozora Bank's asset management product line-up"
January 2024	➤ Revised "Aozora Fund Line-up"

- 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 personnel.

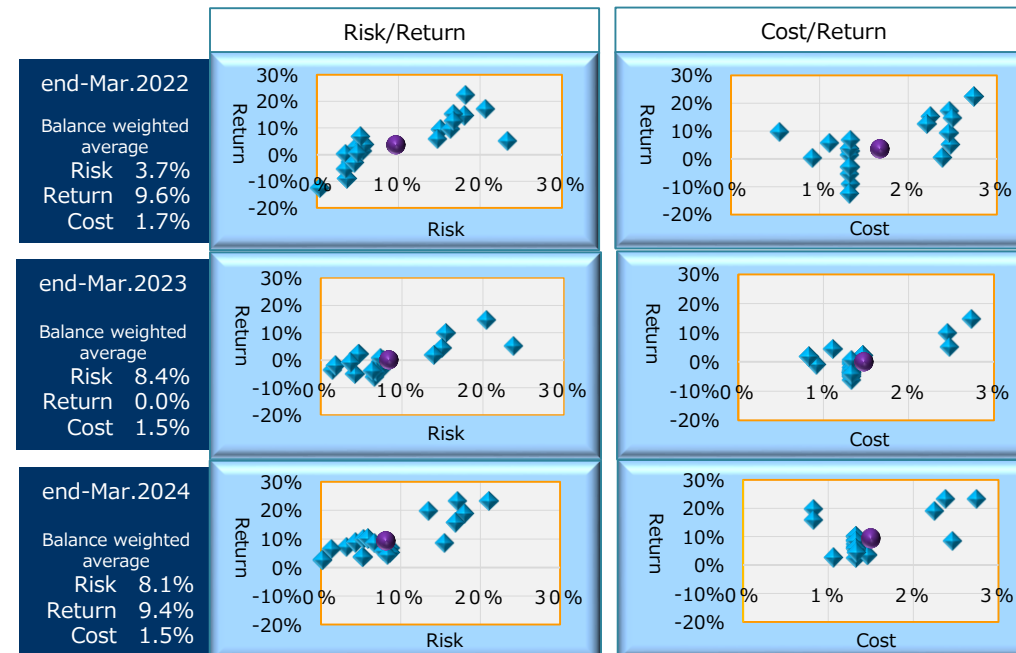
Result Index^⑬ Risk and Return/Cost and Return of Top 20 Funds by Balance of Investment Trust under Custody (Investment period of 5 years or more) [Common KPI]

- As of the end of March 2024, the balance weighted average return improved compared to the end of March 2023.



Result Index^⑭ 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 2024, the balance weighted average risk and return improved compared to the end of March 2023.



* Calculated using top 20 funds by balance of investment trusts under custody as of the base date. The percentages of the Bank's investment trust net asset balance are 34.2% for Result Index^⑬ and 56.9% for Result Index^⑭.

* 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.

