

Aozora Bank's Initiatives for Customer-Oriented Business Management

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

- Aozora Bank revised and announced its “Basic Policy on Customer-Oriented Business Management” on November 29, 2024.
[“Basic Policy on Customer-Oriented Business Management” in the Aozora Bank Group](#)
- Please refer to the [Result Index①](#) to ③ for the monitoring results (as of the end of September 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

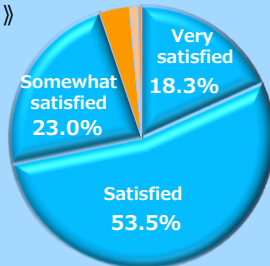
- The Bank believes that meeting the diverse needs of our customers, such as those who want to increase their accumulated assets or protect and pass them on to the next generation, is in their best interest and will also lead to our growth. We will appropriately provide advanced financial and non-financial 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 Results for FY2023 》

**Very satisfied, Satisfied,
Somewhat satisfied :
Total 94.8%**

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



- 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.

* Survey results for FY2024 to be released in May 2025.

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

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

FY2024 1H	Examples of Major Initiatives	Implemented in
➤	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	Apr. - Sept. in 2024
➤	For customers, created “Aozora Bank’s Initiatives for Customer-Oriented Business Management (simplified version)”	May 2024
➤	Conducted training(e-learning) to promote understanding and penetration of customer-oriented business management for all officers and employees of the Retail Banking Group	June and Aug. in 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.

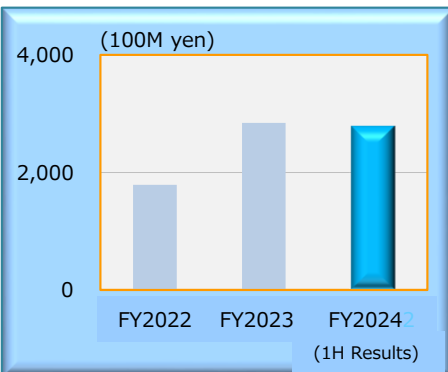
<Investment Trusts> (Result Index③, ④ and ⑤)

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.

<Financial products providing through intermediation>

For customers seeking to earn and improve income returns, the Bank intermediates transactions in financial instruments by entrustment from financial instruments business operators. As for complex structured bonds (Stock Index-Linked Bond, Exchangeable Bond, etc.), the handling has been suspended and will not be resumed at this time.

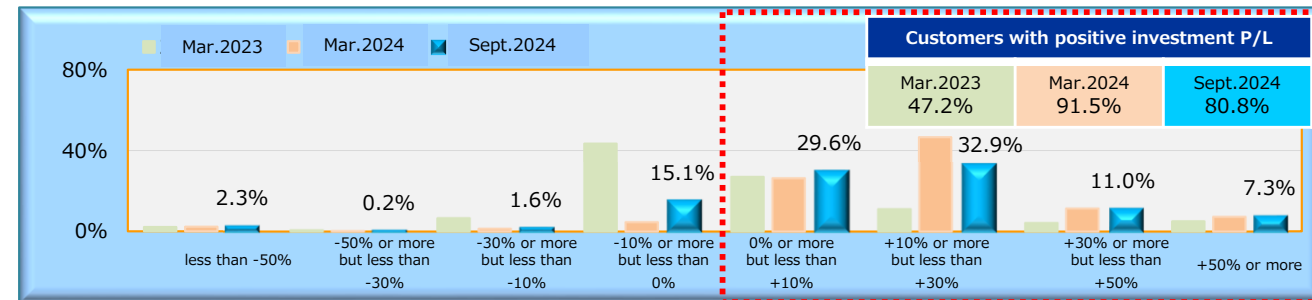
Result Index③ Investment Trust Net Asset Balance



- The Bank positions investment trusts as the core product of diversified investment.
- In 1H of FY2024, the net asset balance was 98.4% compared to the previous year.

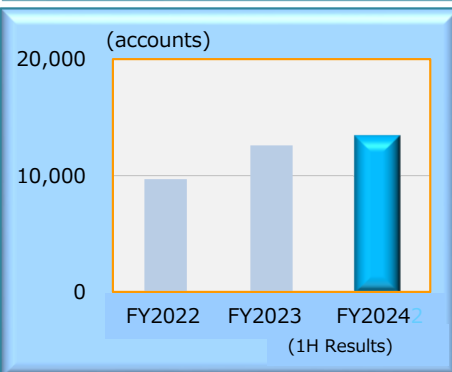
Result Index⑤ Customer Ratio by Investment P/L of Investment Trust [Common KPI]

- As of the end of September 2024, 80.8% 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.

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 1H of FY2024 was 105.9% compared to the previous year.

