

Can I choose any type of investment products once I determine the asset allocation?

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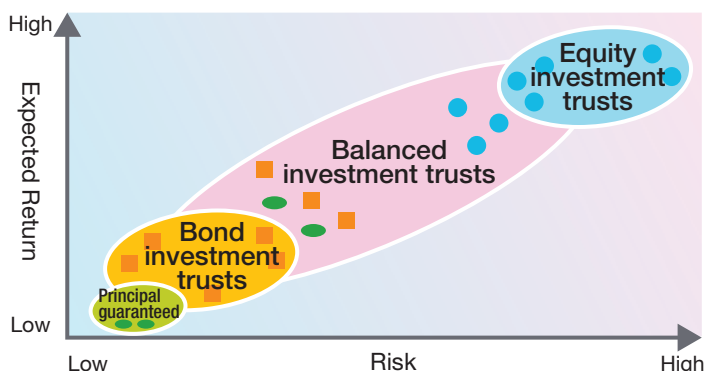
You will select your investment products from the specified products lineup.

■ **For principal guaranteed investment products, select from insurance products and savings.**

■ **For equities and bonds, select from the lineup of investment trusts.**

Investment trusts invest in a number of different securities to provide diversification. Investment trusts can be classified roughly into “equity”, “bond” and “balanced” trusts. The equity investment trusts invest in individual equities while the bond investment trusts invest in individual bonds.

The balanced investment trusts combine equity and bond investments.



Under your DC plan, you do not invest in equities and bonds directly but through investment trusts which invests in equities and bonds.

- **Individual Stocks**
e.g. “XX Auto.” “YY Appliance” ...
- **Bonds**
e.g. “XY Government Bond”,
“ZX Corporate Bond” ...

Investment trusts are allocating their assets to various different stocks and bonds.

Summary

Select your investment products from principal guaranteed investment products and investment trusts.



Tips

For "structure and features" and "types" of investment products, refer to Chapter 7.

Investment Trusts These investment products invest in equities, bonds and other vehicles with price fluctuations. Therefore, the asset balance may fall below the principal, but high returns can be expected. When exceeding the principal When falling below the principal	Principal Guaranteed Investment Products These investment products add a certain interest to the principal, as with insurance and bank deposits. In principle, the principal is secured, but high returns cannot be expected. In the case of inflation, you may not be able to secure substantial purchasing power. Save (savings) Interest will be paid in addition to the principal.	Categories by Asset Class - Japanese Equities: Invests in Japanese equities (includes large caps, mid-sized caps, and small caps) - Foreign Equities: Invests in foreign equities (includes equities of developed countries and emerging markets) - Japanese Bonds: Invests in Japanese bonds (includes Japanese government bonds, municipal bonds and corporate bonds) - Foreign Bonds: Invests in foreign bonds (includes bonds of developed markets and emerging markets) - J-REITs: Invests in J-REITs (real estate investment trusts) - Foreign REITs: Invests in foreign REITs (real estate investment trusts) - Balanced: Invests mainly in both Japanese and foreign equities and bonds shown above. This investment is conducted with a balanced combination of these asset classes.	Structure of products You pay (deposit) funds to an insurance company or a bank for a certain period of time. Once the defined period (a period during which a guaranteed interest rate applies, or a term of deposit) has passed (at maturity), the interest will be added (calculated based on the guaranteed interest rate upon the payment or deposit. If you sell the product before maturity, this results in early redemption). Non-life Insurance (Accumulated equity investment) Even if you redeem before maturity, this does not cause the asset balance to fall below the principal. In this case, the guaranteed interest rate is lowered. In the case of death due to injury caused by an accident during the investment period, the amount to be received will be increased more than the case of death due to a disease. Expected Return Interest (principal + guaranteed interest rate) Life Insurance (Accumulated equity investment) If you redeem before maturity, an accumulation charge can be applied which may cause the asset balance to fall below the principal. You can choose term maturity insurance. In the case of death due to injury caused by an accident during the investment period, the amount to be received will be increased more than the case of death due to a disease. Expected Return Interest (principal + guaranteed interest rate) Bank Deposits (Fixed deposits, etc.) If you redeem before maturity, the applicable interest rate may be lowered. Expected Return Interest (principal + applicable interest rate)
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How can I select specific investment products?

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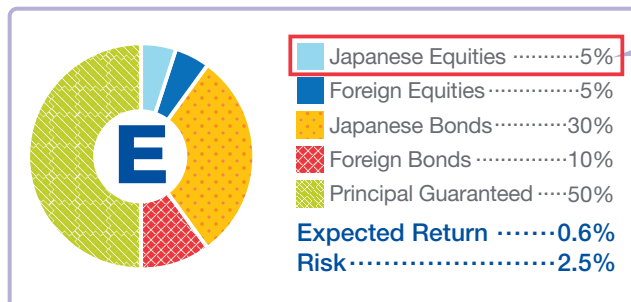
Select your investment products by referring to explanatory materials (such as the Investment Product Lineup).

Pattern I

Select your products from both principal guaranteed products and investment trusts to build a portfolio to align with your asset allocation models.