● Balance weighted average

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

Result Index^⑬ 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】

Rank	end-Mar.2022				end-Mar.2023				end-Mar.2024			
	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return
1	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.4%	5.0%	Fine Blend (Monthly Dividend Type)	1.5%	4.8%	2.2%	Fine Blend (Monthly Dividend Type)	1.5%	5.3%	3.6%
2	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	18.2%	22.3%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	20.5%	14.6%	Major Next Generation U.S. Stock Fund	2.3%	18.1%	18.8%
3	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.6%	0.2%	Fine Blend (Growth Type)	1.5%	4.8%	2.2%	Fine Blend (Growth Type)	1.5%	5.3%	3.5%
4	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.2%	9.3%	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.5%	10.0%	AllianceBernstein U.S. Growth Stock Fund D	2.4%	17.2%	23.1%
5	Daiwa J-REIT Open (monthly dividend type)	1.1%	14.9%	5.7%	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.9%	5.1%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	21.2%	23.2%
6	Robot/Technology related Stock Fund -Robotech-	2.5%	20.7%	17.0%	Daiwa J-REIT Open (monthly dividend type)	1.1%	15.0%	4.3%	Aozora Ultimate Diversified Global Equity Fund	0.8%	17.0%	15.7%
7	JPM Global Healthcare Fund	2.5%	18.2%	14.6%	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.8%	-0.9%	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.6%	8.5%
8	Major Next Generation U.S. Stock Fund	2.3%	16.8%	15.1%	Robot/Technology related Stock Fund -Robotech-	2.5%	22.5%	12.3%	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.5%	9.5%
9	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual)	2.4%	5.1%	0.4%	Stock Index Fund 225	0.5%	17.1%	7.1%	JPM Global Healthcare Fund	2.5%	16.4%	15.9%
10	Stock Index Fund 225	0.6%	16.4%	9.6%	Major Next Generation U.S. Stock Fund	2.3%	18.6%	11.4%	Robot/Technology related Stock Fund -Robotech-	2.5%	22.2%	18.6%
11	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	16.8%	12.4%	JPM Global Healthcare Fund	2.5%	18.3%	14.0%	MSCI Index Select Fund - Kokusai Portfolio	1.0%	17.0%	19.0%
12	Japan Excellent	2.3%	18.4%	2.4%	MSCI Index Select Fund - Kokusai Portfolio	1.0%	17.9%	12.7%	Daiwa J-REIT Open (monthly dividend type)	1.1%	15.3%	2.0%
13	Pictet Multi Asset Allocation Fund (also known as "Quattro")	2.0%	4.3%	2.6%	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual)	2.4%	6.1%	-1.3%	Stock Index Fund 225	0.5%	17.0%	15.4%
14	Global Impact Fund (Better World)	2.6%	17.8%	13.7%	Japan Excellent	2.3%	17.7%	-2.4%	Global Allocation Open (B course)	2.1%	11.7%	12.7%
15	MSCI Index Select Fund - Kokusai Portfolio	1.0%	16.9%	14.5%	Morgan Stanley Global Premium Stock Open (without FX hedge)	2.6%	13.6%	12.9%	AllianceBernstein U.S. Growth Stock Fund B	2.4%	17.3%	23.3%
16	Fine Blend (Monthly Dividend Type)	1.5%	4.4%	2.5%	Pictet Multi Asset Allocation Fund (also known as "Quattro")	2.0%	5.0%	0.6%	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.8%	-1.1%
17	Fine Blend (Growth Type)	1.5%	4.4%	2.5%	Tokio Marine Japanese Yen Asset Balance Fund (annual)	0.9%	3.8%	-0.9%	Morgan Stanley Global Premium Stock Open (without FX hedge)	2.6%	13.1%	15.3%
18	Morgan Stanley Global Premium Stock Open (without FX hedge)	2.6%	13.3%	13.8%	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	18.5%	11.1%	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual)	2.4%	6.5%	-1.1%
19	JPM Japan Meister	2.4%	15.4%	10.6%	Global Impact Fund (Better World)	2.6%	18.9%	8.7%	Japan Excellent	2.3%	16.7%	10.0%
20	Aozora Global Dividend Stars Premium Fund	2.2%	15.5%	6.4%	Daiwa FE Global Value (Non Hedged)	2.5%	13.9%	9.2%	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	18.9%	11.4%
Balance weighted average		2.0%	14.8%	9.2%	Balance weighted average	1.9%	14.0%	6.7%	Balance weighted average	1.9%	14.5%	12.7%

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

Result Index^⑭ 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)