《Initiatives for the New NISA System》

- In FY2024, we started to offer two products that correspond to the new NISA system (Growth Investment Quota).
 "Aozora Neo Global Premium Fund (with initial gradual increase period, limited addition) 2024-07" ("Zenzo Plus 2407")
 "Invesco World Best Selection Equity Open <Unhedged> (Annual settlement type, Odd-monthly settlement type)" ("Global Best")
- 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.

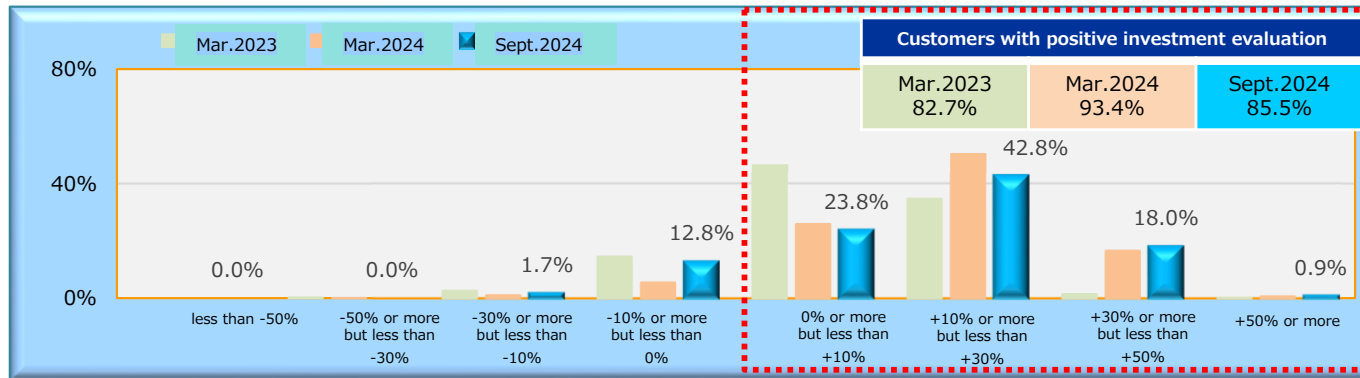


【Basic Policy 2】 For the Pursuit of the Best Interests of Our Customers

- 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 September 2024, 85.5% of customers holding foreign currency insurances had positive investment evaluations.

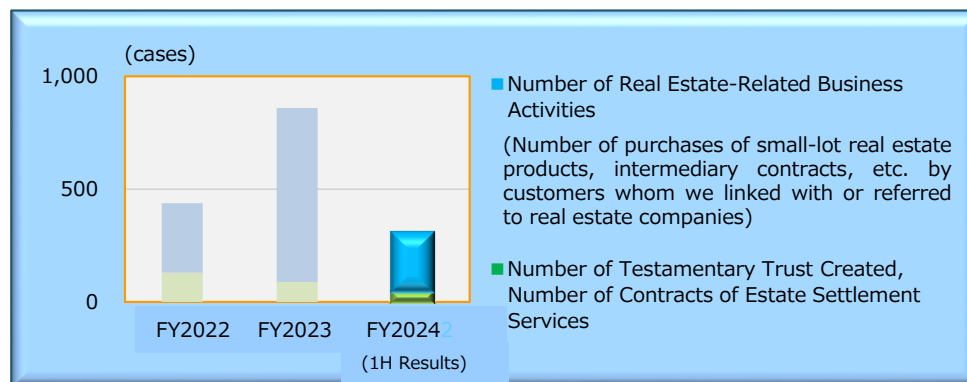


* Foreign currency insurance provides both security and investment in which insurance benefits will be paid upon maturity or death. Although surrender value is paid upon cancellation, the insurance products are designed to be held for a long period of time, and therefore, in particular, as for the surrender 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 1H of FY2024, the total number of testamentary trust created, contracts for estate settlement services, and real estate-related business activities was 35.8% compared to the previous year.



《Examples of Real Estate-Related Business》



Introducing our partner
<Small-lot real estate product>



Introducing our partner
<Elderly care facility>



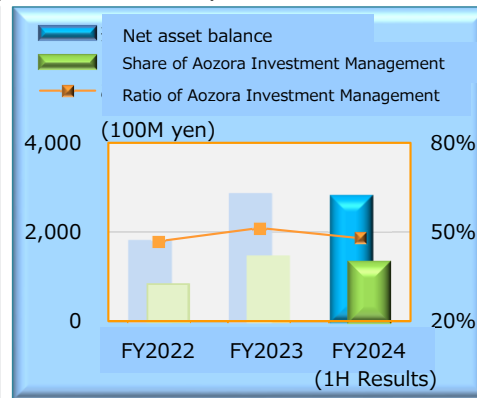
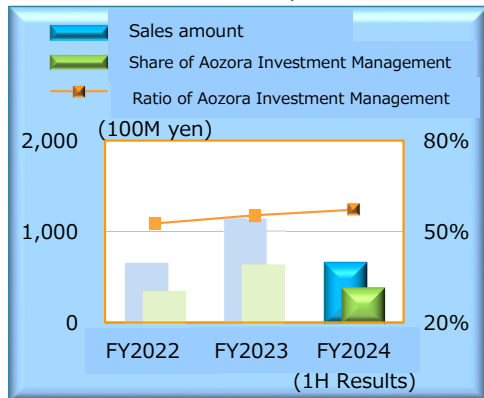
Introducing our partner
<US real estate>

【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)

- In 1H of FY2024, our group investment company, Aozora Investment Management, had 57.2% of the total product sales, 47.9% of the total net asset balance, and 29 products offered (17.9% of the total).



