

Q&A Frequently Asked Questions

Q1 Can you tell me which investment product I should choose?

- A** Plan administrators are prohibited by laws from recommending a specific investment product to participants. We offer information regarding investment products and past results as a reference for selecting investment products.
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Q2 How many investment products can I choose?

- A** You may choose any number of investment products provided under the plan you participate in. No fee is charged upon purchase.
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Q3 Will I be charged any fees while holding investment products?

- A** Holding an investment trust requires fees such as an asset management fee. Net asset values per unit and returns are obtained after deducting asset management fees.
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Q4 Can I change my investment products at any time?

- A** You can change your investment products at any time. Two methods are available: "Changing the allocation ratio" which changes the products to be purchased with future contributions; and "switching" which switches accumulated assets to other investment products.
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Q5 Will I be charged any fees when I change my investment products?

- A** Methods to change investment products are "changing the allocation ratio" and "switching". "Changing the allocation ratio" does not incur a fee. "Switching" does not incur a fee, either, but some investment products may require costs (such as partial redemption charge and redemption charge) at the time of selling and purchasing. The rate of these fees differs depending on the investment product. Sales charge is not charged in a DC pension plan.
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Q6 Is the investment subject to taxes?

- A** In a DC pension plan, investment returns (interest on deposits, and dividends and gains on sale of investment trusts) are not taxed during the investment period.

* Although accumulated assets under the DC pension plan are taxable under a special corporation tax and corporate inhabitant tax, the taxation is currently suspended.

Q7 How long can I continue investment?

- A** You can continue your investment as long as you have assets.
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Q8 What happens if a financial institution goes bankrupt?

A Defined contribution pension plans are managed by financial institutions such as plan administrators, asset administrators, and investment product providers. In case that a financial institution goes bankrupt, the accumulated assets will be influenced as follows:

- **Plan administrators:** As pension assets of participants are managed by an asset administrator, the bankruptcy of a plan administrator will cause no influence on the pension assets.
- **Asset administrators:** As a trust bank (asset administrator) manages entrusted pension assets separately from the assets of the trust bank itself, the bankruptcy of an asset administrator will cause no influence on the pension assets.
- **Investment product providers:** The handling differs depending on the investment product as follows:

Investment Trusts	The assets of an investment trust are managed as trust assets separately from the assets of the trust bank itself. Therefore, even if a management company or a trust bank of the investment trust goes bankrupt, the assets will be protected at the market price. However, this does not apply to any loss generated from the investment.
Non-life Insurance	This investment product is under the protection of the Non-life Insurance Policyholders Protection Corporation of Japan. 90% of the claim payment or refund will be covered if the non-life insurance company becomes bankrupt.
Life Insurance	This investment product is under the protection of the Life Insurance Policyholders Protection Corporation of Japan. 90% of the liability reserve will be covered if the life insurance company becomes bankrupt.
Bank Deposits	The deposit insurance system protects the principal up to 10 million yen including ordinary deposits plus its interest per financial institution.

Q9 If the investment generates a loss, will I be compensated?

A Even if the asset value after investment falls below the invested principal, the loss will not be compensated for. You are responsible for the results of the investment.

Q10 When I designate allocation ratio of my contributions to purchase an investment trust, the net asset value per unit as of when will be applied?

A According to the allocation ratio designated before 24:00 on the day prior to the upcoming contribution date, an investment trust is purchased on the day following the contribution date at the net asset value per unit as of the purchase day. Please note that the net asset value per unit is generally calculated after the end of the trading hours of the stock exchange (15:00). Accordingly, you cannot purchase an investment trust with knowledge of its net asset value per unit beforehand. The net asset value per unit of an investment trust that invests in foreign assets may be calculated on or after the following day because it is calculated after the end of the trading hours of the relevant foreign stock exchange.

Q11 I have a term I don't understand.

A Please see the explanations on the corresponding pages.

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