Rank	end-Mar.2022				end-Mar.2023				end-Mar.2024			
	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return
1	Aozora New Global Core Fund (limited addition) 2020-2	1.4%	4.9%	2.8%	Aozora New Global Core Fund (limited addition)2020-2	1.3%	7.8%	-0.1%	Aozora New Global Diversified Fund (limited addition) 2023-07	1.3%	3.2%	7.2%
2	Aozora New Global Core Fund (limited addition) 2021-1	1.4%	4.2%	-2.8%	Aozora New Global Core Fund (limited addition)2021-1	1.3%	7.2%	-3.7%	Fine Blend (Monthly Dividend Type)	1.5%	5.3%	3.6%
3	Aozora New Global Diversified Fund (limited addition) 2021-04	1.3%	5.7%	1.3%	Aozora New Global Diversified Fund (limited addition) 2021-04	1.3%	7.5%	-0.8%	Aozora New Global Diversified Fund (limited addition) 2023-04	1.3%	4.5%	8.7%
4	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.4%	5.0%	Aozora New Global Diversified Fund (limited addition) 2023-01	1.3%	1.5%	-3.7%	Major Next Generation U.S. Stock Fund	2.3%	18.1%	18.8%
5	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	18.2%	22.3%	Aozora New Global Diversified Fund (limited addition) 2022-10	1.3%	1.9%	-2.0%	Aozora New Global Core Fund (limited addition)2020-2	1.3%	8.8%	6.6%
6	Aozora New Global Core Fund (limited addition) 2021-2	1.4%	3.8%	-9.1%	Aozora New Global Diversified Fund (limited addition) 2022-07	1.3%	4.3%	-5.1%	Aozora New Global Diversified Fund (limited addition) 2024-01	1.3%	0.3%	2.5%
7	Aozora New Global Diversified Fund (limited addition) 2021-10	1.3%	3.6%	-5.5%	Fine Blend (Monthly Dividend Type)	1.5%	4.8%	2.2%	Fine Blend (Growth Type)	1.5%	5.3%	3.5%
8	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.6%	0.2%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	20.5%	14.6%	Aozora New Global Core Fund (limited addition)2021-1	1.3%	8.8%	5.2%
9	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.2%	9.3%	Fine Blend (Growth Type)	1.5%	4.8%	2.2%	Aozora New Global Diversified Fund (limited addition) 2023-10	1.3%	1.4%	6.3%
10	Aozora New Global Diversified Fund (limited addition) 2021-01	1.3%	5.9%	3.7%	Aozora New Global Diversified Fund (limited addition) 2021-10	1.3%	7.6%	-3.4%	Aozora New Global Diversified Fund (limited addition) 2023-01	1.3%	5.4%	9.9%
11	Aozora New Global Diversified Fund (limited addition) 2021-07	1.3%	4.7%	-3.1%	Aozora New Global Core Fund (limited addition) 2021- II	1.3%	6.7%	-6.3%	AllianceBernstein U.S. Growth Stock Fund D	2.4%	17.2%	23.1%
12	Daiwa J-REIT Open (monthly dividend type)	1.1%	14.9%	5.7%	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.5%	10.0%	Aozora New Global Diversified Fund (limited addition) 2022-10	1.3%	6.0%	10.1%
13	Aozora New Global Core Fund (limited addition) 2020-1	1.4%	5.4%	6.6%	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.9%	5.1%	Aozora Announces Launch of "Aozora Ultimate Diversified Global Sustainability Equity Fund" ("Manten Kansoku")	0.8%	13.5%	19.7%
14	Aozora New Global Diversified Fund (limited addition) 2022-01	1.3%	0.5%	-12.5%	Daiwa J-REIT Open (monthly dividend type)	1.1%	15.0%	4.3%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	21.2%	23.2%
15	Robot/Technology related Stock Fund -Robotech-	2.5%	20.7%	17.0%	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.8%	-0.9%	Aozora New Global Diversified Fund (limited addition) 2022-07	1.3%	6.8%	8.5%
16	JPM Global Healthcare Fund	2.5%	18.2%	14.6%	Aozora New Global Diversified Fund (limited addition) 2021-07	1.3%	7.5%	-2.7%	Aozora Ultimate Diversified Global Equity Fund	0.8%	17.0%	15.7%
17	Major Next Generation U.S. Stock Fund	2.3%	16.8%	15.1%	Aozora New Global Diversified Fund (limited addition)2021-01	1.3%	7.5%	0.6%	Aozora New Global Diversified Fund (limited addition) 2021-10	1.3%	7.9%	5.7%
18	Nomura Pimco Global Income Strategy Fund Course A (with FX hedge, semi-annual)	2.4%	5.1%	0.4%	Aozora Announces Launch of "Aozora Ultimate Diversified Global Sustainability Equity Fund" ("Manten Kansoku")	0.8%	14.1%	1.8%	Aozora New Global Core Fund (limited addition)2021- II	1.3%	8.5%	4.4%
19	Stock Index Fund 225	0.6%	16.4%	9.6%	Aozora New Global Diversified Fund (limited addition)2022-01	1.3%	7.0%	-4.5%	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.6%	8.5%
20	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	16.8%	12.4%	Aozora New Global Core Fund (limited addition) 2022- I	1.3%	6.5%	-4.1%	Aozora Neo Global Premium Fund 2024-01	1.1%	0.2%	2.7%
Balance weighted average		1.7%	9.6%	3.7%	Balance weighted average	1.5%	8.4%	0.0%	Balance weighted average	1.5%	8.1%	9.4%

