



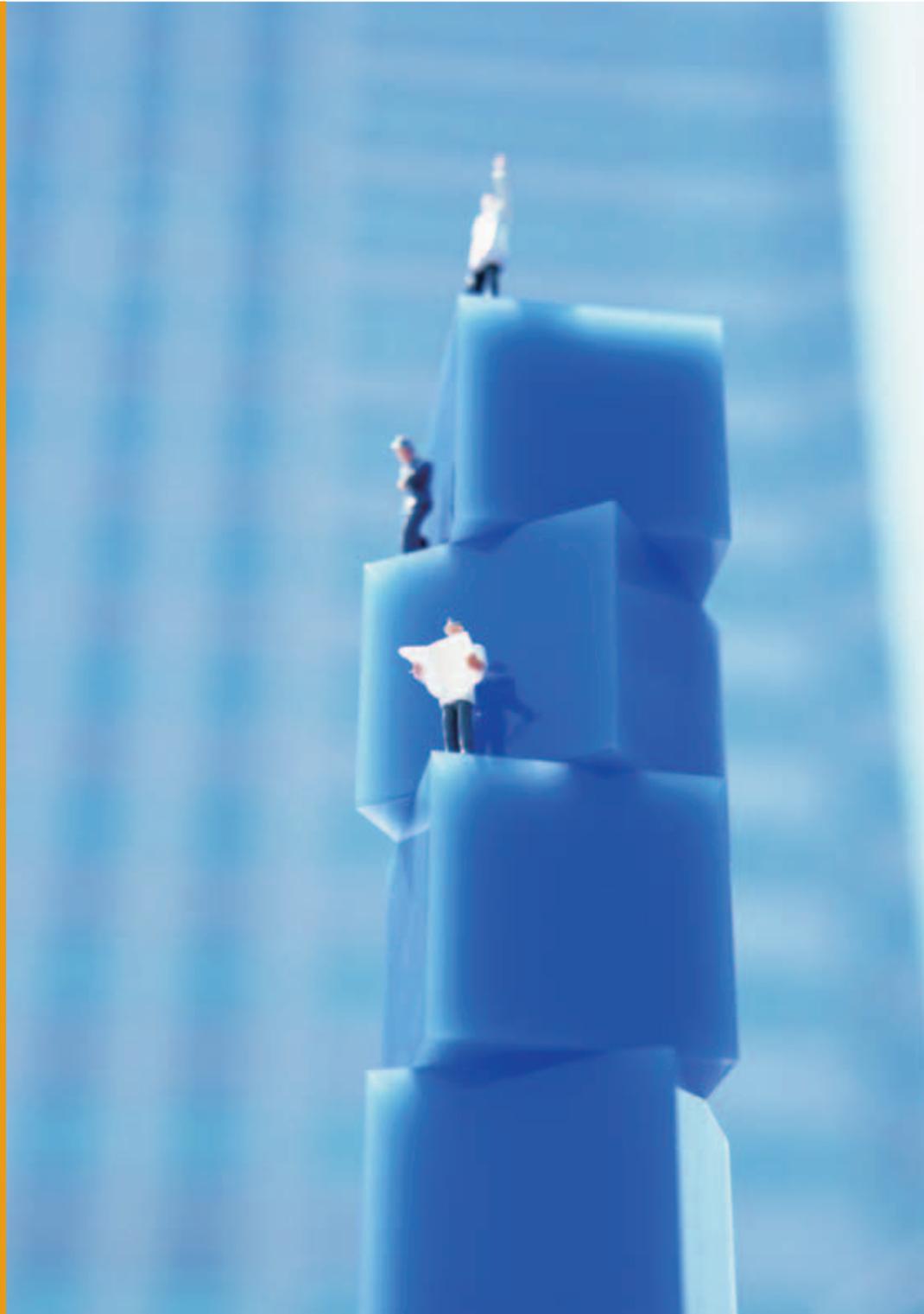
SOMPO  
HOLDINGS

Innovation for Wellbeing

# Defined Contribution Pension Plan (Corporate Type)

## Procedure Guidebook

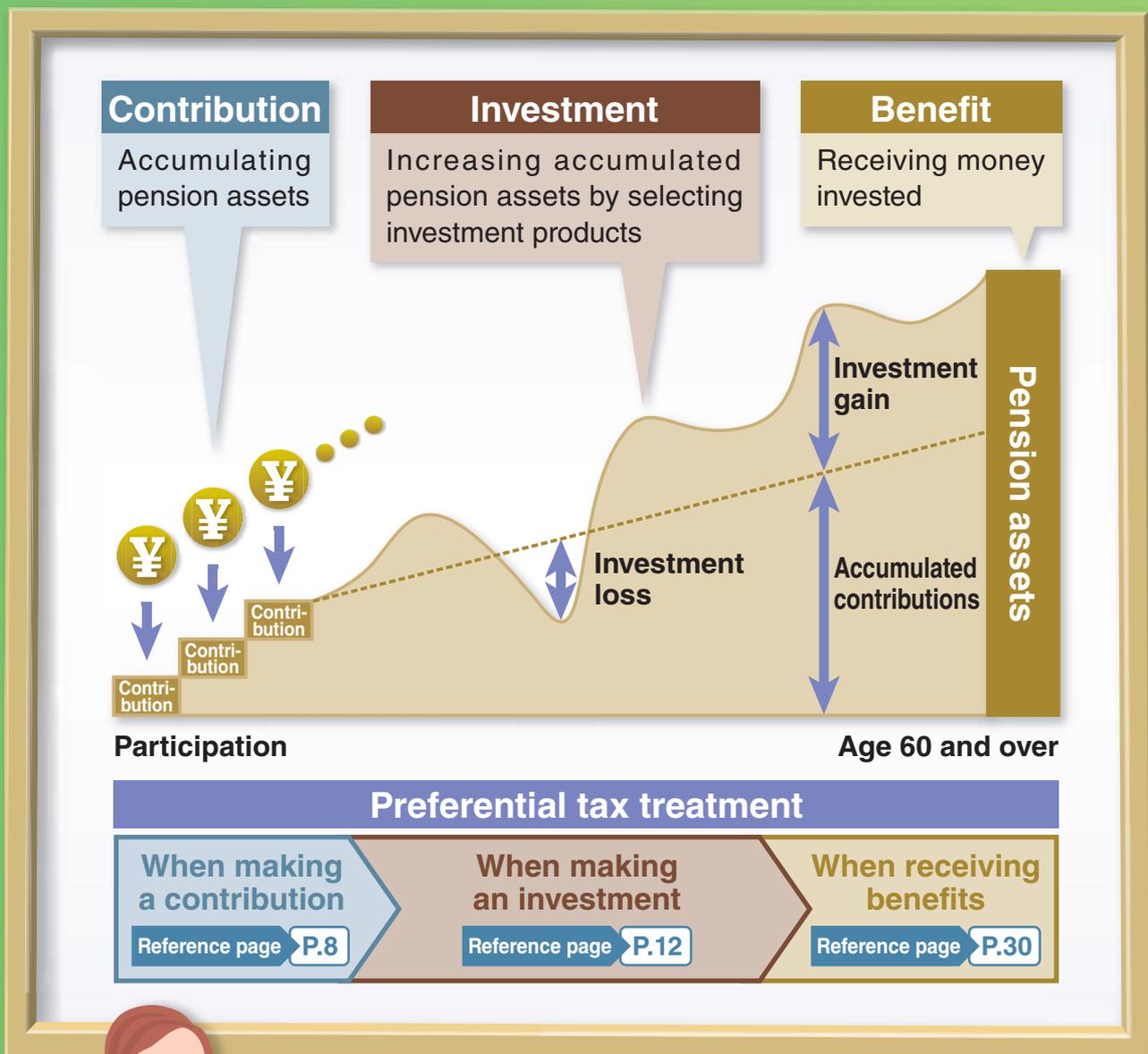
~Explanation of plan contents and procedures~



Sompo Japan Nipponkoa DC Securities

This translation of the original Japanese document is provided for reference purposes only.

**The Defined Contribution Pension Plan (DC plan)** is a pension scheme offered to help stabilize the post-retirement lives of participants of the scheme, whereby contributions made by plan sponsors or participants are invested based on a participant's own judgment and benefits are receivable based on investment performance results (pension assets) under preferential tax treatment.