Result Index⑨ Top 10 Funds by Sales of Investment Trust

- In 1H of FY2024, among the top 10 funds by sales in investment trusts, 5 funds were the products of Aozora Investment Management.

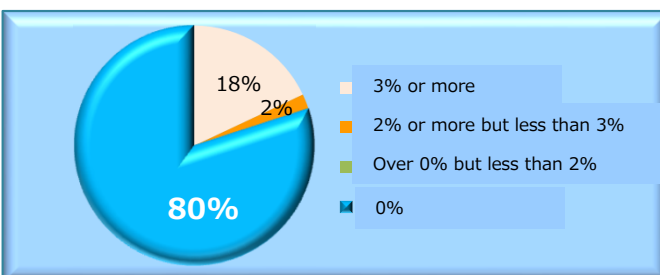
* The fee for purchase of investment trusts through Internet banking has been set at a flat 0% from November 2022.

Rank	Fund Name	Management Company	Purchase Fee *
1	Aozora New Global Diversified Fund (limited addition) 2024-04 ("Zenzo 2404")	AIM	0.00%
2	Aozora New Global Diversified Fund (limited addition) 2024-07 ("Zenzo 2407")	AIM	0.00%
3	Aozora Neo Global Premium Fund (with initial gradual increase period, limited addition) 2024-01 ("Zenzo Plus 2401")	AIM	0.00%
4	AllianceBernstein U.S. Growth Stock Fund D - Monthly settlement type <Unhedged>, Projected dividend presentation type	AB	3.30%
5	Major Next Generation U.S. Stock Fund ("Major Leader")	MUFJ AM	3.30%
6	Aozora Neo Global Premium Fund (with initial gradual increase period, limited addition) 2024-07 ("Zenzo Plus 2407")	AIM	0.00%
7	AllianceBernstein U.S. Growth Stock Fund B <Unhedged> ,	AB	3.30%
8	Invesco World Best Selection Equity Open <Unhedged> (Annual settlement type)	IAM	3.30%
9	JPM Global Medical Related Equity Fund	J.P. Morgan AM	3.30%
10	Aozora Ultimate Diversified Global Equity Fund ("Tetsusan")	AIM	0.00%

【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 financial 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



- Of the total investment trust sales in 1H of FY2024, the sales amount with a 0% purchase fee accounted for 80%.

《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.

Result Index⑪ Examples of Documents on Fees and Other Costs

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

3. 費用（本商品の購入または保有には、費用が発生します）	
購入時に支払う費用（販売手数料など）	購入時に購入金額に対して、以下の手数料率を乗じて得た額をお支払いいただきます。 ※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）	信託報酬率：年率1.903%（税抜1.73%） その他費用・手数料等が実費でファンドから支払われます。これらは事前に料率、上限等を表示することはできません。
運用成果に応じた費用（成功報酬など）	ありません。