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

Result Index^⑮ Cost and Return of Foreign Currency Insurance by Fund 【Common KPI】

➤ As of the end of March 2024, the balance weighted average cost and return improved compared to the end of March 2023. * In order of; surrender value as of the base date + amount already paid up to the base date

	end-Mar.2022				end-Mar.2023				end-Mar.2024			
	Rank	Fund Name	Cost	Return	Fund Name	Cost	Return	Fund Name	Cost	Return		
end-Mar.2022												
Balance weighted average			0.92%	1.19%								
Cost			0.92%									
Return				1.19%								
end-Mar.2023												
Balance weighted average			0.85%	0.83%								
Cost			0.85%									
Return				0.83%								
end-Mar.2024												
Balance weighted average			0.81%	2.18%								
Cost			0.81%									
Return				2.18%								

● Balance weighted average

* 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.

* 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.

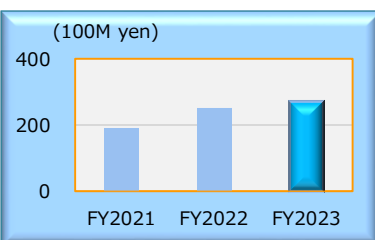
* The surrender value is converted into yen at the exchange rate as of the base date, and the valuations differ from those in the case when the insurance is held to maturity or the surrender value is received in a foreign currency.

【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 Index ^⑮)

Result Index^⑮ Visa Debit Card Spending Amount



➤ The spending amount of Visa debit card in FY2023 was 107.9% compared to the previous year.

➤ The Visa debit card is currently offering a flat 1% cash back for all debit purchases. (*)

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



➤ “BANK The Partner” provides a wider range of customers with essential tips for money and daily life and commits to supporting their life planning from a neutral perspective.

■ BANK The Academy

We hold seminars where you can acquire practical and valuable knowledge and skills that can be utilized throughout your life. (Available both in-person and online)

■ BANK The Planning

We provide customer-oriented consultations on life planning from a neutral perspective.

■ E-mail delivery service

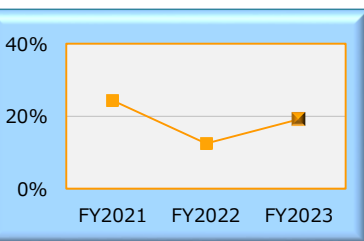
We deliver information covering timely topics that are useful for your life planning.

[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 post the information including product line-up on the Bank's website and BANK app for easy confirmation. (Result Index¹⁷, ¹⁸)
- 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 Index ¹⁹, ²⁰)

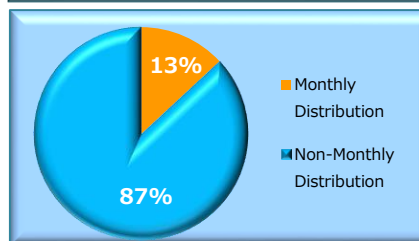
Result Index¹⁷ Cancellation Rate of Investment Trusts



- The Bank will not propose a review of products in a short period of time that will not suit the interests of the customers.
 - The cancellation rate of investment trusts in FY2023 was 19.2 %.
- * Cancellation rate =

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

Result Index¹⁸ Breakdown of Investment Trust Sales (Monthly Distribution Type, Non-Monthly Distribution Type)



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

Result Index¹⁹ Product Line-up

- The Bank enhanced the product line-up to meet the diverse needs of its customers.

