

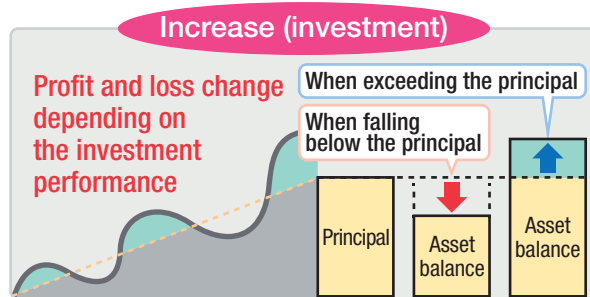
Types of Investment Products

Major Types of Investment Products available under DC Plan

Investment products that can be selected under DC plans can be classified into two main types:

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.



<Features>

① Principal is not guaranteed.

There is a possibility of loss of principal invested as the price of the investment trust fluctuates.

② There is no guarantee that you can profit at a fixed rate.

Unlike principal guaranteed investment products, there is no guarantee that you can profit at a fixed rate. The unit price of the investment trust fluctuates daily, depending on the performance of the securities held by the fund, thus either profits or losses are generated. It is important to understand the specific features and characteristics of each investment product.

③ There is no maturity.

Investment trusts have no maturity date which means the investment will remain in effect until you decide to redeem through switching.

* Trust Periods of Investment Trusts

As a general rule, the investment periods for investment trusts offered under the DC pension plan (called "maturity" for bank deposits) are indefinite. However, an investment trust may become terminated (i.e. advanced redemption) due to an unavoidable situation at the management company's discretion.

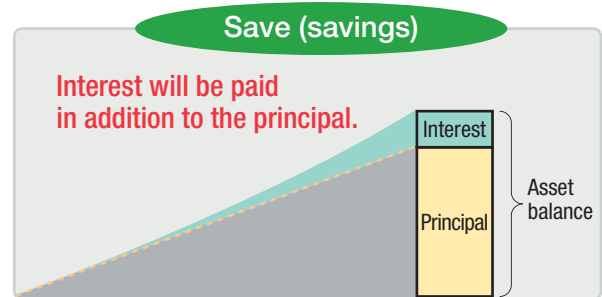
<Points to check in investment products>

- Asset classes: Equities/Bonds /REITs
- Management Style: Passive Management/Active Management
- Cost: Asset management fee, Partial redemption charge
- Investment performance: Return, Risk

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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.



<Features>

① Principal is protected.

The principal will be secured when held until maturity (a fixed period for a guaranteed interest rate, or a term of deposit).

* For some of the insurance products, an early redemption fee can be applied, which could result in reduction of the principal amount. Please see the Investment Product Guide for more details.

② Interest will be paid in addition to the principal.

Calculated interest based on a predetermined rate will be paid in addition to the principal.

* In the case of early redemption, an interest rate lower than the predetermined guaranteed interest rate or interest rate may be applied.

③ Automatic renewal at maturity

Upon maturity, the initial principal and interest payment (the new principal) will be automatically reinvested. In such a case, the guaranteed interest rate or interest at the time of automatic renewal will apply.

<Points to check in investment products>

- Guaranteed interest rate, Interest rate
- Guarantee period with a guaranteed interest rate, term of Deposit
- Early redemption

See page **P.55**~

Investment trusts and Principal guaranteed investment products (Simulation based on long-term and diversified investment)

Investment trusts and principal guaranteed investment products are different in their characteristics of “increase” and “save,” respectively. To offer a concrete image, a long-term simulation based on past records is provided below. As for investment trusts, long-term and diversified investments were conducted to reduce risk.

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[Investment trusts] Diversified investment in 4 asset classes of Japanese Equities, Foreign Equities, Japanese bonds and Foreign bonds.

