

The 87th FY Ordinary General Meeting of Shareholders (June 24, 2020)

Question & Answer Summary

Given the unusual conditions faced this year, we required shareholders to register in advance if they planned to attend in person the General Meeting of Shareholders (the 'General Meeting'). We also requested that any questions or comments from our shareholders be submitted in advance of the General Meeting. However, no advance questions or comments were received.

The following is a summary of the one in-person shareholder question we received during the General Meeting.

Shareholder Remarks

[Shareholder with Attendance Slip Number 30]

GMO Aozora Net Bank (the 'Net Bank') is a relatively new internet-based bank. While I do not have an account there, I think it is important from a business expansion perspective for the Net Bank to increase the number of accounts. I'm here today specifically to request that you actively run promotional campaigns to increase customer accounts. If you could offer some perks to new customers, such as a sign-up bonus, I would rush to sign up for a new account.

Please consider offering this kind of benefits program to new customers.

Reply from Aozora

[Chairman Baba]

Thank you very much for your comment and suggestion. Our bank provides a broad range of financial services via the Internet. These services are available through the Net Bank, which you've just mentioned, as well as through Aozora Bank, whose internet banking services are provided to retail customers.

With regard to your question, MEO Oomi, who is the executive responsible for the Net Bank, will provide an overview of its initiatives.

[MEO Oomi]

I understand from your question that you have considered opening an account at our Net Bank. The Net Bank provides financial services to both retail and corporate customers, and, based on our highly focused strategy compared with the major internet banks, our Net Bank is primarily focused on increasing corporate customer accounts.

That being said, we do intend to make further efforts to increase the number of retail accounts, which we believe will be a key factor in driving the Net Bank's growth going forward. At present, our Net Bank offers a reward program called 'Customer Stage' which allows retail customers to receive benefits, such as 15 free transfers to other banks per month, depending on the type and amount of their transactions with Net Bank. Please consider opening a Net Bank account with us and use it often to enjoy an array of special benefits and services. I hope this proposal lives up to your expectations.

[Chairman Baba]

I would also add that the Net Bank has initiated API (Application Programming Interface) collaborations with over 40 companies while remaining focused on expanding its alliances with internet-based financial service providers. In this area of business, I believe that our Net Bank has achieved strong performance relative to other internet banks in Japan. We'll work towards enhancing our services here while capitalizing on these growing operations. While our Net Bank may not yet compare favorably against other internet banks, we're highly focused on addressing these shortcomings. We appreciate your understanding of our current situation. Thank you very much.