<Investment Trust>	Product	Share
Equities		5937%
	Domestic	1912%
	Developed Market	138%
	Emerging Market	96%
	Global	1811%
Bonds		3422%
	Domestic	43%
	Developed Market	74%
	Emerging Market	85%
	Global	117%
	H Y	43%
REITs		128%
	Domestic	32%
	Overseas	53%
	U.S.	43%
Balance		3925%
	Domestic	21%
	Overseas	3723%
Other		149%
Total		158100%
Of which, no-load		6441%

<Life Insurance>		Product	Share
Single Premium	Yen		7 37%
		Fixed Annuity	1 5%
		Fixed Whole Life	5 26%
		Fixed Endorsement	1 5%
	Foreign currency		5 26%
		Fixed Annuity	2 11%
		Fixed Whole Life	3 16%
	Total		12 63%
Installment	Yen		7 37%
		Whole Life	1 5%
		Fixed Life	2 11%
		Medical Care	1 5%
		3 16%	
	Total		7 37%
Total		19 100%	

<Structured Bond> (Publicly Offered)	Product	Share
Non Complex structured bonds	11	100%
Callable Bond	11	100%

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

Result Index²⁰ 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	Percentage of Respondents
➤ Points of focus (Multiple responses)	①Investment performance 75% ②Purchase fee 73% ③Cost of holding period 49% ④Investment target 46% ⑤Easy-to-understand merchantability 41%
➤ Investment target of interest (Multiple responses)	①Equities 68% ②Index type 55% ③Balanced type 44% ④Bonds 31% ⑤Active type 21%
➤ Region of interest (Multiple responses)	①Global 62% ②the U.S. 61% ③Japan 49% ④Developed country 48% ⑤India 27%
➤ Plans to use the new NISA system	①Both Growth investment quota and Tsumitate (i.e. installment) investment quota 58% ②Growth investment quota only 22% ③Tsumitate investment quota only 9%

[Survey period] From March 28(Thu) to April 2(Tue) in 2024

[Valid Response] 245

【Basic Policy 6】 Providing Services Suitable for Customers

<Providing financial products>

- When introducing new financial products and services, the product group and the compliance divisions conduct verification, including research and analysis of various issues and problems, such as clarification of target customers for sales, risk/return/cost of products, and sales solicitation framework for customers. And these issues are discussed at the Integrated Risk Committee, the Customer Protection Committee, etc. as necessary. (Result Index②)
 - Even after the Bank starts handling products, etc., we will check the results of the verification of products, etc. conducted at the time of introduction, and review or discontinue the products, etc. as necessary.
 - 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 Index②)
- * 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 Index② Reasons for Selecting New Products

(FY2023 2H : Example of publication)

Date of Publication	Product Name	Assumed Customers	Reason for Selecting the Product
December 2023	Investment Trust “Hifumi Plus”	<p><Assumed customer segment by the Bank></p> <ul style="list-style-type: none"> • Those who wish to diversify their investments into domestic and foreign equities, mainly Japanese equities, using an investment approach that selects funds whose market value is considered undervalued, regardless of industry or company size, and invests in them over the long term. • Those who understand price fluctuation risk, liquidity risk, credit risk, foreign exchange risk and country risk of major investment targets and can tolerate price fluctuations or losses. • In the Bank's customer information, all customers who fall under the categories of Investment Policy: “Desire to consider the balance between profitability and stability”, “Desire to focus on profitability”, and in addition, novices who have no investment experience. <p><Assumed customer segment by origination company (management company)></p> <ul style="list-style-type: none"> • Those who can tolerate the risk of loss of principal. • Those who intend to build assets over the mid- to long-term, for example, for those expecting equities to grow, those looking to build assets through installment, and those aiming to enrich their future through investment. 	<p>• In consideration that the NISA system is drastically expanded and made permanent from 2024, this fund was selected as one of the active funds with merchantability suitable for long-term equity management, including regular investment, to meet the needs of a wider range of customers.</p>

Result Index② 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.
- The survey for the branch location section in FY2023 was conducted not on sales personnel but on back-office staff, and it exceeded the “Expected level of customer service” set by a research company in the items of “Basic” and “Reception”. In addition, the survey for the telephone section was conducted for the Asset Management Support Desk, and it exceeded the “Expected level of customer service” by the research company in the item of “Basic”.
- Based on the results of this survey, we conduct training on problem solving and work to improve explanations to customers and other aspects.