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

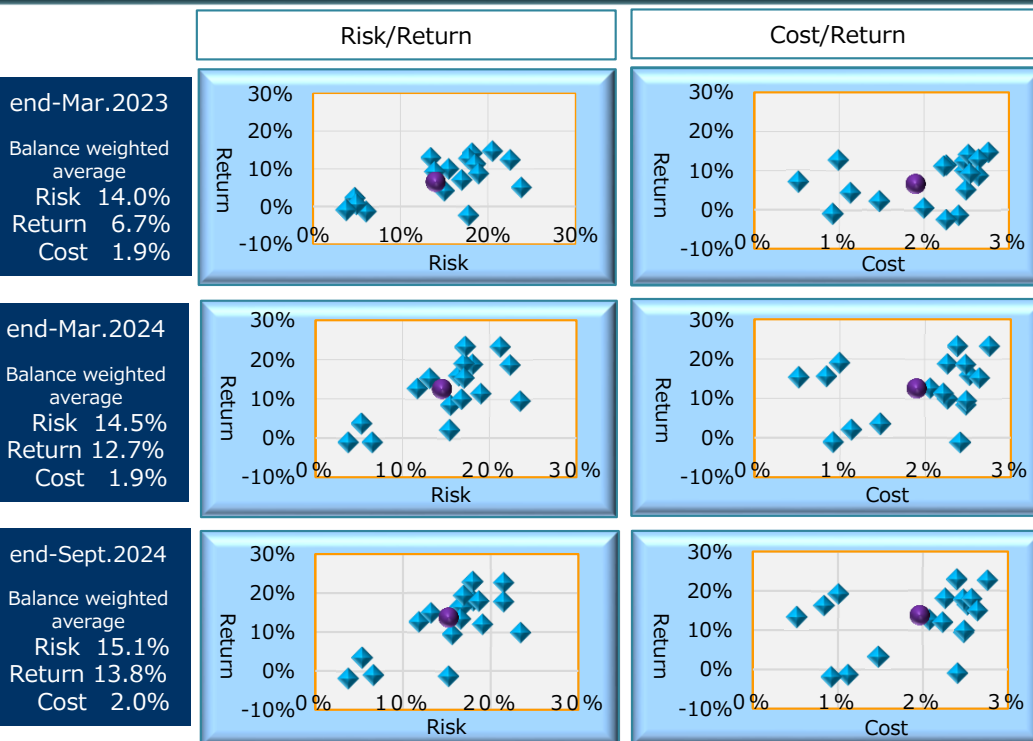
- The Bank will explain important information in an easy-to-understand manner using the Important Information Sheet, sales materials, legal documents, and materials presenting easy comparison for each product, in order to propose financial products and services suitable for customers. In addition, we 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 financial products and services ◆ Attributes of potential customers for sale of the products ◆ Reasons for selecting the financial 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

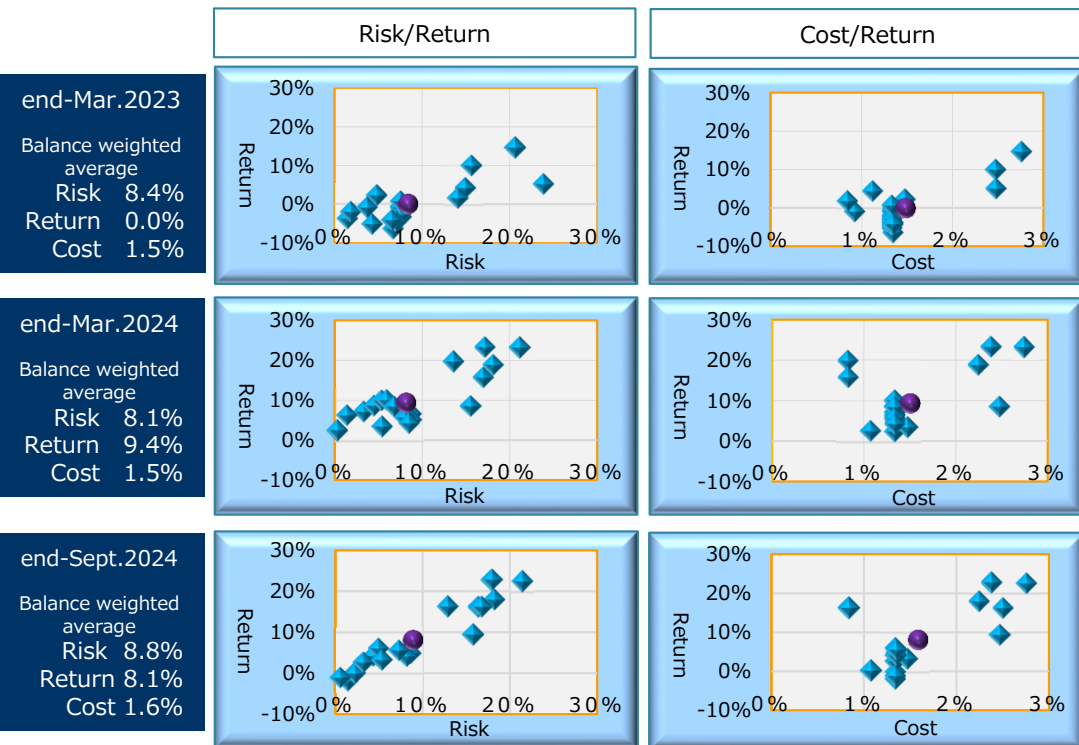
Implemented in	Examples of Recent Major Initiatives
Oct. 2023	➢ Revised "Aozora Bank's asset management product line-up"
Jan. 2024	➢ Revised "Aozora Fund Line-up"

- 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]



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)