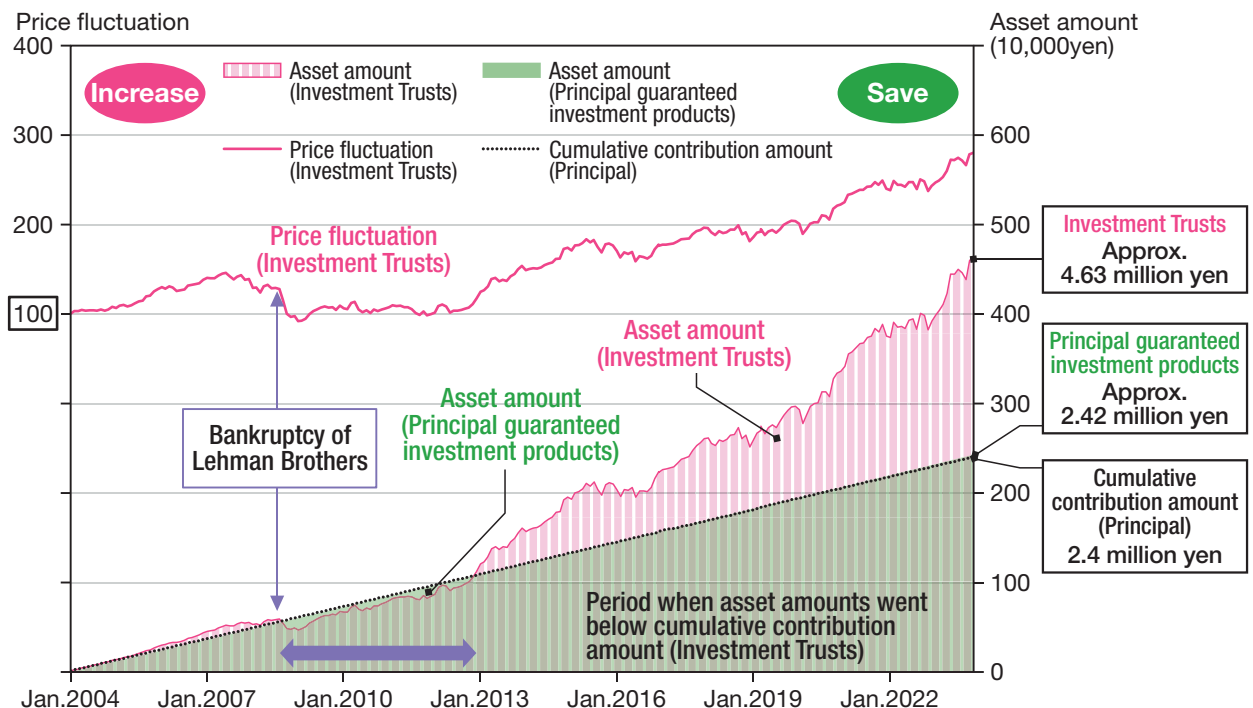
[Principal guaranteed investment products] Accumulated Accident Insurance.

* The calculation is based on indices and interest rates that show market price fluctuations rather than focusing on specific products, and does not take into consideration expenses and taxes related to investment.

[Long-term investment] Investment period of 20 years. The investment period includes the years around 2008, when a major market fluctuation took place as a result of the Lehman Brothers bankruptcy.

[Diversification of time (regular investment)] Reserve 10,000 yen every month.

- After the bankruptcy of Lehman Brothers, the asset amount of the investment trusts became lower than the principal for a period of time, but have exceeded the principal following the recovery of the market. On the other hand, the asset amount of the principal guaranteed investment product have never fallen below the principal.
- The asset amount of each investment product shows the different investment style to “increase” or “save”.
- Under a DC plan, you will receive invested assets. Therefore, you should consider these differences when investing.



Investment period of 20 years (January 2004 to December 2023)

Left axis: Price fluctuation when the end of January 2004 is defined as “100”

Right axis: Changes in asset amount and cumulative contribution amount when 10,000 yen is reserved every month

<Source> The figures for the principal guaranteed investment product are calculated by our company using the guaranteed interest rate of the accumulated accident insurance.

The figures for the investment trusts are calculated under the assumption that 25% of the contributions is invested in each of the 4 asset classes: Japanese equities, foreign equities, Japanese bonds and foreign bonds, and rebalanced at the end of each month using the following indices:

Japanese Equities: TOPIX(dividend included), Foreign Equities: MSCI-Kokusai (in JPY, without dividends)

Japanese Bonds: Nomura BPI (Overall), Foreign Bonds: FTSE World Government Bond Index (ex Japan, in JPY)

◆ This chart is created for informational purpose only by Sompo Asset Management Co., Ltd. and is not intended as a solicitation of an investment.

◆ This chart is created based upon information that Sompo Asset Management Co., Ltd. considers to be reliable, but they do not guarantee its accuracy or thoroughness.

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