# Contents

Page

<b>Main points of each chapter</b> .....	<b>3 to 6</b>
<b>1 What is a Defined Contribution Pension Plan?</b> .....	<b>7 to 10</b>
Pension plans in Japan and positioning of DC plans.....	7
Types of DC plan.....	7
Contributions to DC plan.....	8
Roles of corporate-type DC plans.....	9
Measures relating to protection of participants, etc.....	9
Points to be noted for corporate-type DC plans.....	10
<b>2 Participation procedures</b> .....	<b>11 to 18</b>
Necessary procedures.....	11
Investments.....	11
Designation of contribution allocation ratios.....	12
How to designate allocation ratios via AnswerNet.....	14
Asset rollover.....	17
<b>3 Procedures for current participants</b> .....	<b>19 to 26</b>
Confirming asset status [AnswerNet].....	19
Confirming asset status [Account Statement for Defined Contribution Pension Plan].....	21
How to change investment products.....	23
How to change investment products via AnswerNet.....	25
<b>4 Procedures for receiving benefits</b> .....	<b>27 to 30</b>
Types of benefits.....	27
Procedure.....	29
Preferential tax treatment, etc. applicable to benefits when you receive.....	30
<b>5 Procedure required when you retire from the company before the age of 60</b> ..	<b>31 to 34</b>
Things you need to confirm and understand before your retirement.....	31
Post-retirement procedure.....	32
Filing a claim for early lump-sum payment.....	34
<b>6 Other</b> .....	<b>35 to 36</b>
Other procedures.....	35
Tax calculation for retirement benefits.....	36
<b>User's Guide to AnswerNet</b> .....	<b>37 to 38</b>
<b>Terms and Conditions for the Defined Contribution Pension Plan</b> .....	<b>39 to 40</b>
<b>Terms and Conditions for Sompo Japan Nipponkoa DC Securities AnswerNet (for the defined contribution pension plan)</b> .....	<b>41</b>
<b>Handling of personal information</b> .....	<b>42</b>

**1**  
What is a Defined Contribution Pension Plan?

**2**  
Participation procedures

**3**  
Procedures for current participants

**4**  
Procedures for receiving benefits

**5**  
Procedure required when you retire from the company before the age of 60

**6**  
Other

## Telephone and Internet services are available.

### Telephone inquiries (AnswerCenter)



Weekdays: 4:00 A.M. to 8:00 P.M.  
(Excluding year-end and New Year holidays,  
May 3 through May 5, and maintenance days)  
From overseas: 03-5325-6303 (non-toll free telephone number)

This telephone inquiry service is available free of charge nationwide. Operators having adequate knowledge and experience respond to your inquiries about procedures, etc.

### Via the Internet (AnswerNet)



24 hours a day  
(excluding system maintenance hours)

Using this Internet-based service, you can make balance inquiries, change investment products, and confirm the latest information related to investment products.

# Main points of each chapter:

The main points of each chapter are explained.

## Introduction

### First, please check that you have received your Starter Kit and “Notice of Opening an Account”

\*The Starter Kit and “Notice of Opening an Account” are mailed to you separately.

#### ☉ Check the items included in the Starter Kit.

#### Guidance for Your Defined Contribution Pension Plan and Your Investment Products

[Outline of DC Plan]

- My DC PLAN

[Information about investment products]

- Investment Product Lineup
- Investment Product Guide
- Investment Trusts

[Investment performance results related to investment products]

- Performance Sheet
- Interest Rate Report, explanatory material for DC plans (data sheets), Monthly Returns
- How to read the explanatory material for DC plans (data sheets)

#### Procedure Guidebook

#### Welcome to the World of Investing!

#### Asset Allocation Worksheet

#### Employee Matching Contribution Guidebook (see Note 1)

#### Return envelope (see Note 2)

\*Contents displayed represent main items.

Note 1: Enclosed only in case matching contributions are made

Note 2: Please use it when you submit your documents to us.

#### ☉ Confirm “Notice of Opening an Account”

☒ Please confirm the registration contents described (e.g. address). If any corrections, etc. are necessary, please contact your employer’s pension section (e.g. Personnel Department) promptly.

☒ To use AnswerNet, please input your login ID and temporary password shown in the notice.

Using AnswerNet, you can designate allocation ratios and confirm investment product details and program contents, etc.

Reference page P.14, P.37 to 38

## 1 What is a Defined Contribution Pension Plan ?

### Understand DC plans and confirm the contents of the plan your employer offers.

#### ☉ Understand DC plans.

☒ You need to understand DC plans before accumulating your monthly contributions and making investments.

Reference page P.7 to 9

☒ Please confirm “Points to be noted for Corporate-type DC plans.”

Reference page P.10

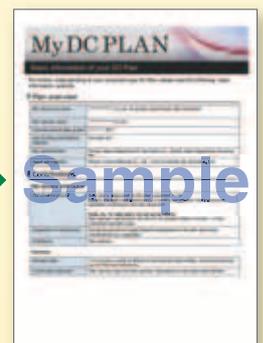
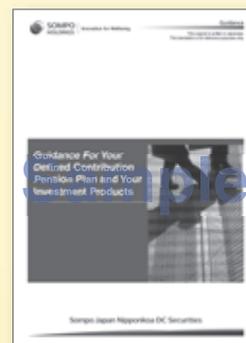
#### ☉ Confirm the contents of the plan your employer offers.

☒ Please confirm the contents of the DC plan your employer offers (e.g. how to calculate monthly contributions).

The contents of a DC plan are determined under the relevant corporate-type DC plan document. The outline of your corporate-type DC plan can be confirmed via “My DC Plan” and others contained in “Guidance for Your Defined Contribution Pension Plan and Your Investment Products.” The latest corporate-type DC plan document and “My DC Plan” are available via AnswerNet.

Refer to the booklet

Guidance for Your Defined Contribution Pension Plan and Your Investment Products “My DC Plan”



# From participating in a DC plan to receiving benefits

## 2 Participation procedures

You need to understand the basics of investments and investment products before designating your allocation ratios (ratios for purchasing investment products).

### ◎ Confirm the necessary procedures

☞ You need to confirm the procedures that must be completed immediately after you participate.

Reference page **P.11**

Refer to the booklet

Welcome to the World of Investing!



### ◎ Understand the basics of investing.

☞ First, please refer to “Welcome to the World of Investing!” so that you can understand the basics of investing and determine your allocation ratios.

Reference page **P.11 and 12**

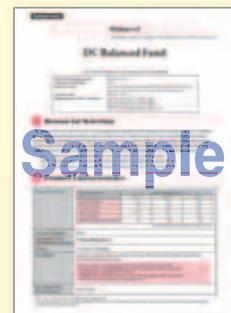
### ◎ Understand the investment products you can select in the plan your employer offers and the contents of these products.

☞ After understanding the basics of investing, you need to understand the investment products you can select in the plan your employer offers and the contents of those products.

You can confirm the investment products that can be selected via the “Investment Product Lineup,” “Investment Product Guide,” etc. contained in “Guidance for Your Defined Contribution Pension Plan and Your Investment Products.”

Refer to the booklet

“Investment Product Lineup” and “Investment Product Guide” contained in Guidance for Your Defined Contribution Pension Plan and Your Investment Products



Sample

Sample

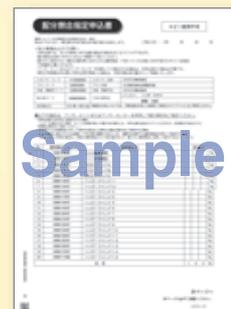
### ◎ Designate your contribution allocation ratios.

☞ You can designate your contribution allocation ratios via AnswerNet or AnswerCenter. In case Asset Allocation Sheet is enclosed in “Notice of Opening an Account,” you can use it when designating your allocation ratios.

Reference page **P.12 and 13**

Refer to the document form

Application form for designation of allocation ratios



Sample

In case you roll over assets, etc. from other pension plans (About asset rollover)

Reference page **P.17 and 18**

Continue to the next page.

# From participation participating in a DC plan

## 3 Procedures for current participants

Please confirm the status of your asset investments regularly and consider changing investment products depending on the situation.