* 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 37.3% for Result Index^⑬ and 62.0% 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.2023				end-Mar.2024				end-Sept.2024			
	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return
1	Fine Blend (Monthly Dividend Type)	1.5%	4.8%	2.2%	Fine Blend (Monthly Dividend Type)	1.5%	5.3%	3.6%	Major Next Generation U.S. Stock Fund	2.3%	18.1%	18.0%
2	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%	Fine Blend (Monthly Dividend Type)	1.5%	5.3%	3.3%
3	Fine Blend (Growth Type)	1.5%	4.8%	2.2%	Fine Blend (Growth Type)	1.5%	5.3%	3.5%	AllianceBernstein U.S. Growth Stock Fund D	2.4%	17.8%	22.6%
4	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%	Aozora Ultimate Diversified Global Equity Fund	0.8%	16.5%	16.3%
5	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%	Fine Blend (Growth Type)	1.5%	5.3%	3.3%
6	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%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	21.4%	22.5%
7	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%	JPM Global Healthcare Fund	2.5%	16.7%	16.3%
8	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%	AllianceBernstein U.S. Growth Stock Fund B	2.4%	17.9%	22.8%
9	Stock Index Fund 225	0.5%	17.1%	7.1%	JPM Global Healthcare Fund	2.5%	16.4%	15.9%	Pictet Global Income Equity Fund (Monthly Dividend type)	2.5%	15.7%	9.4%
10	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%	MSCI Index Select Fund - Kokusai Portfolio	1.0%	16.8%	19.2%
11	JPM Global Healthcare Fund	2.5%	18.3%	14.0%	MSCI Index Select Fund - Kokusai Portfolio	1.0%	17.0%	19.0%	Nissay Australia High Income Stock Fund (monthly settlement type)	2.5%	23.3%	9.9%
12	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%	Robot/Technology related Stock Fund -Robotech-	2.5%	21.4%	17.7%
13	Nomura Pimco Global Income Strategy FundCourse A (with FX hedge, semi-annual)	2.4%	6.1%	-1.3%	Stock Index Fund 225	0.5%	17.0%	15.4%	Stock Index Fund 225	0.5%	16.5%	13.3%
14	Japan Excellent	2.3%	17.7%	-2.4%	Global Allocation Open (B course)	2.1%	11.7%	12.7%	Global Allocation Open (B course)	2.1%	11.9%	12.6%
15	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%	Daiwa J-REIT Open (monthly Dividend type)	1.1%	15.1%	-1.4%
16	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%	Invesco World Best Selection Equity Open <Unhedged>	2.6%	18.6%	17.8%
17	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%	Morgan Stanley Global Premium Stock Open (without FX hedge)	2.6%	13.2%	14.8%
18	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	18.5%	11.1%	Nomura Pimco Global Income Strategy FundCourse A (with FX hedge, semi-annual)	2.4%	6.5%	-1.1%	Daiwa US-REIT Open (monthly) Course B (without FX hedge)	2.2%	19.0%	11.9%
19	Global Impact Fund (Better World)	2.6%	18.9%	8.7%	Japan Excellent	2.3%	16.7%	10.0%	Nomura Pimco Global Income Strategy FundCourse A (with FX hedge, semi-annual)	2.4%	6.6%	-1.0%
20	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%	Tokio Marine Japanese Yen Asset Balance Fund (monthly settlement type)	0.9%	3.8%	-1.9%
	Balance weighted average	1.9%	14.0%	6.7%	Balance weighted average	1.9%	14.5%	12.7%	Balance weighted average	2.0%	15.1%	13.8%

【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)