In this example, firstly, select products which invest in Japanese equities and allocate 5% of your portfolio to these products.

You can select one product or multiple products of which total will make up 5% of the portfolio. Select other products in a similar manner. Product details are shown in the Investment Product Guide.



<Investment Product Lineup>

Products other than Principal Guaranteed (Investment Trust)			
Product Name	Japanese Equity Index Fund DIO		
Company	DO Asset Management	Asset Management Fee (annual, including tax)	0.000%
Investment Style	Passive	Partial redemption charge	None
Characteristics	Invests in Japanese equities and aims to perform in line with the benchmark (TOPIX, without dividends).		
Reason for Selection	The management company has a stable management foundation. With consistent investment performance, the management company is rated as suitable both in qualitative and quantitative aspects by a professional third party evaluator. The investment process has been established and long-term stable investment can be expected. The product has been selected as a passive fund which invests in Japanese equities.		
Product Name	Japanese Equity DIO Value Fund		
Company	DO Asset Management	Asset Management Fee (annual, including tax)	0.010%
Investment Style	Active	Partial redemption charge	When Selling 0.3%
Characteristics	Invests in value-oriented Japanese equities and aims to outperform the benchmark (TOPIX, dividends included) in the middle to long term.		
Reason for Selection	The management company has a stable management foundation. With consistent investment performance, the management company is rated as suitable both in qualitative and quantitative aspects by a professional third party evaluator. The investment process has been established and long-term stable investment can be expected. The product has been selected as an active fund which invests in Japanese equities.		

For features of investment products, refer to Chapter 7 "Understanding Investment Products".

* Example based on the Asset Allocation Worksheet.

See page **P.39**

You can select investment products from each asset class.

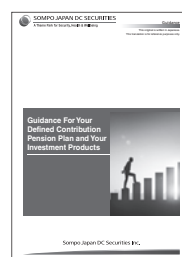
Summary

Combine investment products on your own to build a portfolio that aligns with your asset allocation models.



Tips

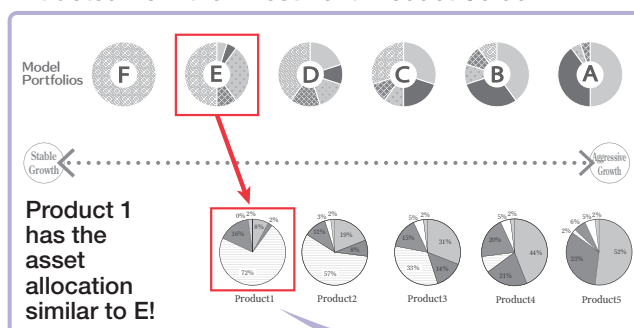
Select your investment products based on the "Guidance For Your Defined Contribution Pension Plan and Your Investment Products". Materials concerning investment performance are also available.



Pattern II

Choose the product of which asset allocation meets your needs from the balanced investment trusts.

Extracted from the Investment Product Guide



By checking the “Investment Product Guide” of the balanced funds which show the asset allocation mix of the funds, you can find the product with the asset allocation similar to your model.

<Investment Product Lineup>

Products other than Principal Guaranteed Investment Trusts			
Product Name	Balanced Fund 1		
Asset Management	Asset Management	Asset Management Fee	\$0.34500%
Category	Balanced	Fixed Asset Allocation	
Investment Style	Passive	Partial redemption range	None
Investment ratio of global equities: 10% in principle.			
The management company has a stable management foundation.			
While consistent investment performance, the management company is rated on suitable both in qualitative and quantitative aspects by a professional third-party evaluator.			
The investment process has been established and long-term stable investment can be expected.			
The product has been selected as a passive balanced fund which invests in equities and bonds, etc.			
Product Name	DOC Target Year Fund 2035		
Asset Management	Asset Management	Asset Management Fee	\$0.34500%
Category	Balanced	Target Date	
Investment Style	Active	Partial redemption range	None
The management company has a stable management foundation.			
While consistent investment performance, the management company is rated on suitable both in qualitative and quantitative aspects by a professional third-party evaluator.			
The investment process has been established and long-term stable investment can be expected.			
The product has been selected as an active balanced fund which invests in equities and bonds, etc.			

For example, if your model allocation is E, select Product 1.

For features of investment products, refer to Chapter 7 "Understanding Investment Products".

* Example based on the Asset Allocation Worksheet.

See page **P.39**

You can select investment products with predetermined asset allocation.

Summary

Select balanced investment trusts to build a portfolio that aligns with your asset allocation models.



Check

The balanced funds are the products of which allocation ratio is fixed and maintained. Therefore, if you wish to adjust risk and return, you need to combine other investment products with the balanced funds in your portfolio. For instance, you can reduce the risk level by combining the principal guaranteed investment product with the existing balanced funds for yourself. You should also take into account its effect on your return.