### ③ Confirm your asset status.

To make an investment based on your own judgment, you need to regularly confirm your asset status. "Account Statement for Defined Contribution Pension Plan" is mailed to you every year. You can also confirm your asset balance via the AnswerNet or AnswerCenter at any time.

Reference page P.19 to 22

### ④ Confirm whether your investment is appropriate when considering your asset status.

Please confirm your asset status and investment policy (stance).

### ⑤ Consider whether to change your investment products (asset allocation).

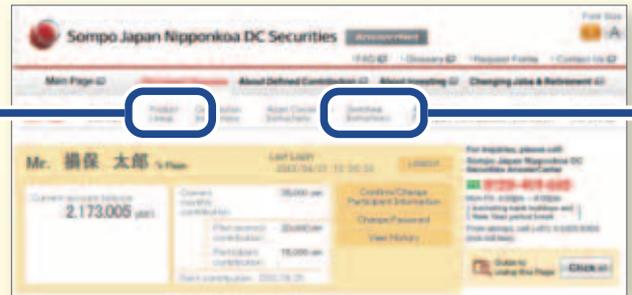
When considering changing your investment products, please confirm the latest information about them. AnswerNet shows your Performance Sheet, Interest Rate Report, Monthly Returns, explanatory material for DC plans (data sheets), etc.

### ⑥ Change investment products based on the results of your consideration.

Change investment products by switching or changing contribution instruction. You can complete the necessary procedure via AnswerNet or AnswerCenter.

Reference page P.23 to 26

### AnswerNet



Continued from the previous page.

# to receipt receiving of benefits (continued)

## 4 Procedures for receiving benefits

### Receive benefits from your invested pension assets.

#### ☉ Confirm the benefit type.

 Benefits are classified into three types (i.e. retirement benefits, disability benefits, and lump-sum death benefit). Please confirm the applicable situations for respective benefits.

Reference page **P.27 and 28**

#### ☉ File a claim for benefits.

 To receive benefits, you need to complete the necessary procedures for each benefit type.

#### (Retirement benefits)

A “Notice Relating to DC Plan and Retirement Benefits” will be sent to you before you reach the age of loss of participation eligibility in accordance with the corporate-type DC plan document.

\*The notice describes the date when you obtain eligibility to claim benefits. On or after this date, you can file a relevant claim. 

Please contact the AnswerCenter and obtain a claim form. You can receive benefits during or after the month following the month in which you submit your claim form.

Reference page **P.29**

\*In case the age of loss of participation eligibility is over 60 years of age in accordance with the corporate-type DC plan document, “Notice of Loss of Participant Eligibility and Retirement Benefits for Corporate-Type DC Plan” is sent to participants aged 60 years or older who retire before reaching the age of loss of participation eligibility.

#### (Disability benefits/Lump-sum death benefit)

If you have grounds to file a claim for benefits, please contact the AnswerCenter and obtain a claim form.

## 5 Procedure required when you retire from the company before the age of 60

### In case you leave or change your job, you need to complete the procedure to roll over your assets.

\*Early lump-sum payment or asset withdrawal in DC plans is generally not permitted. It is only permitted if certain requirements can be met.

Reference page **P.34**

#### ☉ Complete the post-retirement procedures.

 In case you lose participant eligibility due to retirement, etc., you will receive “Notice of Loss of Participant Eligibility for Corporate-Type DC Pension Plan and Necessary Procedures.” The procedure you need to complete differs depending on your status after losing participant eligibility. Please obtain the necessary forms as soon as possible and complete the procedure yourself.

Reference page **P.31 to 33**

## 6 Other

### Necessary procedures, etc. other than those explained in each chapter are described.

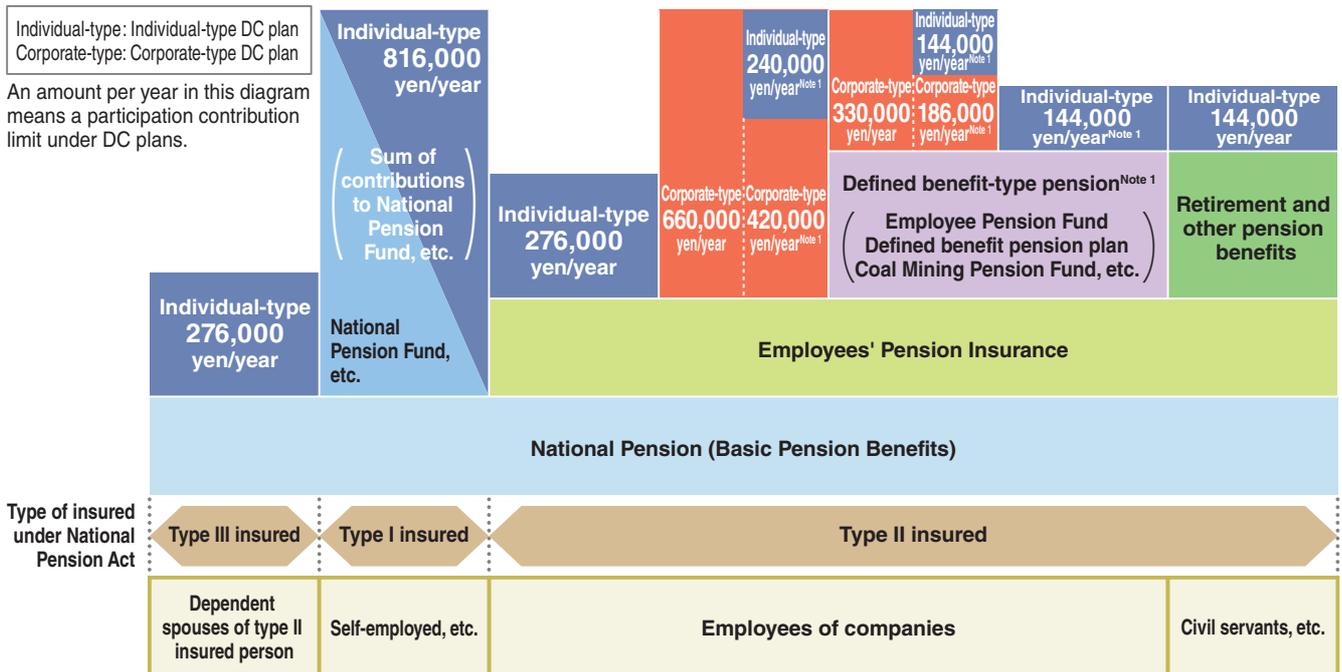
Reference page **P.35 and 36**



The Defined Contribution Pension Plan (DC Plan) is a pension scheme whereby contributions made by plan sponsors or participants are invested based on a participant's own judgment and benefits are receivable based on investment performance results (pension assets) under preferential tax treatment when participants reach a specified age (after the age of 60 in principle). Early lump-sum payment or asset withdrawal is generally not permitted because this pension plan is offered to help stabilize the post-retirement lives of participants of the scheme.

## Pension plans in Japan and positioning of DC plans

The structure of pension plans in Japan is described below. DC plans are positioned to be supplemental pension plans of public pensions (national pension/employees' pension insurance).



Note 1: Participant contribution limit applicable when participants are allowed to become individual-type DC plan participants in accordance with the Corporate-type Pension Plan Document

Note 2: The Employee Pension Fund, defined benefit pension plan, Coal Mining Pension Fund, etc., are called defined benefit pension plans from a structural standpoint.

## Types of DC plan

The DC plan consists of two types of plan—the corporate-type DC plan and the individual-type DC plan—which are managed by different organizations and whose target participants differ.

### Corporate-type DC plan

- The corporate-type DC plan is implemented and managed by corporations upon agreement with their employees.
- It can be implemented as a completely new plan by companies without a corporate pension or retirement plan in place, as a new plan instead of existing pension or retirement plans, or as a plan offered in addition to existing pension or retirement plans.
- Persons eligible to participate in a corporate-type DC plan are employees of corporations offering such a plan. However, certain persons may not be eligible for participation pursuant to relevant corporate-type DC plan documents.
- For the details of your plan, please check “My DC Plan” in “Guidance for Your Defined Contribution Pension Plan and Your Investment Products,” corporate-Type DC plan document disclosed via AnswerNet, and others.

