

NEWS RELEASE

Aozora Bank Group's Basic Policy for Customer Oriented Business Management

Tokyo June 28, 2017— Aozora Bank, Ltd. (President and CEO: Shinsuke Baba; Head Office: Tokyo) ('Aozora' or 'the Bank') today announced the establishment of "Aozora Bank Group's Basic Policy for Customer Oriented Business Management" ('Basic Policy'). This follows the adoption by the Bank, Aozora Investment Co., Ltd. and Aozora Securities Co., Ltd. of the "Principles for Customer-Oriented Business Conduct" announced by the FSA on March 30, 2017. The Basic Policy also reflects "Aozora Bank Group's Basic Policy on Fiduciary Duties" which was announced on October 25, 2016.

The Aozora Bank Group defines its management philosophy as being "firmly established in the Japanese financial system and truly committed to contributing to the social and economic growth of Japan". Accordingly, the Bank and its Group companies have made ongoing efforts to provide customer-oriented services for our Brilliant60s senior generation and other customers, as we aim to become a trusted "Primary Secondary Bank: An *Even More* Reliable Partner".

The Group and its officers reaffirm the importance of our "Commitment to a customer-oriented business approach aimed at growing customer assets". The Bank also remains committed to the highest standards of compliance, and will execute its duties with fairness and integrity to ensure the best interest of its customers. In addition, through its continued focus on customer-oriented services, Aozora aims to contribute to the sustainable social and economic development of Japan.

I . Implementation of sales initiatives

Aozora places the highest priority on contributing to the stable growth of customer assets over the medium to long term. We intend to leverage our highly-specialized consulting services to provide financial products responding to our customers' asset management needs, in addition to thorough follow-up services.

1. Provision of highly-specialized consulting services

- Aozora recommends products from our extensive product line-up which are best suited to the respective needs of our customers, based on a detailed assessment of each customer's financial knowledge, investment experience, transaction objectives, level of assets and risk tolerance.
- We offer appropriate advice to our customers, carefully explaining the characteristics of each product and the extent of the risk involved, the economic environment and market trends, while taking into consideration the financial knowledge and investment experience of each customer. For complex, high-risk products, the Bank provides more detailed explanation to ensure that customers understand our products.

2. Development of financial products beneficial to customer asset growth

- In order to better understand the diverse needs of the Bank's customers, Aozora conducts customer surveys on a regular basis, using the results to further enhance the Bank's product line-up. Aozora develops a wide range of products and services focusing on the "mid-term" and a shift "from saving to investment", through collaborations with asset management and insurance companies in Japan and overseas.
- The Aozora Bank Group works together on product development to enhance the Bank's product line-up taking into consideration the attributes and needs of our customers. In order to provide the best products and services for our customers, we also select financial products from non-Group companies as necessary. The Bank also carefully manages any conflicts of interest when developing products.
- For customers with little investment experience, the Bank offers a variety of products including low-risk type and non-complex products, and makes ongoing efforts to enhance the tools necessary for providing easily understood explanations to customers.

3. Provision of thorough follow-up services

- We strive to offer products and services matching the various life stages and plans of our customers, and provide information regarding market trends and products held by customers in order to contribute to continued asset growth.
- Aozora provides thorough follow-up services to assist customers in making appropriate investment decisions, including conveying timely and accurate information in the event of a sharp change in market conditions that may significantly affect our customers' products, and offering advice on market outlook.

II . Development of appropriate frameworks

We are committed to promoting customer-oriented sales activities through the implementation of a framework for developing human resources as well as our organization, branch, infrastructure and systems.

1. Human resource development

- Leveraging our dedicated retail training program, aimed at strengthening the consultative skills of our sales staff and enhancing compliance awareness, Aozora aims to foster a highly-skilled and professional sales team. We also provide hospitality training for our sales staff to ensure a pleasant and comfortable experience for our customers.

2. Organization

- Aozora assigns financial planners with extensive experience to each retail branch in order to respond to consultation needs requiring a high level of expertise, and provide comprehensive services catering to the asset management and succession needs of our customers.

3. Branch and infrastructure

- Aozora continues to promote branch renewals under our innovative “Urban Oasis” design concept, aimed at ensuring enhanced comfort for customers through the provision of thorough asset management consultation services in a bright yet relaxed atmosphere.
- Aozora intends to leverage FinTech, as well as increase access to services across various channels including our call center and Internet via computer or smartphone, towards further enhancing customer convenience.

4. Systems

- To ensure the utmost transparency, we explain the fees received in exchange for services offered to our customers to assist them in making decisions regarding transactions. Going forward, we also continue our efforts to increase the number of products for which fees are disclosed.
- We intend to utilize the feedback received from customers through our call center and other mediums to further enhance our services as well as product design. In addition, we will conduct customer satisfaction surveys periodically to better understand the diverse needs of our customers.
- In order to develop a results assessment framework, Aozora will conduct ongoing verifications and reviews to ensure the provision of highly-specialized, quality consulting services in line with a truly customer-oriented sales approach.

III. Follow-up by the Social/Business Value Creation Conference

In July 2015, the Bank established Aozora’s Social/Business Value Creation Conference. Through this management level conference, Aozora promotes bank-wide initiatives aimed at creating social value through our Group’s business activities. As part of these efforts, the conference will follow up on activities implemented based on the Basic Policy, and in so doing further strengthen our efforts to fulfill Aozora’s policy on customer oriented business management. The Bank will disclose its efforts to promote customer-focused services on a regular basis.

End

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