

# Principal Guaranteed <Non-life Insurance>

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

## DC Guaranteed Principal plus Accident Insurance

Nickname: Happy Aging Anny

Provider: Sompo Japan Insurance Inc.

Type of investment product	Accumulated non-life insurance
Guarantee of principal	Yes. It is a principal guaranteed investment product under DC law.
Investment period	No maturity
Expected return	Guaranteed rate will be informed

### 1 Product Characteristics

- ◆ This product is used exclusively in DC plans and has been approved as a principal guaranteed product under the DC law.
- ◆ Switching funds from this product to another product is allowed at any time and the principal is guaranteed whenever switching is made.
- ◆ A claims payment will be paid when a policy holder dies as a direct result of an injury caused by an accident.
- ◆ The product primarily focuses on savings with an additional insurance benefit.

### 2 Investment Management Process

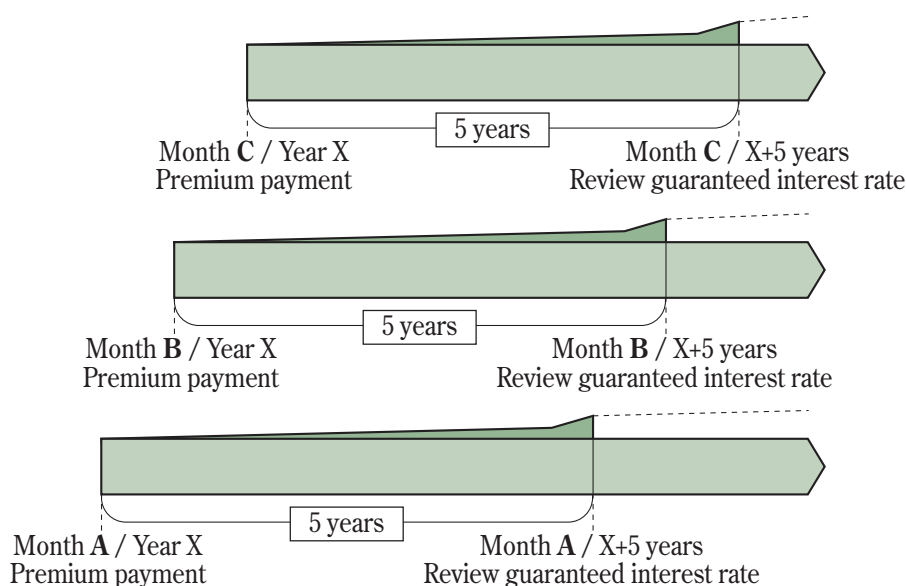
- ◆ Funds allocated to this product will be paid as an insurance premium and managed by the insurance company.
- ◆ There is no maturity for this product.
- ◆ A guaranteed interest rate\* will be applied.

\* The guaranteed interest rate is effectively the average annual interest rate for the product over 5 years. The refund amount after 5 years of holding funds in the product is determined at the date of purchase. The guaranteed interest rate is then calculated based upon this amount as shown below. (Please see <4. Summary of the Insurance Contract> for refund)

$$\text{Guaranteed Interest Rate} = \frac{\text{Amount of refund after 5 years of holding} - \text{Premium paid}}{5 \text{ years}} \div \text{Premium paid} \times 100$$

- \* The guaranteed interest rate is determined through consideration of market interest rates on a monthly basis. (An interest rate will be posted on the AnswerNet.)
- \* The guaranteed rate applied at the time of premium payment is fixed for 5 years. The guaranteed interest rate applied to each premium payment will be reviewed every 5 years.
- \* The guaranteed interest rate will not be applied when a redemption is made within 5 years after purchasing. When a redemption is made within 5 years, the refunded amount corresponds to the period of holdings. (However, the refunded amount will not fall below the original principal)

## Investment Chart



## 3 Summary of the Insurance Contract

This is an insurance product based upon Defined Contribution Accident Insurance Policy conditions.

### Related Parties in an Insurance Contract

<b>Policy Holder</b>	The party who makes a contract with an insurance company. * Corporate DC: Asset Administrator * Individual DC: A financial institution consigned by NPFA*
<b>Insured Person</b>	The person who is insured. The person who allocates funds to this product.
<b>Insurance Company</b>	Sompo Japan Insurance Inc.

\* NPFA: National Pension Fund Association

### Insurance and refund

#### ■ Claim payments

- A claim payment will be paid when an insured person dies as a direct result of injuries suffered from a sudden accident.
  - ◆ A claim payment is not paid for the following cases.
    - \* Intentional and willful acts, suicide, criminal acts or conflicts by insured person.
    - \* Criminal and intentional acts of beneficiaries.
    - \* Driving without license, driving under influence of alcohol or illegal drugs.
    - \* Brain disorder, disease or criminal insanity of insured person.
    - \* Earthquake, eruption or hydraulic bore.
    - \* War, civil commotion (excluding the act of terrorism), etc.

- The total amount payable is equal to 1.1 times of the refund payable for death by disease.
- The beneficiary should inform the plan administrator when an incident occurs that requires a claim to be paid.
- The insurance company may conduct necessary research to validate the claim being made by the beneficiary.
  - \* Beneficiary is the person who is the recipient of the death lump-sum payment stipulated in the DC law.

### ■ Refund for death by disease

- A refund of the funds in the product will be paid if death occurs by events other than those allowed under a claims payment.