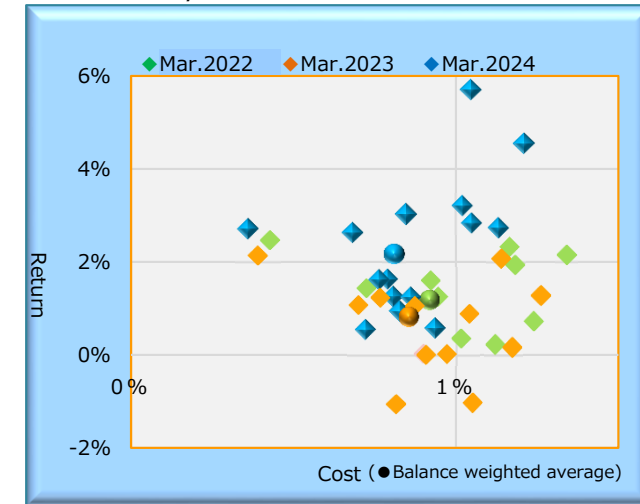
Rank	end-Mar.2023				end-Mar.2024				end-Sept.2024			
	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return	Fund Name	Cost	Risk	Return
1	Aozora New Global Core Fund (limited addition)2020-2	1.3%	7.8%	-0.1%	Aozora New Global Diversified Fund (limited addition) 2023-07	1.3%	3.2%	7.2%	Aozora New Global Diversified Fund (limited addition) 2023-07	1.3%	4.3%	4.2%
2	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%	Aozora New Global Diversified Fund (limited addition) 2024-04	1.3%	1.4%	-1.8%
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%	Major Next Generation U.S. Stock Fund	2.3%	18.1%	18.0%
4	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%	Aozora Neo Global Premium Fund 2024-01	1.1%	2.3%	0.2%
5	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%	Fine Blend (Monthly Dividend Type)	1.5%	5.3%	3.3%
6	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%	AllianceBernstein U.S. Growth Stock Fund D	2.4%	17.8%	22.6%
7	Fine Blend (Monthly Dividend Type)	1.5%	4.8%	2.2%	Fine Blend (Growth Type)	1.5%	5.3%	3.5%	Aozora New Global Diversified Fund (limited addition) 2023-04	1.3%	4.9%	6.0%
8	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%	Aozora New Global Diversified Fund (limited addition) 2024-01	1.3%	2.4%	0.0%
9	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%	Aozora Announces Launch of "Aozora Ultimate Diversified Global Sustainability Equity Fund" ("Manten Kansoku")	0.8%	12.9%	16.2%
10	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%	Aozora New Global Diversified Fund (limited addition) 2023-10	1.3%	3.2%	2.7%
11	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%	Aozora New Global Core Fund (limited addition)2021-1	1.3%	8.5%	4.9%
12	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%	Aozora Ultimate Diversified Global Equity Fund	0.8%	16.5%	16.3%
13	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%	Fine Blend (Growth Type)	1.5%	5.3%	3.3%
14	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%	netWIN GS Technology Equity Fund (Course B, Unhedged)	2.8%	21.4%	22.5%
15	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%	Aozora New Global Diversified Fund (limited addition) 2024-07	1.3%	0.6%	-1.0%
16	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%	JPM Global Healthcare Fund	2.5%	16.7%	16.3%
17	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%	AllianceBernstein U.S. Growth Stock Fund B	2.4%	17.9%	22.8%
18	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%	Pictet Global Income Equity Fund (monthly dividend type)	2.5%	15.7%	9.4%
19	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%	Aozora New Global Core Fund (limited addition)2021- II	1.3%	8.1%	4.1%
20	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%	Aozora New Global Core Fund (limited addition)2022- I	1.3%	7.5%	5.6%
Balance weighted average		1.5%	8.4%	0.0%	Balance weighted average	1.5%	8.1%	9.4%	Balance weighted average	1.6%	8.8%	8.1%

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

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

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

	end-Mar.2022			end-Mar.2023			end-Mar.2024		
Rank	Fund Name	Cost	Return	Fund Name	Cost	Return	Fund Name	Cost	Return
1	Shiawase Zutto	0.94%	1.26%	Shiawase Zutto	0.87%	1.06%	Puremia resibu(denominated in foreign currency)	0.68%	2.64%
2	Puremia resibu (denominated in foreign currency)	0.73%	1.44%	Puremia resibu(denominated in foreign currency)	0.70%	1.08%	Shiawase Zutto	0.79%	1.63%
3	Puremia Janpu	1.01%	0.37%	Mirainitsunagerusyuushinhoken	1.17%	0.17%	Mirainitsunagerusyuushinhoken	1.13%	2.73%
4	Mirainitsunageru syuushinhoken	1.24%	0.74%	Puremia Janpu	0.90%	0.04%	Yasashisa Tsunagu	0.72%	0.56%
5	Rongu Dorimu G O L D	0.92%	1.60%	Rongu Dorimu G O L D	0.77%	1.24%	Puremia Janpu	0.81%	1.26%
6	Puremia Janpu Nenkin (denominated in foreign currency)	1.12%	0.23%	Yasashisatsunagu	0.81%	-1.05%	Eburibadeipurasu	1.05%	2.86%
7	Yuyujikan adobansu(denominated in US dollars)	1.16%	2.33%	Eburibadeipurasu	1.26%	1.28%	Rongu Doriimu G O L D	0.76%	1.62%
8	Yuyujikan adobansu(denominated in AUS dollars)	1.18%	1.95%	Shogaipuremiamuwarudo4	0.91%	0.02%	Rongu Doriimu G O L D 2	1.04%	5.72%
9	Aporo	0.43%	2.47%	Yuyujikan adobansu(denominated in US dollars)	1.04%	0.90%	Yuyujikan adobansu(denominated in US dollars)	1.02%	3.22%
10	Puremia Janpu2 Nenkin (denominated in foreign currency)	1.34%	2.15%	Puremia Janpu Nenkin (denominated in foreign currency)	0.97%	0.04%	Puremia sutoorii 2	0.85%	3.03%
11				Yuyujikan adobansu(denominated in AUS dollars)	1.05%	-1.02%	Shogaipuremiamuwarudo4	0.83%	0.95%
12				Aporo	0.39%	2.15%	Yuyujikan adobansu(denominated in AUS dollars)	0.93%	0.59%
13				Puremia Janpu2 Nenkin (denominated in foreign currency)	1.14%	2.08%	Puremia Janpu Nenkin (denominated in foreign currency)	0.86%	1.25%
14							Asitano Yorokobi	1.21%	4.56%
15							Aporo	0.36%	2.71%
	Balance weighted average	0.92%	1.19%	Balance weighted average	0.85%	0.83%	Balance weighted average	0.81%	2.18%