Refer to the booklet

“My DC Plan” in Guidance for Your Defined Contribution Pension Plan and Your Investment Products

# Pension Plan?

## Individual-type DC plan

- The individual-type DC plan is managed by the National Pension Fund Association.
- Persons insured by the National Pension can voluntarily enroll in the individual-type DC plans. However, this provision does not apply to persons such as corporate-type DC plan participants who are not allowed to participate in individual-type DC plan and persons who are exempt from paying national pension premiums.

## Contributions to DC plan

### Contributions to corporate-type DC plans

Under a corporate-type DC plan, the plan sponsor makes monthly contributions up to the legally stipulated maximum contribution amount (plan sponsor contribution) in accordance with the corporate-type DC plan document. (See Note below) Participants are responsible for investing contributions made for them. After participants lose participant eligibility prescribed in the Corporate-type DC plan document (e.g. participants reach a certain age (60 years or over)), no contributions are made for them. However, asset holders may make investments, and these holders are called investment instructor. In addition, participants and investment instructors are collectively called participants, etc. Plan sponsor contributions are not regarded as earned income under the income tax law.

Note: The contribution payment suspension period may be prescribed in the corporate-type DC plan document in some cases.

Applicable persons		Maximum contribution amount
Not eligible for a defined benefit pension plan	Not concurrently eligible for an individual-type DC plan	55,000 yen per month
	Concurrently eligible for an individual-type DC plan	35,000 yen per month
Eligible for a defined benefit pension plan	Not concurrently eligible for an individual-type DC plan	27,500 yen per month
	Concurrently eligible for an individual-type DC plan	15,500 yen per month

### (Matching contribution)

A contribution each participant pays through his or her employer (participant contribution) as an add-on to the plan sponsor contribution is called a matching contribution. Matching contributions can be accepted only if stipulated in the corporate-type DC plan document. To receive this treatment, each participant needs to make a relevant application. All participant contributions are excluded from income. The following rules and regulations apply to matching contributions.

<b>Participant contribution limit</b>	The participant contribution must be within a range not exceeding the plan sponsor contribution amount and the sum of a participant contribution and the plan sponsor contribution must not exceed the legally prescribed maximum contribution.
<b>Changing participant contributions</b>	You can change the amount of your participant contribution once a year.
<b>Suspending or restarting participant contributions</b>	Participant contribution can be suspended or restarted at any time. Restarting may be limited under the Corporate-type DC Plan Document.
<b>Contribution method</b>	Participant contributions are deducted from salaries (i.e. payment through your plan sponsor).
<b>Recordkeeping and handling contributions</b>	Plan sponsor contributions and participant contributions are managed separately. These contributions are treated as integrated assets when investments are made or benefits are paid out.

\*In case a matching contribution program is adopted, the Starter Kit includes the "Employee Matching Contribution Guidebook."

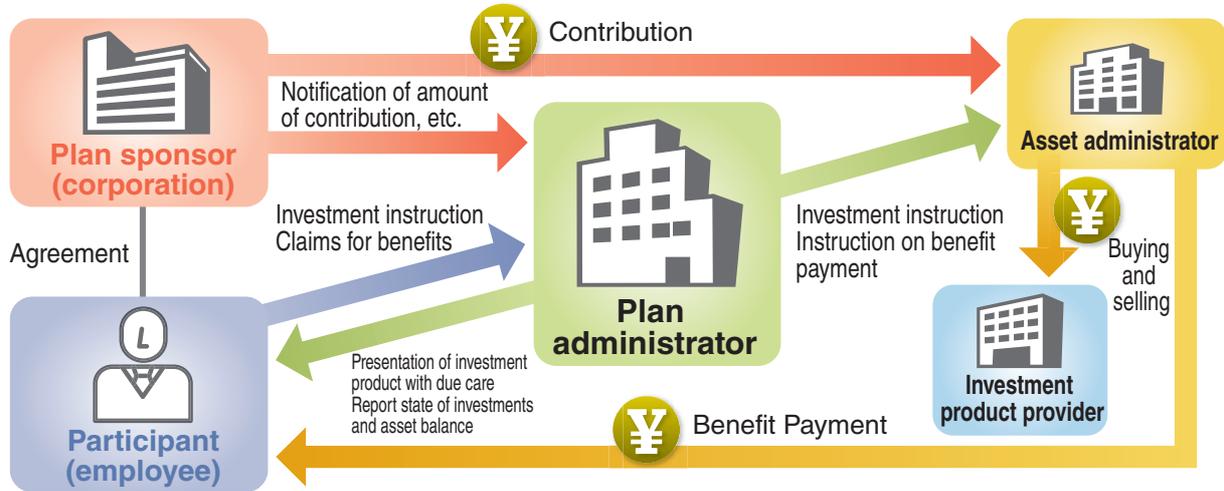
Refer to the booklet [Employee Matching Contribution Guidebook](#)

### Preferential tax treatment, etc. for contributions (when making a contribution)

Plan sponsor contributions are not taxable because they are not considered to be earned income under the Income Tax Act. In addition, because participant contributions are entirely excluded from income, your tax burden can be reduced.

## Roles of Corporate-type DC Plans

Corporate-type DC plans are operated by the following relevant organizations. Participants, etc. provide investment instructions for their assets and submit claims for a benefit to the plan administrators.



	Contents of roles
<b>Plan administrator</b>	This is an organization, appointed by a plan sponsor or an eligible individual, which manages the corporate-type DC plans. This organization records and keeps details of matters related to participants, etc., notifies participants, etc. of plan administration status, etc., summarizes investment instructions received from participants, etc., notifies the asset administrator of investment instructions, decisions on the right to receive benefits, selects and presents investment products, and provides information about investment products.
<b>Asset administrator</b>	This organization manages the assets of participants, etc. under a corporate-type DC plan. For example, this organization receives contributions from the plan sponsor and pays benefits to participants, etc.
<b>Investment product provider</b>	This is a financial institution, such as a bank, securities company, or insurance company, that provides investment products for DC plans.

## Measures relating to protection of participants, etc.

The following are the main legal obligations and legally prohibited conduct relating to plan sponsors and related organizations for the purpose of protecting participants.

	Obligations	Prohibited conduct
<b>Plan sponsor (corporate type) National Pension Fund Association (individual type)</b>	<ul style="list-style-type: none"> <li>○ Provision of basic materials relating to investment and other necessary measures (so-called investment education) See Note below.</li> <li>○ Compliance with law, Pension Plan Document, etc./due care in the performance of work for the interests of participants, etc.</li> <li>○ Keeping and using information considering protection of individual privacy</li> </ul>	<ul style="list-style-type: none"> <li>○ Conduct to earn interest for a third party</li> <li>○ Conduct that recommends participants selecting (or not selecting) particular investments products</li> <li>○ Conduct that recommends participants to entrust investments to an employer or a third party</li> </ul>
<b>Plan administrator</b>	<ul style="list-style-type: none"> <li>○ Observance of law and plan administration agreement, and faithful execution of work duties for participants, etc.</li> <li>○ Keeping and using information considering protection of individual privacy</li> </ul>	<ul style="list-style-type: none"> <li>○ Supplementing a loss or providing additional profit</li> <li>○ Conduct to make profit for a third party other than oneself or participants</li> <li>○ Conduct that recommends participants selecting (or not selecting) particular investments products</li> <li>○ Conduct that deliberately withholds information or creates misrepresentation</li> </ul>
<b>Asset administrator</b>	<ul style="list-style-type: none"> <li>○ Observance of law and asset administration agreement, and faithful execution of work duties for participants, etc.</li> </ul>	

Corporate type: Corporate-type DC plan Individual type: Individual-type DC plan

Note: The provision of these materials can be entrusted to the plan administrator, National Pension Fund Association, etc.

# Pension Plan?

## Points to be noted for Corporate-type DC plans

### 1 Participants invest their contributions based on their own judgment

Invested assets are received as future benefits and are based on the participant's investment performance results. There is a possibility that benefits will be less than cumulative contributions due to price fluctuations of investment products.

### 2 Early lump-sum payment or asset withdrawal in DC plans is generally not permitted.

The DC plan is a pension plan which accumulates assets under preferential tax treatment for retirement; therefore, early lump-sum payment or asset withdrawal is generally not permitted. (See Note below)  
Note: Exceptions may be made under certain circumstances when participants meet certain conditions for early lump-sum payment or asset withdrawal.