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

Target	Survey Item	Perfect Score	Expected Level of Customer Service	Survey Results
Tele-phone	Basic	14	12	12.8
	Reception	26	20	19.7
	Investment support	18	14	12.0
	Total	58	46	44.5

<Survey in FY2023>

【Branch location】 June 26 - July 7, 2023

【Telephone】 September 20 - 22, 2023

【Basic Policy 6】 Providing Services Suitable for Customers

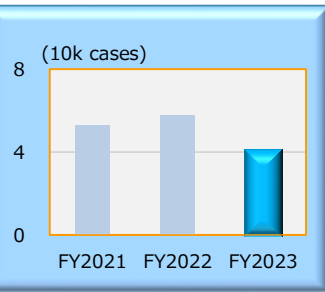
<Detailed follow-up services>

- The Bank will make proposals while giving due consideration to the customer's life plan, and after the sale of financial products and services as well, we will regularly provide information such as the status of customer's owned products and market trends, and in addition, we will provide information from a long-term perspective in response to changes in the customer's life stage. Through those efforts, we will contribute to the asset formation of our customers for a long time. (Result Index²³)

<Responding to Customers' Voice>

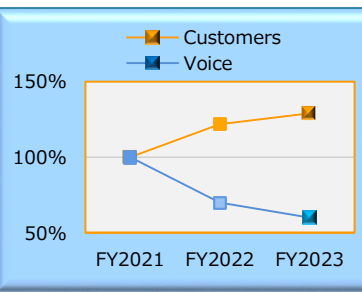
- The Bank will take the "Customer's Voice" received in the branches and call center seriously and make good use of their feedback for service improvement and product design. (Result Index²⁴, ²⁵)

Result Index²³ Number of After-Sales Follow-up



- The Bank conducts regular follow-up activities, in principles at least once a year, for customers who own investment products, and explains the investment status, merchantability, market conditions, etc.
- The number of follow-up cases in FY2023 is approximately 40,000.

Result Index²⁴ Trend of "Customer's Voice"



- The customer feedback rate for FY2023 was 60.0%, with FY2021 as 100%.

Result Index²⁵ Examples of Responses to "Customer's Voice"

- Improved Internet banking functionality (March 2024)
 - ◆ Added the ability to show/hide passwords
A function was added to allow the user to select whether to show or hide the information entered when entering a password.
 - ◆ Revised the timeout period for first-time user registration
To reduce timeouts during login password registration, etc., the time until a timeout occur was extended.

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

- To appropriately evaluate the customer-oriented business management with highly specialized and courteous consulting services, the Bank abolished personnel evaluation based on the amount of revenue, and instead, with plans prepared by each business office based on assets under custody and provision of non-financial services, we conduct business management while focusing primarily on customer attributes and needs.
- To instill the customer-oriented business management, the Bank developed the "Specialized Retail Training Program" that fully considers enhancement of consulting skills and improvement of compliance awareness, and for realizing highly specialized consulting services, we encourage all sales personnel to acquire financial planner qualifications.
- Regarding the framework for consultant training and appropriate motivation, such as training implementation and its understanding level, performance evaluation system, the Bank will regularly check, verify and evaluate the results and progress status. (Result Index ²⁶, ²⁷ and ²⁸)

Result Index²⁶ Participation Rate for Specialized Retail Training

- The Bank trains sales personnel to provide courteous and highly specialized services to customers. In FY2023, training and other activities were conducted 73 times.

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

Result Index²⁷ Dementia Supporter Initiatives

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

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

Result Index²⁸ FP Qualification Status

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

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