

Balanced <Fixed Asset Allocation>

(The original is written in Japanese. This translation is for reference purposes only.)

DIAM Balanced Fund (DC)

BF 1 / BF 2 / BF 3

Open-ended investment trust/Domestic & Foreign/Hybrid

Type of investment product	Investment trust
Guarantee of principal	None
Expected return	An expected profit cannot be specified since this investment product invests in securities and other vehicles with price fluctuations.
Inception date	December 13, 2002
Abbreviation in Nikkei Newspaper	DIAM Balance Fund (BF) For Defined Contribution Plan 1 : DCバラ1 DIAM Balance Fund (BF) For Defined Contribution Plan 2 : DCバラ2 DIAM Balance Fund (BF) For Defined Contribution Plan 3 : DCバラ3 (Name of asset management company: アセマネオン e)

1 Product Characteristics

Target Asset Class	Target Asset Class	Target Asset Allocation		
		BF 1	BF 2	BF 3
	Japanese Equities	19%	30%	40%
	Foreign Equities	5%	12%	19%
	Japanese Bonds	65%	43%	22%
	Foreign Bonds	8%	12%	16%
	Short-term financial instruments	3%	3%	3%
	*Target asset allocation is subject to change as needed.			
Currency Hedging	None			
Investment Trust Management Company	Asset Management One			
Trustee	Mizuho Trust & Banking			
Benchmark	Synthetic benchmark based on weighted averages of the target asset allocation mix using the following individual benchmarks:			
	Japanese Equities : TOPIX (Tokyo Stock Price Index) (dividends included) Foreign Equities : MSCI-KOKUSAI Index (in JPY, unhedged, dividends included) Japanese Bonds : NOMURA-BPI (Overall) Foreign Bonds : FTSE World Government Bond Index (excluding Japan, unhedged, in JPY) Short-term financial instruments : Overnight call rate			
Investment Style (Passive/Active)	Passive fund / Aims to perform in line with the benchmark.			

• “Ltd.,” “Inc.,” “Corp.” and etc. are omitted from a company name.

This product is managed using a Family Fund Method.

Major Investment Universe	<p>Mainly invests in beneficiary certificates of the following mother funds.</p> <ol style="list-style-type: none"> 1. Kokunai-Kabushiki Passive Fund (Optimal Method) Mother Fund The mother fund invests mainly in stocks listed on the Tokyo Stock Exchange. <ul style="list-style-type: none"> · Aims to perform in line with TOPIX (Tokyo Stock Exchange Stock Price Index) (dividends included). · Portfolio construction using an optimization method. 2. Gaikoku-Kabushiki Passive Fund Mother Fund The mother fund invests mainly in international equities. <ul style="list-style-type: none"> · Aims to perform in line with MSCI-KOKUSAI Index (in JPY, unhedged, dividends included). · Portfolio construction using an optimization method. 3. Kokunai-Saiken Passive Fund Mother Fund The mother fund invests mainly in Japanese government and corporate bonds. <ul style="list-style-type: none"> · Aims to perform in line with NOMURA-BPI (Overall). · Portfolio construction using an optimization method. 4. Gaikoku-Saiken Passive Fund Mother Fund The mother fund invests mainly in government and corporate bonds of the world's major countries (excluding Japan). <ul style="list-style-type: none"> · Aims to perform in line with FTSE World Government Bond Index (excluding Japan, unhedged, in JPY). · Portfolio construction using an optimization method. 																								
Investment Approach	<p>● There are three products with different risk characteristics (target asset allocation) as follows to choose from to match the individual's needs (target return, risk tolerance level, etc.).</p> <p>BF1: Is managed conservatively, mainly investing in lower-risk assets (Japanese Bonds).</p> <p>BF2: Seeks middle return and medium risk investment, with consideration to the asset balance.</p> <p>BF3: Aims at higher returns with investing in higher-risked assets such as equities and foreign securities</p> <p>● Target asset allocation is subject to change as needed.</p> <div data-bbox="454 1182 1394 1803" style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;">Target Asset Allocation</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Target Asset Allocation Data</caption> <thead> <tr> <th>Fund</th> <th>Equities</th> <th>Japanese Bonds</th> <th>Foreign Bonds</th> <th>Foreign Equities</th> <th>Short-term financial instruments</th> </tr> </thead> <tbody> <tr> <td>BF 1</td> <td>24%</td> <td>65%</td> <td>8%</td> <td>5%</td> <td>3%</td> </tr> <tr> <td>BF 2</td> <td>42%</td> <td>43%</td> <td>12%</td> <td>12%</td> <td>3%</td> </tr> <tr> <td>BF 3</td> <td>59%</td> <td>22%</td> <td>16%</td> <td>19%</td> <td>3%</td> </tr> </tbody> </table> <p style="text-align: center;">* The above is an illustrative image based on the fund's target asset allocation and does not guarantee future results.</p> </div>	Fund	Equities	Japanese Bonds	Foreign Bonds	Foreign Equities	Short-term financial instruments	BF 1	24%	65%	8%	5%	3%	BF 2	42%	43%	12%	12%	3%	BF 3	59%	22%	16%	19%	3%
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3 Important Matters

This product mainly invests in global equities and bonds. Therefore, investors may suffer a loss of principal as a result of a reduction in the net asset value (NAV) per unit due to certain events, such as a fall of the underlying stock prices, a fall of the underlying bond prices caused by interest rate fluctuations, fluctuations of foreign exchange rates and a deterioration of the financial condition or bankruptcy of the firms.