Note: Exceptions may be made under certain circumstances when participants meet certain conditions for early lump-sum payment or asset withdrawal.

Reference page **P.34**

\*In matching contributions, participant contributions can be suspended voluntarily. Even in that case, withdrawal of participant contributions is not permitted.

### 3 Participants leaving or changing their jobs (loss of participant eligibility) before the age of 60 are required to complete the necessary procedures themselves within six months.

After losing participant eligibility, you need to complete the procedure for transferring your assets to either a corporate-type DC plan or individual-type DC plan at your new workplace. If the required procedures are not completed within six months, all your assets are automatically sold (converted to cash) and transferred to the National Pension Fund Association. This is known as an automatic rollover.

An automatic rollover is disadvantageous in various ways (e.g. inability to invest assets).

Note: The same shall apply to cases where you become ineligible under the corporate-type DC plan document, or your employer no longer implements your corporate-type DC plan.

Reference page **P.31 to 33**

### 4 The last contribution is made during the month you reach the age of loss of participation eligibility prescribed in the corporate-Type DC plan document.

- (1) Contributions end during the month you reach the age of loss of participation eligibility prescribed in the corporate-type DC plan document, and you are an investment instructor thereafter. Then, you are allowed to continuously invest your assets until all the assets are used for the payment of benefits, etc.

\*If your birthday is on the 1st day of a month, the month before your birth month is the month of your last contribution.

- (2) Depending on the plan you are enrolled in, account management fee of an investment instructor fee may be deducted from your assets.

\*Regarding account management fees, please check "My DC Plan" (Amounts of Administrative Fees, etc.,<sup>①</sup> Plan Administration) contained in "Guidance for Your Defined Contribution Pension Plan and Your Investment Products."

Refer to the  
booklet

**"My DC Plan" in Guidance  
for Your Defined  
Contribution Pension Plan  
and Your Investment  
Products**

### 5 When you reach a certain age (60 years or over), you become eligible to receive retirement benefits.

The age at which you become eligible to start the procedures for receiving benefits differs depending on the total participation period before reaching the age of 60.

Reference page **P.27**

### 6 The name, address, etc. of each participant have already been notified by the plan sponsor and registered. If you wish to make changes, please contact the plan sponsor.

Investment instructors are requested to complete this procedure themselves through AnswerNet or AnswerCenter.

The Defined Contribution Pension Plan (DC Plan) is a pension scheme whereby monthly contributions are invested by participants themselves and benefits are receivable based on their investment performance results. Accordingly, it is important to understand necessary procedures, investment basics, etc. before making investments.

## Necessary procedures

### Selecting investment products (designating allocation ratios)

Under DC plans, contributions paid are used for purchasing investment products (i.e. asset investment). After determining which investment products to purchase, you need to select those you wish to actually purchase (i.e. designating allocation ratios).

If you roll over money (see Note below) from another plan, you also need to designate the allocation ratios of such money.

Note: Money rolled over when assets in a current corporate pension plan or retirement plan are transferred to a DC plan.

Reference page **P.11 to 16**

### Asset rollover procedure

If you are a former participant in another DC plan (excluding the case where you have already received an early lump-sum payment) or wish to roll over an amount equivalent to an early lump-sum payment from another DC plan, etc., you need to complete the asset rollover procedure.

Reference page **P.17 and 18**

## Investments

Under DC plans, amounts of benefits differ depending on investment performance results. It is recommended that you obtain an adequate understanding of investing.

Regarding basic investment knowledge (e.g. risk and return, long-term investing, and diversified investing), investment policy (stance), asset allocation concept, and investment products (e.g. principal-guaranteed products and investment trusts), please refer to “Welcome to the World of Investing!” contained in the Starter Kit and other materials related to investment products.

Refer to the booklet **Welcome to the World of Investing!**

### Investment Trusts

Investment products include bank deposits, insurance, and investment trusts.

Your plan administrator selects and presents three or more investment products with different risk-return characteristics. One of these products needs to be a principal-guaranteed product.

When presenting investment products, plan administrators inform participants, etc. of the reasons for selecting these products.

### Materials related to investment products

A list of investment products available under your plan and materials related to investment products are given in “Guidance for Your Defined Contribution Pension Plan and Your Investment Products” contained in the Starter Kit.

Refer to the booklet **Guidance for Your Defined Contribution Pension Plan and Your Investment Products**

#### Guidance for Your Defined Contribution Pension Plan and Your Investment Products

##### 【Information about investment products】

- Investment Product Lineup
- Investment Product Guide
- Investment Trusts

##### 【Investment performance results related to investment products】

- Performance Sheet
- Interest Rate Report, explanatory material for DC plans (data sheets)/ Monthly Returns
- How to read the explanatory material for DC plans (data sheets)

## Investment-related preferential tax treatment, etc.

Income and inhabitant taxes are not imposed on investment gains such as interest and dividend income obtained in connection with DC plans. Assets accumulated under DC plans are subject to special corporation taxes and corporate inhabitant taxes (total tax rate: 1.173%), but these taxes have been frozen (as of December 2016).

## Designation of contribution allocation ratios

Before selecting investment products that fit your needs and determining the ratios of these products you purchase, you need to obtain basic investment knowledge and understand the details of available investment products. (Designating allocation ratios)

Please refer to the “Asset Allocation Worksheet” contained in the Starter Kit.

Please identify your asset allocation type using five questions.

**Asset Allocation Worksheet**

Which type of asset allocation is most suitable for you? Answer questions 1 through 5 by selecting one answer for each question. Each answer has a numerical score. Total your scores in the box at the bottom of this section.

**Q1** What is your age? (Assets)

- Under 40 ..... 3.0
- 40-50 ..... 2.0
- 50-60 ..... 1.0

**Q2** Have you started preparing for your retirement outside of the DC plan?

- Yes started yet ..... 5
- Have already started preparing for it ..... 3.0
- Not started yet ..... 1.0

**Q3** What do you plan to use your DC assets for?

- Investment of funds, e.g. home mortgage ..... 5
- Living expenses after retirement ..... 3.0
- Save for retirement ..... 1.0
- Others activities ..... 0.0

**Q4** Which of these statements best describes your investment objective?

- Preserve capital even if the return is lower than the rate of inflation ..... 5
- Preserve capital and earn a moderate return ..... 3.0
- Grow the principal, while taking on moderate risk ..... 1.0
- Grow the principal aggressively despite the higher risk ..... 0.0

**Q5** If the stock market took a substantial plunge (of 20% or more) in one year and the value of your assets declined significantly, you would:

- Sell all equity investment funds and invest in safer investment products ..... 5
- Probably do nothing because I am in it for the long term ..... 3.0
- Purchase more units because the price of the mutual funds is a bargain due to the market drop ..... 1.0

Now, match your total score below to the range at the bottom of the page to learn what type of investor you are

Total: [ ]

30 ~45    50 ~60    65 ~75    80 ~90    95 ~100

Prudent investing (conservative)    Aggressive growth

**A B C D E F**

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Examples of asset allocation types are described below for your reference.

**Asset Allocation Model Portfolios**

**Expected Return**  
Indicates the long-term expected return for model portfolios from A to F. Expected returns are shown as an annualized basis.

**Risk**  
Based on historical range of returns and price movements as a result of investing in bonds and equities. In some cases, this range might be wider than indicated in the chart. Risk values are shown on an annualized basis.

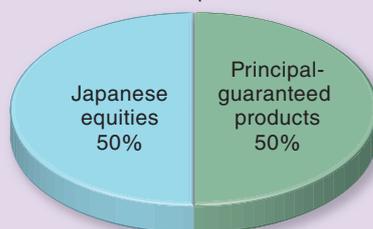
Portfolio	Asset Allocation	Expected Return	Risk
A	100% Principal-guaranteed	0.2%	0.0%
B	10% Equities	1.1%	2.6%
C	30% Equities	2.1%	5.6%
D	50% Equities	3.0%	8.8%
E	70% Equities	4.1%	12.1%
F	90% Equities	5.0%	15.2%

These examples are useful when you find your asset allocation ratio. Examples:

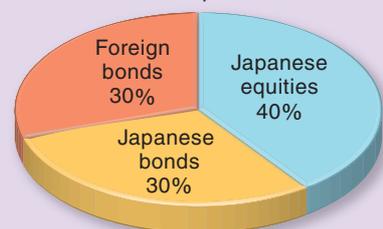
[Example 1]



[Example 2]



[Example 3]



# 2

# Participation procedures

## How to designate contribution allocation ratios

After determining investment products subject to contribution allocation, you need to actually designate your allocation ratios.