* 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: (surrender value as of the base date + amount already paid as of the base date - single premium as of the policy made) ÷ (single premium as of the policy made). 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. * 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. * In order of, surrender value as of the base date + amount already paid up to the base date

【Basic Policy 6】 Providing Services Suitable for Customers

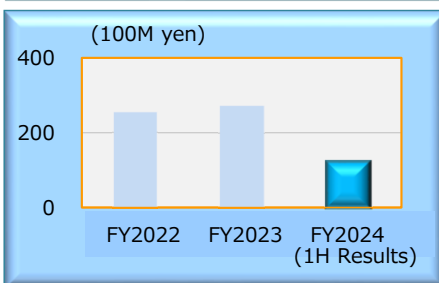
<Maintenance of branches and infrastructure>

➤ 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 Index ^⑮)

<Efforts to enhance financial literacy>

➤ The Bank will help enhance its customers’ financial literacy by expanding services such as “BANK The Partner”, which supports many customers in achieving their life plans from a neutral perspective through seminars and e-mail delivery services, etc. (Result Index ^⑰)

Result Index^⑮ Visa Debit Card Spending Amount

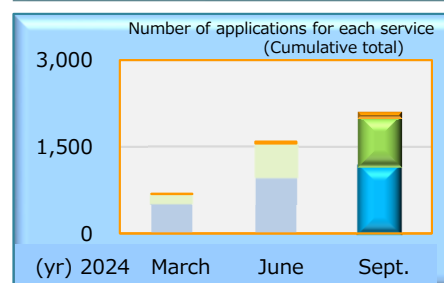


➤ The spending amount of Visa debit card in 1H of FY2024 was 45.2 % compared to the previous year.

➤ Visa debit is currently offering up to 1% cash back depending on the amount spent.(*)

* The “Visa Debit Cash Back Program” in effect as of the end of November 2024 will end on January 31, 2025.

Result Index^⑰ Efforts to enhance financial literacy



➤ The Bank has started services to help customers enhance their financial literacy since March 2024.

■ BANK The Planning

We propose neutral, customer-oriented life plans.

■ BANK The Academy

We hold seminars that provide practical and valuable knowledge and expertise useful for a lifetime. (in-person or online)

■ E-mail delivery service

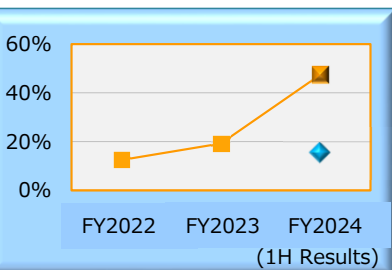
We deliver the latest information on a real-time basis useful for life plans.

【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 and study appropriate asset ratio using "Aozora Model Portfolios". Then we select and propose the financial product suitable for each and every customer from the diverse product line-up, while also giving due consideration to the complexity of the product, the potential risks, whether it is packaged or not, and other characteristics of the product. In addition, we will post the information including product line-up on the Bank's website and BANK app for easy confirmation. (Result Index 18, 19)
- 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 20, 21)

Result Index 18 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 (annualized) for investment trusts in 1H of FY2024 is 47.6%, while the cancellation rate (annualized) is 16.4% after deducting 11 funds whose cancellation increased as the investment has been switched to the stable bonds when the fund unit prices increased to a certain level in "Zenzo series" and "Juunen Toiro series" after 2024.

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

Result Index 20 Product Line-up

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

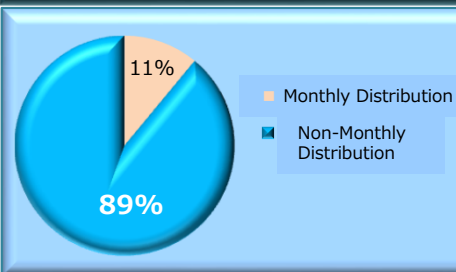
<Investment Trust>	Product	Share
Equities	62	38%
Domestic	19	12%
Developed Market	16	10%
Emerging Market	9	6%
Global	18	11%
Bonds	33	20%
Domestic	4	2%
Developed Market	7	4%
Emerging Market	7	4%
Global	11	7%
HY	4	2%
REITs	12	7%
Domestic	3	2%
Overseas	5	3%
U.S.	4	2%
Balance	41	25%
Domestic	2	1%
Overseas	39	24%
Other	14	9%
Total	162	100%
Of which, no-load	66	41%

<Life Insurance>		Product	Share	
Single Premium	Yen		8	38%
		Fixed Annuity	1	5%
		Fixed Whole Life	6	29%
		Fixed Endorsement	1	5%
	Foreign currency		6	29%
		Fixed Annuity	2	10%
		Fixed Whole Life	4	19%
	Total		14	67%
	Installment	Yen		7
Whole Life			1	5%
Fixed Life			2	10%
Medical Care			1	5%
			3	14%
Total		7	33%	
Total		21	100%	

<Structured Bond> (Publicly Offered)	Product	Share
Non Complex Structured Bonds	6	100%
Callable Bond	6	100%

For complex structured bonds (Stock Index-Linked Bond, Exchangeable Bond, etc.), the handling has been suspended and will not be resumed at this time.