Major Risks

Stock investment risk	<p>This fund invests heavily in stocks. Investing in stocks carries the following typical risks.</p> <p>1) Price fluctuation risk In general, stock prices fluctuate significantly. The net asset value (NAV) per unit of this fund can drop due to price fluctuations of either the entire stock market or individual stocks.</p> <p>2) Credit risk If the issuers of stocks managed by this fund have management issues or file bankruptcy, or concerns of such circumstances are strong, the stock price could fall or lose its value completely, which would cause the net asset value (NAV) per unit to drop.</p>
Bond investment risk	<p>This fund invests heavily in government and corporate bonds. Investing in government and corporate bonds carries the following typical risks.</p> <p>1) Interest rate risk Interest rate risk refers to the fluctuation of bond prices caused by fluctuations in interest rates. In general, bond prices fall as interest rates rise, which would cause the net asset value (NAV) per unit of this fund to drop.</p> <p>2) Credit risk If the issuers of bonds managed by this fund have management issues or file bankruptcy, or concerns of such circumstances are strong, the bond price could fall or lose its value completely, which would cause the net asset value (NAV) per unit to drop.</p>
Currency risk	<p>This fund invests heavily in foreign currency-denominated assets. Investing in foreign currency-denominated assets typically carries currency risk. Currency risk refers to price fluctuations of foreign currency-denominated assets caused by fluctuations in foreign exchange rates. In general, the net asset value (NAV) per unit of this fund drops when foreign exchange rates depreciate against the yen (strong yen). As such, if foreign exchange rates of the assets managed by this fund drop against the yen (strong yen) even though the foreign currency-denominated assets themselves have risen in value, the value of these assets in JPY will drop, which causes fluctuations in the net asset value (NAV) per unit of this fund and affects dividends. Investing in foreign currency-denominated assets also carries risk of loss due to political and economic conditions of corresponding countries, currency regulations, capital regulations, and other such factors. Currency hedging strategies to mitigate currency risk are normally not used with this fund. As such, fluctuations in exchange rates of yen/-foreign currency pairs directly affect the asset value of this fund.</p>
Asset allocation risk	<p>The allocation of this fund's assets, which includes Japanese equities, Japanese bonds, foreign equities, foreign bonds, and short-term financial instruments, is controlled so that actual allocations do not deviate beyond a predetermined range from the target allocation.</p> <p>This asset allocation can make the fund profitable. However, if the price of some or all assets drop when the allocation contains too many investments with poor profitability, the net asset value (NAV) per unit of this fund could drop even though each specific investment performance is equivalent to or better than benchmarks.</p>
Country risk	<p>The net asset value (NAV) per unit can drop unexpectedly due to market instability caused by changes in political or economic conditions of countries and regions to which investments are related or due to new or modified investment regulations.</p>

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Trading Information

The costs and taxes on trading and holding the products are to be borne by participants. Please refer to the prospectus for details.

Purchase	Trading Unit	1 yen or more, in whole yen
	Purchase/Sale Price	The net asset value (NAV) per unit as of the business day following the date of trade.
	Partial Redemption Fee	None

* No purchase transaction cost will be charged in a defined contribution plan.

Hold	Asset Management Fee	The following table details the asset management fees and allocation of each fund as a percentage of the daily total net asset value.			
		Management Fee (including tax, annual)	Breakdown (before tax, annual)		
			Management company	Distributor	Trustee
	BF 1	0.286% (before tax: 0.26%)	0.100%	0.130%	0.030%
	BF 2	0.319% (before tax : 0.29%)	0.115%	0.145%	0.030%
	BF 3	0.352% (before tax : 0.32%)	0.130%	0.160%	0.030%
	Other Fees	The costs and taxes for investing and managing the investment trust.			
	Dividends	In general, dividends are to be paid annually at the end of the fiscal year under the dividend policy in the trust agreement. However, dividends are not necessarily paid.			
	Closing of Account	Annually, February 25 th (When the relevant date is a holiday, the next business day will be applied)			
	Payment Method	Dividends will be automatically reinvested in the same product without fees.			
	Taxes	No income or local tax is imposed on dividends payable in a defined contribution plan.			

Please refer to the prospectus for details.

Sell (Liquidation)	Trading Unit	A single unit
	Purchase/Sale Price	Redemption price as of the business day following the date of trade.
	Partial Redemption Fee	None
	Taxes	No income or local tax is imposed on profits from sale of holdings (liquidation) in a defined contribution plan.
	Settlement date	As a rule, on or after the sixth business day from the trade date.

Switching

You may switch investment products (sell all or a part of the investment products currently held and purchase other products with the proceeds). When you sell a product during switching, the terms stated in the above (Liquidation) are applied.

How to calculate your individual asset amount

$$\text{Individual asset amount} = \text{Redemption price} \times \text{The number of units held} \div 10,000$$

(Redemption price=NAV per unit - Redemption fee)

* NAV per unit fluctuates on a daily basis.

* NAV per unit is shown as a base of 10,000 units.

Redemption (Termination of the trust)

The period of the trust is indefinite. However, the investment trust management company (ITM) may terminate the trust upon agreement with the trustee when the outstanding number of units of beneficiary rights falls below 1 billion units or termination is favorable to beneficiaries or in case of unavoidable circumstances.

■ This material is not a disclosure document under the Financial Instruments and Exchange Act.

■ This material has been created by Sampo Japan DC Securities for the purpose of explanation of the investment products in accordance with the "Provision of Information Regarding Investment Methods", Article 24 of the Defined Contribution Pension Law and relevant cabinet/ministerial orders, and is not intended to be a solicitation of the product.

■ This material is prepared based on data and information which Sampo Japan DC Securities, the DC plan administrator, deems reliable.