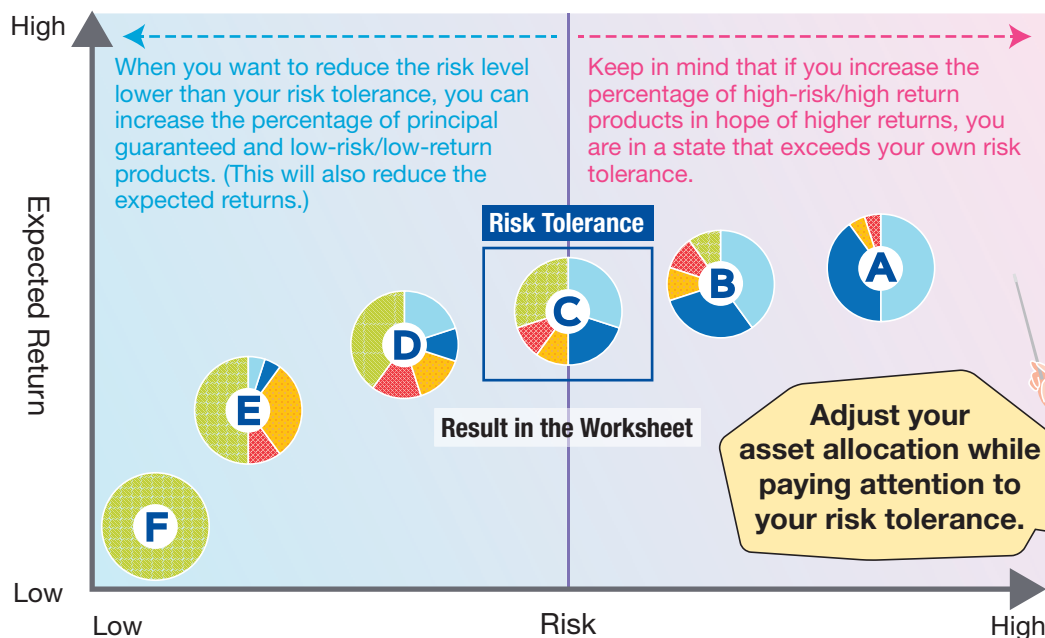
Example



Do I have to allocate my assets exactly the same way shown in the result of the Worksheet?

Point No, you don't necessarily have to.

Adjust your asset allocation while paying attention to your risk tolerance.



* The above is an example of asset allocation adjustment. It is the individual's responsibility to determine their own asset allocation.

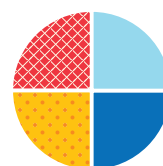
Summary

Adjust your asset allocation as needed by referring to other risk / return examples and select your investment products.

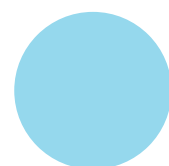


Check

You can also determine your asset allocation without reference to the result of the Worksheet. You may also decide your asset allocation by taking into consideration factors such as your assets other than the DC pension plan.



(e.g.)
Invest 25%
in each asset



(e.g.)
Invest 100%
in the same asset

There are different types of balanced products in the Investment Product Lineup. What are they?

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Balanced products are subclassified according to the way to change asset allocation.

Classification of balanced products	Change of asset allocation
Fixed Asset Allocation type	No change A fixed asset allocation is maintained.
Target Date type	Change over time The date of retirement is assumed as the target date. Asset allocation is gradually shifted from aggressive investment to stable investment as it get closer to the target date.
Risk-control type	Change according to the market environment Asset allocation is modified in order to limit the risk level to a certain range.

See page P.43~44 for tips on how to select products.

Some classifications may not be available depending on the plan in which you participate.



Summary

Select investment products which will suit your needs.



Tips

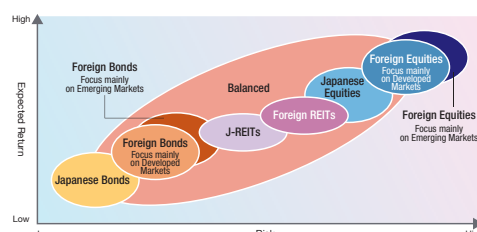
When J-REITs and Foreign REITs are included in the Investment Product Lineup

You may expect further diversification effect by including REITs in your portfolio.

REITs are investment trusts which invest in real estate. In selecting REITs, keep in mind that REITs carry relatively high risk similar to equities.

See page P.47~48

Risk and Return in Investment Trusts



What are the procedures I need to take after selecting my investment products?

Point

Allocate your contributions among the products you have selected and designation of allocation ratios to these products.

Make contribution instructions via any of the following:

Methods for designation of allocation ratio

○ AnswerNet (Website for participants)

- 24 hours a day
(excluding system maintenance hours)



Smart Phone



○ AnswerCenter (Call center for participants)

Please check our website for business hours.



The allocation ratio you have specified will be applied to your contributions unless you make changes to it through specified procedures. The allocation ratio can be changed anytime.

Make sure
you designate
your allocation
ratio.



Summary

You can use one of the methods to designate your allocation ratios.



Check

Monthly deadline to make contribution instructions is the day prior to the contribution date.

Example schedule of the case where the contribution date is the 25th day



* Trade instruction will be made on the business day following the contribution date.