Please designate the ratios by the deadline using one of the following methods (1, 2, or 3).

Allocation ratios designated are applicable to monthly contributions unless otherwise designated.

In case allocation ratios are not designated, investment products (see Note below) are purchased in accordance with the corporate-Type DC plan document.

Note: Please check "My DC Plan" (Investments) in "Guidance for Your Defined Contribution Pension Plan and Your Investment Products."

1

### Designation via Internet



- Deadline for designating allocation ratios: Day before the date of contribution
- Hours of operation 24 hours a day (Excluding system maintenance hours)
- \*During night-time system maintenance work, certain services such as designating or changing allocation ratios and switching may not be available.

2

### Designation via Call Center



From overseas: 03-5325-6303 (non-toll free telephone number)

- Deadline for designating allocation ratios: Day before the date of contribution
- Hours of operation Weekdays: 4:00P.M. to 8:00P.M. (Excluding year-end and New Year holidays, May 3 through May 5, and maintenance days)

3

### Designation using the Asset Allocation Sheet

This method can be used only in case such form is enclosed in "Notice of Opening an Account in a DC Plan."

- Deadline for designating allocation ratios: Please contact your employer's pension section and confirm the deadline. In case you fail to submit your application form by the deadline, the allocation ratios you designate for your investment products are applicable to contributions made next time and later.

If you need to check the date of your contribution, please refer to "Notice of Opening an Account in a DC Plan" or AnswerNet.

### Notice of Opening an Account



初回拠出日 (※1)	20XX年11月25日
------------	-------------

### Participant Main Page (AnswerNet)



## Schedule for purchasing investment products

If you designate allocation ratios on or before the designation deadline, investment products are purchased in accordance with the following schedule. Results of purchases are available via AnswerNet on the date when information is reflected in AnswerNet.

- In case the date of a contribution is a holiday of a financial institution, the previous business day is the date of the contribution, and other schedules are modified in a similar manner.

### (Example) Date of contribution: 25th day

	24th	25th	26th	27th	28th	29th
Bank deposits	Deadline for designation of allocation ratios	Date of contribution		Trade Date Date Price Determined Settlement Date	AnswerNet renewal date	
Non-life insurance/ Life insurance			Date Price Determined Trade Date	Settlement Date	AnswerNet renewal date	
Japanese investment trusts			Date Price Determined Trade Date	Settlement Date	AnswerNet renewal date	
Foreign investment trusts			Trade Date	Date Price Determined	Settlement Date	AnswerNet renewal date

Holidays of financial institutions and securities markets are disregarded.

\*This schedule is a representative example, and may differ depending on individual investment products. For the settlement date of each investment product, please check the Investment Product Guide.

## How to designate allocation ratios of rollover money

When rolling over money from another plan, you need to designate the allocation ratios of such asset separately from designating contribution allocation ratios. See Note 1 below.

Please designate the allocation ratios using one of the methods (1 or 2) described on the previous page by the deadline (the day prior to the date of contribution of rollover money). See Note 2 below.

In case you fail to designate the allocation ratios of rollover money by the deadline, investment products are purchased using the latest contribution allocation ratios. In case previously designated allocation ratios of rollover money are available, those ratios are used for purchasing investment products if new allocation ratios are not designated.

Note 1: In case you roll over your assets from another DC plan, etc. (p.17), you cannot designate allocation ratios.

Note 2: You cannot designate allocation ratios using the method 3 described on the previous page.

## How to designate allocation ratios via AnswerNet Use procedure

### How to log in to AnswerNet

1. To log in to your account, go to the website of Sompo Japan Nipponkoa DC Securities.

**Website of Sompo Japan Nipponkoa DC Securities**

<http://www.sjnk-dc.co.jp>

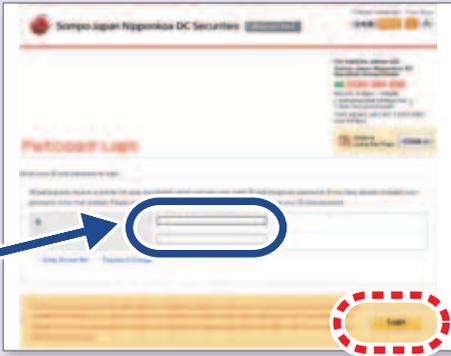


2. On the login page, enter your “login ID” and “temporary password.”

\*Your login ID and temporary password are shown in “Notice of Opening an Account in a DC Plan” provided separately.



Sample



**In case you forget your password or are unable to log in due to an error, please contact the AnswerCenter for reissuance. Your temporary password is sent.**

3. At your first login, the password change screen appears.

Please change your temporary password to any password you like. From a security standpoint, it is recommended that you change your password regularly.



4. Go to the Participant Main Page (AnswerNet).



\*Contents displayed represent samples.

# 2 Participation procedures

## ■ How to designate allocation ratios via AnswerNet

1. To designate the allocation ratios of monthly contributions, please click “Contribution Instructions” in the menu at the top of the screen. To designate the allocation ratios of rollover money, please click “Asset Conversion Instructions”. Then on the “STEP 1 – Provide investment instructions” page, please follow the procedure described below.

- ① Enter an integer (%) in the “② Share” column for selected investment products. You may select as many products as you like, but these products need to represent 100% at all times.
- ③ In the “Fraction” column, select one product (See Note below) you wish to purchase using fractional amounts.

Note: Represent an investment product you purchase using fractional amounts in case the amount allocated to each investment product contains a fraction of less than one yen.

- ④ Click “Confirm”.

Here you can confirm your own contribution information.

Product Name	Share (%)	Amount (yen)	Fraction	Share (%)	Amount (yen)	Fraction
DC accident compensation insurance	100	36,000	*			*
DC Fixed Deposit 1 year	0	0				
DC Fixed Deposit 3 year	0	0				
Japan Value Open	0	0				
DC Asset Management Japan Equity Active Fund	0	0				
Japan Equity Growth Fund	0	0				
Index Fund International Equity Stock	0	0				
Kobun-Saikin Index Fund	0	0				
Index Fund International Fixed Income	0	0				
Total	100	36,000				

\*If the “Asset Conversion Instructions” screen shows a message saying “There is currently no rollover money information to be displayed,” no designation is possible.

\*Contents displayed are samples.

2. On the “STEP 2 – Confirm instructions” page, please follow the procedure described below.

- ① Confirm the contents.
- ② If the contents are accurate, click “Submit.”
- ③ A message requesting confirmation of important matters is displayed. Please confirm the contents and select “OK” if there is no problem.

The screenshot shows the 'STEP 2 – Confirm instructions' page. The user is Mr. 横保 太郎. The current account balance is 2,173,005 yen. The current monthly contribution is 30,000 yen. The plan account contribution is 20,000 yen, and the participant contribution is 10,000 yen. The start date of contribution is 2013/04/01. The page displays contribution instructions for various products, including DC accident compensation insurance, DC Fixed Deposit 1 year, Japan Value Open, and Kikumori-Sakken Index Fund. A red dashed box labeled '1' highlights the table of contribution instructions. A red dashed box labeled '2' highlights the 'Submit' button. An arrow points to a second screenshot showing a confirmation message with a red dashed box labeled '3' around the 'OK' and 'Cancel' buttons.

Product Name	Current Allocation			New Allocation		
	Share (%)	Amount (yen)	Fraction	Share (%)	Amount (yen)	Fraction
DC accident compensation insurance	100	30,000	*	40	14,400	*
DC Fixed Deposit 1 year	0	0		30	10,800	
Japan Value Open	0	0		20	7,200	
Kikumori-Sakken Index Fund	0	0		10	3,600	
Total	100	30,000		100	30,000	

3. Go to the “STEP 3 – Process complete” screen.

Now, the procedure for designating allocation ratios has been completed.