### ■ Refund

- A refund of the funds in the product will be paid when switching to another product or when partially redeeming for the purposes of receiving benefits.

## 4 Individual Asset Amount

The amount to be paid out in case of redemption due to switching or applying for benefit payment(s).

## 5 Other Important Matters

- ◆ All claim payment and refund are paid to the policy holder who is the asset administrator. The asset administrator then pays benefits to DC participants or beneficiaries based upon their requests.
- ◆ This product is not special account type which reflects the performance to the interest rate.

## 6 Trading Information

- ◆ Investment in this product is made by purchasing the product with monthly DC contributions or transferred assets or by switching into the product using asset previously invested in other products.
- ◆ Trading instructions must be submitted to the AnswerNet or the AnswerCenter.

### \*Switching

Investors are allowed to sell (liquidate) all or a part of the product and purchase other products. When making investment instructions, investors should redeem and purchase products at the same time. An instruction for a redemption alone is not acceptable.

### \*Partial redemption

A single premium payment will be considered as a single contract, and the refund is calculated separately for each contract. The total amount of refund will be managed as an individual asset. In the case of a partial redemption, contracts are redeemed on a pro-rata basis. It is not possible to designate specific contracts for redemption.

### Purchase (Premium payment)

Trading Unit	1 yen or more, in whole yen
Applied Guaranteed Rate	The rate as of the date following the payment notification date
Beginning Date of Insurance Coverage	The date following the payment notification date
Fees	None

### Sell (Liquidation)

Trading Unit	1 yen or more, in whole yen
Fees	None
Taxes	No income or local tax is imposed on profits from sale of holdings (liquidation) in a Defined Contribution pension plan.
Payment	As a rule, on the fourth business day from the payment notification date

## Purchase (Premium payment)

If the investment instructions are received before midnight on the day before the date of contribution payment or converted assets to the asset administrator, the payment notification date will be the business day following the day of payment.

\* For individual DC plans, a payment notification is made on the day specified by the NPFA following the payment to the plan administrator consigned by the NPFA, which is the payment notification date.

## Switching

### ●Partial redemption

For investment instructions received before midnight of a business day, the payment notification date will be the following business day.

\* The insurance company calculates the refund amount based upon this payment notification date.

### ●Purchase (premium payment)

Investment instructions should be made at the time of redemption. However, the premium payment date will be the date of wiring the redeemed money to an asset administrator or to an asset administrator consigned by the NPFA.

## 7 Asset Protection

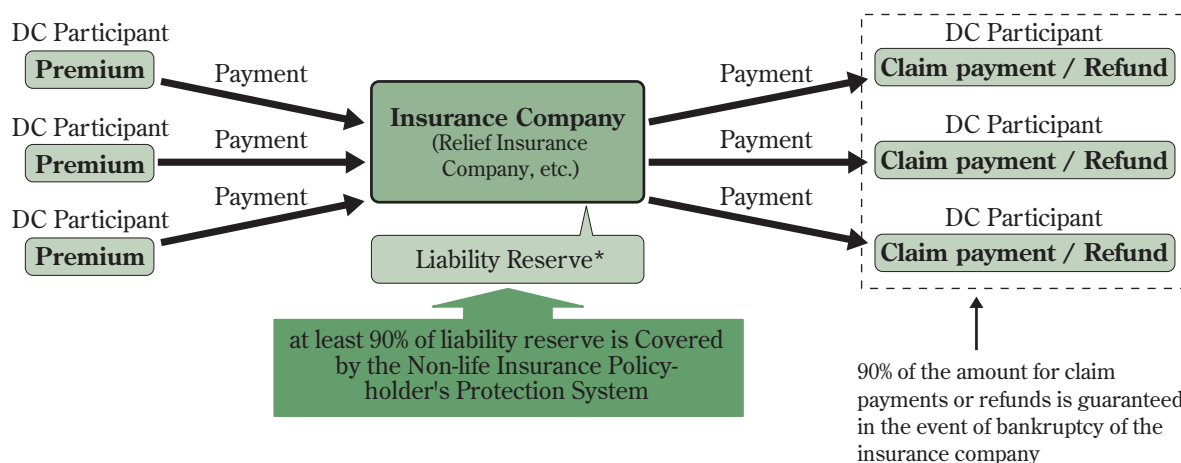
In the cases where there are changes to the initial terms following procedures prescribed by law when an insurance company goes bankrupt or encounters difficulties in terms of business or financial conditions, the amount of the claim payment and the refund may be reduced or frozen for certain periods of time.

This investment product is under the protection of the Non-life Insurance Policyholder's Protection System. In the cases where the insurance companies become bankrupt, up 90% of the claim payment or refund will be covered.

There is a possibility that the insurance company could change the expected interest rate after bankruptcy. In this case, the amount of claim payment and refund may fall below the covered amount.

\*The condition of insurance protection system may change due to the amendment of the regulation.

If you wish to have more detailed information regarding the Non-life Insurance Policyholder's Protection System, please call the AnswerCenter.



\* Liability reserve: The assets that an insurance company reserves from collected premiums and manages for future claim payments or refund.

(As of May 2014)

■ This insurance product is under the protection of the Non-life Insurance Policyholders Protection System.  
 ■ This material has been created by Sompo Japan DC Securities for the purpose of explanation of 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 Sompo Japan DC Securities, the DC plan administrator, deems reliable.