Result Index 19 Breakdown of Investment Trust Sales (Monthly Distribution Type, Non-Monthly Distribution Type)



- In the sale of investment trusts in 1H of FY2024, the sales amount of the "Non-Monthly Distribution Type" products significantly exceeded that of the "Monthly Distribution Type" products.

Result Index 21 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 Bank will confirm the product governance framework of the product origination company, etc. In addition, the product group and the compliance divisions conduct verification, including research and analysis of various issues and problems with clarification of target customers, 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 Index ②)
 - Even after the Bank starts handling financial products and services, 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 addition, in order to provide better financial products, we share customer feedback regarding financial products with product origination companies, etc.
 - In preparation for introducing complicated or high-risk financial products to customers or providing information for those with limited investment experience, the Bank will take a more cautious approach by establishing solicitation rules such as suitability judgments and solicitation start criteria. 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.
- * 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

(FY2024 1H : Example of publication)

Date of Publication	Product Name	Assumed Customers	Reason for Selecting the Product
May 2024	Investment Trust "Invesco World Best Selection Equity Open <Unhedged> (Monthly settlement type)/(Annual settlement type)/(Odd-monthly settlement type) ("Global Best")"	<p>《Assumed customer segment by the Bank》</p> <ul style="list-style-type: none"> • Those who wish to invest in equities in Japan and around the world (excluding emerging countries), using an investment approach that "carefully selects undervalued funds on a global comparative basis in line with the value approach" • Those who understand price fluctuation risk, credit risk, country risk, and foreign exchange risk of major investment targets and can tolerate fluctuations of the fund unit prices or losses • Those who fall under the categories of following investment policies and investment experience in the Bank's customer information <p>* (Monthly settlement type) is a product that is not subject to the NISA system and does not meet the needs of those who wish to use the NISA system.</p> <p>《Assumed customer segment by origination company (management company)》</p> <ul style="list-style-type: none"> • (Common) Those who tolerate the risk of possible loss of principal • (Annual settlement type) Those who intend to build assets over the mid- to long-term • (Monthly settlement type, Odd-monthly settlement type) Those who understand how dividends work and want to receive dividends on a regular basis while continuing to invest in funds 	<p>This fund was selected as one of the developed market equity funds that meet high demand from customers.</p> <p>In addition, (Annual settlement type) was selected as one of the developed market equity funds suitable for long-term management in the regular investment.</p>

【Basic Policy 6】 Providing Services Suitable for Customers

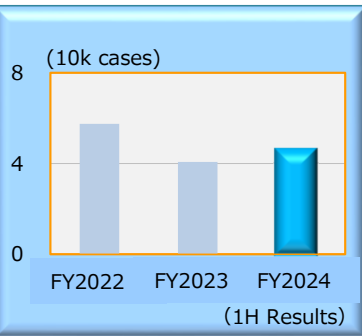
<Detailed follow-up services>

- 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>

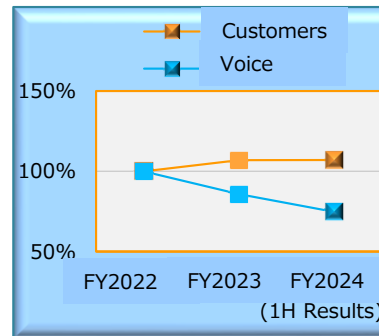
- The Bank will take the "Customer's Voice" received in the branches and call center seriously and make good use of their feedback for service improvement and product design. (Result Index²⁴, ²⁵)

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 1H of FY2024 is approximately 46,000.

Result Index²⁴ Trend of "Customer's Voice"



- The customer feedback rate for 1H of FY2024 was 74.8% (annualized), with FY2022 as 100%.

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

- Enhanced security of the dedicated website for debit(May 2024)
We added a function to verify customer identity by phone or SMS(short message service) when registering customers as a new member or their changing email address.
- Improved Internet banking functionality (July 2024)
We introduced a function that displays guides on the screen regarding functions that are frequently inquired about in terms of operation.

【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, we 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, we 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 1H of FY2024, training and other activities were conducted 73 times.

	FY2022	FY2023	FY2024
Training Participation Rate	100%	100%	100%

Result Index²⁷ Dementia Supporter Initiatives

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

	FY2022	FY2023	FY2024
Participation Rate for Dementia Supporter Training Course	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.

	FY2022	FY2023	FY2024
Qualification Holding Rate of FP 2nd Grade or Higher	96%	96%	96%