The screenshot shows the 'STEP 3 – Process complete' screen. The page displays the 'Contribution Instructions' section with a table of allocation instructions for the contribution as of 2014/10/28. The table shows the current and new allocation ratios for various products.

Product Name	Current Allocation			New Allocation		
	Share (%)	Amount (yen)	Fraction	Share (%)	Amount (yen)	Fraction
DC accident compensation insurance	100	30,000	*	40	14,400	*
DC Fixed Deposit 1 year	0	0		30	10,800	
Japan Value Open	0	0		20	7,200	
Kikumori-Sakken Index Fund	0	0		10	3,600	
Total	100	30,000		100	30,000	

\*Contents displayed are samples.

# 2 Participation procedures

## Asset rollover

Under DC plans, you may roll over assets, etc. from your former pension plan. In the following cases, you may roll over your assets, etc.

- ⊙ In case you are a former participant of another DC plan (including automatic rollovers)
- ⊙ In case you are entitled to receive the amount equivalent to a lump-sum severance payment due to your early withdrawal from the Employee Pension Fund, defined benefit pension plan, or Pension Fund Association, and wish to roll over your assets

### Overview of Procedures

The period for completing the procedure differs depending on your former pension plan because administrative coordination with relevant organizations is necessary. Two to three months are usually required. After money is rolled over from your former pension plan, investment products (see Note below) are purchased in accordance with the corporate-type DC plan document. Upon completion of the rollover procedure, you receive “Defined Contribution Plan – Rollover Completion Notice.” Then if you wish to conduct switching (of investment products), you need to complete the necessary procedure via AnswerNet or AnswerCenter.

Note: Please check “My DC Plan” (Investment) in “Guidance for Your Defined Contribution Pension Plan and Your Investment Products.”

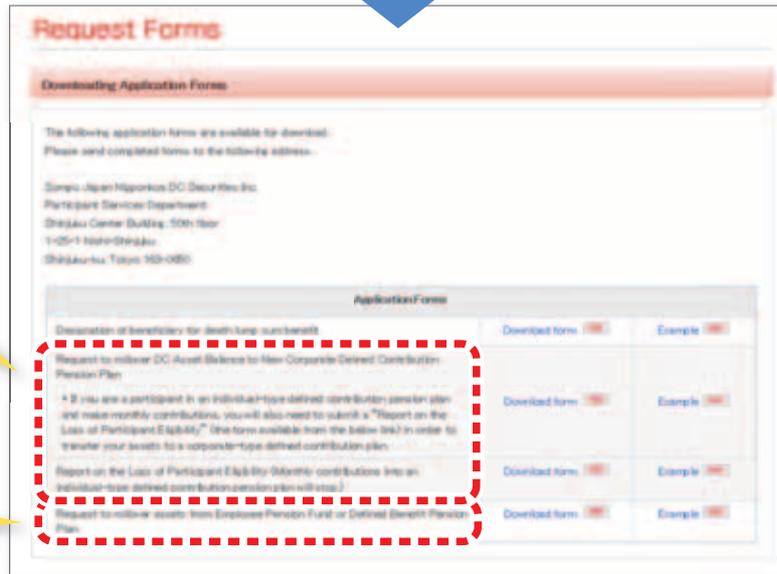


### Acquisition of necessary document forms/Document form recipients

Former pension plan	Other DC plans	Employee Pension Fund/ Defined benefit pension plan	Pension Fund Association
<b>Form acquisition method</b>	Downloadable from AnswerNet. Please contact the AnswerCenter if you cannot download (acquire) document forms.	Downloadable from AnswerNet. Please contact the AnswerCenter if you cannot download (acquire) document forms.	Please contact the Pension Fund Association.
<b>Form submission deadline</b>	None in particular (In case your former pension plan is a corporate-type DC pension plan, your assets are automatically rolled over after lapse of six months from the month following the month in which you become ineligible.) <b>Reference page P.33</b>	One year or less after losing eligibility for your former pension plan	Three months or less from the date of becoming eligible for participation in your current DC pension plan
<b>Form recipient</b>	Sompo Japan Nipponkoa DC Securities (Please use a return envelope enclosed in the Starter Kit.)	Employee Pension Fund or defined benefit pension plan (plan sponsor)	Pension Fund Association

**Sompo Japan Nipponkoa DC Securities Inc.**  
**Customer Service Department**  
**Shinjuku Center Bldg. 50F, 1-25-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0650**

■ Where to show files downloaded from AnswerNet



When assets are rolled over from another DC plan

When assets are rolled over from the Employee Pension Fund or a defined benefit pension plan

\*The contents of each screen displayed are samples.

■ Important points to consider when assets are rolled over from an individual-type DC plan (participant)

In case you are currently paying contributions as a participant in an individual-type DC plan and wish to roll them over to a corporate-type plan, you cannot do so until you complete the procedure for ineligibility. If you have not yet completed this procedure, please contact the plan administrator of your individual-type DC plan for the procedure of ineligibility

\*Different treatment may be applicable if you are allowed to be a participant in an individual-type DC plan in accordance with the corporate-type DC plan document.



# 3 Procedures for current

You need to regularly confirm the status of your assets and consider changing investment products depending on your situation. Please change your investment products based on the results of your consideration. You can confirm the status of your assets via AnswerNet or AnswerCenter and by checking "Account Statement for Defined Contribution Pension Plan" we send to you. When considering changing your investment products, please refer to the explanation of Reviewing Your Investments described in "Welcome to the World of Investing!" contained in the Starter Kit.

Refer to the booklet **Welcome to the World of Investing!**

## Confirming asset status[AnswerNet]

You can confirm the status of your assets via the Participant Main Page(AnswerNet).

- 1 You can confirm your entire asset balance (see Note 1 below), gain/loss, and investment rate of return (see Note 2 below).

Note 1: Contributions and rollover money are reflected in your asset balance on the day following the business day immediately after the contribution date.

Note 2: This item is not displayed for a participant whose investment ratio of return is other than  $\pm 100\%$  or who is currently a benefit recipient, or in case two months have not yet passed since the initial contribution payment.

- 2 You can confirm the balance (ratio) of assets you hold using a pie chart. Because assets are separated into product types using different colors, you can immediately understand trends of assets you hold.

- 3 You can confirm the asset balance and gain/loss by product.

- 4 You can confirm more detailed balance information.

- 5 Switching is possible.



\*Contents displayed are samples.

# participants

6 You can confirm your current designation of contribution allocation ratios.

7 You can confirm your contribution allocation ratios using a pie chart. Separated into product types using different colors

8 You can change your contribution allocation ratios.

9 Your plan's top five assets (products) by balance are displayed.

\*Your plan means a plan to which the corporate-type DC plan document is applicable. In case multiple companies are participants under the same Plan Document, all participating companies are subject to an aggregating calculation.

10 You can confirm the entire corporate-type plan's investment yield distribution. Comparing it to your investment rate of return, you can understand your performance levels.

\*This item is not displayed for a participant whose investment rate of return is other than  $\pm 100\%$  or who is currently a benefit recipient, or in case two months have not yet passed since the initial contribution payment.

\* The entire corporate-type plan represents the entire corporate-type DC plan document for which we provide relevant services.

**Current allocation of contributions:**

Asset Class	Product Name	Share	Amount
Principal Guaranteed	DC accident compensation insurance	25%	6,000 yen
Balance	DC Balanced Fund 30	50%	12,000 yen
Japanese Equities	Japan Equity Index Fund	25%	6,000 yen
Total		100%	24,000 yen

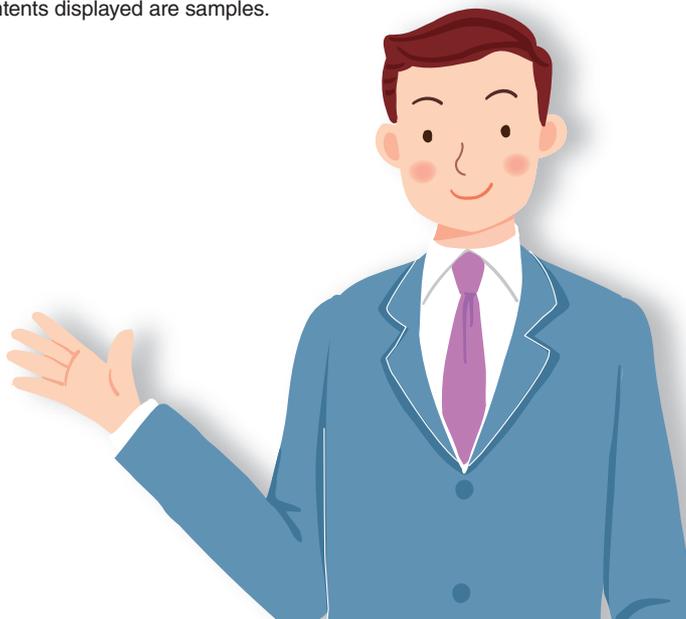
**Top Five Investment Choices by Asset Balance:**

Asset Class	Product Name	Net Asset Value/ Interest Rate	Date
1	DC accident compensation insurance	6,016 yen	2022-03-31
2	DC Balanced Fund 30	11,799 yen	2022-03-31
3	DC Balanced Fund 40	11,288 yen	2022-03-31
4	Japan Equity Index Fund	10,848 yen	2022-03-31
5	DC Balanced Fund 20	10,714 yen	2022-03-31

**Distribution of Investment Rate of Return (as of end of 2021/22)**

The chart below shows the distribution of investment returns for all corporate DC plan participants for which Sampo Japan Nipponkai DC Securities is the plan administrator. The horizontal bar represents the investment returns for all participants who fell in the same range as your investment returns.

\*Contents displayed are samples.



# 3 Procedures for current

## Confirming asset status

### [Account Statement for Defined Contribution Pension Plan]

“Account Statement for Defined Contribution Pension Plan” is sent on a yearly basis in accordance with the corporate-type DC plan document so that asset balances, etc. can be confirmed.

#### Point 1

##### Confirm messages!

###### Messages

You can confirm a message from us.

#### Point 2

##### Confirm your asset balance!

###### Asset balance and Gain/Loss

You can confirm your asset balance, gain/loss, etc. as of the statement date.

##### What is the statement date?

The statement date is a date described in the “Basic Information” column (upper right corner) in accordance with the corporate-type DC plan document of your plan.

#### Point 3

##### Confirm your asset holding ratios!

###### Asset Allocation by Asset Class

A pie chart is available so that you can confirm your asset holding status by product type. You can also confirm the status of your entire plan for reference purposes.

##### What is the plan?

The plan means a plan to which the corporate-type DC plan document is applicable. In case multiple companies are participants under the same Plan Document, all participating companies are subject to aggregate calculation.

\* The name of your plan is displayed at the upper left corner of each page.

\* This Notice displays information about balances, etc. as of the statement date and the contents of transactions made during an applicable period.

Sample Co., Ltd.  
Corporate-Type Pension Plan Document  
Date: 11/15/20XX

### Account Statement for Defined Contribution Pension Plan

Dear Participants,

Notice on the English version of the Account Statement for Defined Contribution Pension Plan  
 \*This thank is for destination information including name.  
 -The performance sheet is enclosed as a reference material.  
 -This is the English translation of the original Account Statement for Defined Contribution Pension Plan in Japanese.

Basic Information	
Participant Name	Mr. ABC, ABC
Participant Code	12345678
Current Statement Date	03/31/20XX
Last Statement Date	03/31/20YY
Period	04/01/20XX - 03/31/20YY
Investing product oversight	Songco Japan Nipponkai Insurance Inc.
Record Keeping	Songco Japan Nipponkai DC Securities Inc.

Thank you for using our service.  
Your DC asset balance and investment status are as follows:

#### Messages

To make a change to your address and name, please inform a person in charge in the human resources/welfare department of your company. A person who is no longer employed by the company, please update registered information directly on the AnswerNet, or contact the AnswerCenter.

#### Asset Balance and Gain/Loss

This section provides an overview of your asset balances and gain/loss during the period covered.

Balance as of Statement Date	Total Cash Inflows	Total Cash Outflows	Gain/Loss
8,528,930 yen	7,892,000 yen	0 yen	636,930 yen

Details of Total Cash Inflows		Details of Total Cash Outflows	
Contributions	623,800 yen	Benefits, etc. (tax included)	0 yen
(Plan Sponsor Contribution)	(559,800 yen)	Roll-over Assets to Other DC Plan	0 yen
(Participant Contribution)	(64,000 yen)	Forfeiture of Funds, etc.	0 yen
Roll-over Assets from Retirement Allowance Plan	0 yen	Fees borne by participant (tax included)	0 yen
Roll-over Assets from Other Corporate Pension Plans	7,268,200 yen		
Roll-over Assets from Other DC Plan	0 yen		

\*\*Forfeiture of Funds, etc.\*\* represents an amount equivalent to contributions returned to the plan sponsor according to your DC plan document.

#### Asset Allocation by Asset Class

This section graphically depicts investment allocations by asset type as of the current statement date.

Mr. ABC, ABC

Asset Class	Percentage
Domestic Equity Funds	34.1%
Foreign Equity Funds	17.3%
Foreign Bond Funds	17.5%
Other	22.0%
Cash	0.7%
Other	8.4%

Your DC Plan

Asset Class	Percentage
Domestic Equity Funds	48.0%
Foreign Equity Funds	15.2%
Foreign Bond Funds	15.0%
Other	7.3%
Cash	1.9%
Other	2.9%
Other	1.5%

\*This pie chart shows the asset allocation of your DC plan.

\* Contents displayed represent samples.

# participants

## Point 4

### Confirm your investment rate of return!

#### Investment Rate of Return

You can confirm your investment rate of return achieved (expressed as annual percentage rates) since your investment account was opened and your pension plan's investment rate of return.

- \* Immediately after you start paying contributions or during a certain period after your asset rollover, the range of changes in your investment rate of return may be wider.
- \* This item is not displayed for a participant whose investment rate of return is other than  $\pm 100\%$  or who is currently a benefit recipient, or in case two months have not yet passed since the initial contribution payment.

## Point 5

### Confirm your contribution allocation ratios!

#### Contribution Details

You can confirm the ratios of investment products you purchase using your monthly contributions.

In case you fail to designate your contribution allocation ratios, investment products are purchased in accordance with the corporate-type DC plan document until you complete the designation of such ratios.

- \* In case no contributions are paid, this item is not displayed.

## Point 6

### Confirm your gain/loss by product!

#### Asset Balance by Investment Product

You can confirm your asset balances and gain/loss by investment product as of the statement date.

## Point 7

### Confirm your beneficiary of lump-sum death benefit!

#### Beneficiary of Lump-sum Death Benefit

You can confirm your current designated beneficiary of lump-sum death benefit. In case you wish to change your beneficiary due to marriage, etc., please contact the AnswerCenter.

- \* In case you fail to designate any beneficiary of lump-sum death benefit, this item is not displayed. In this case, your beneficiary is determined by law.

Reference page **P.28**

**Investment Rate of Return** The graph below shows your annual investment rate of return since enrollment in the plan to the current statement date.

Your Investment Rate of Return	5.8%	*Average Rate of Return of Your DC plan* is calculated by dividing the total investment rate of return of each participant by the number of the applicable participants under your DC plan.
Average Rate of Return of Your DC plan	2.6%	

**Distribution of Investment Rate of Return in the Plan.**

\*This distribution chart shows the investment rate of returns of your DC plan. This mark, ● indicates your approximate investment rate of return.

**Contribution Details** The information below shows details of contributions into your account for the specified period, and the investment allocation of these contributions as of the current statement date.

**Allocation of Contributions**

\*"Allocation of Contributions" refers to your current investment instructions for monthly contributions. Please login to the AnswerNet Website or contact our AnswerCenter call center to change your instructions.

\*"Contribution Amount" is the monthly contributions into the account for the specified periods. Monthly contributions are transferred to the trust bank on the contribution date, who serves as the trust administrator. Investment instructions are submitted on the following business day.

Investment Product	Asset Class	Share	Amount of Contribution (JPY)
DC Guaranteed Principal plus Accident Insurance	Principal Guaranteed	50%	18,000
Balanced Fund 30	Balanced	10%	3,600
Balanced Fund 60	Balanced	10%	3,600
Japan Equity Index Fund	Japanese Equities	10%	3,600
DC Foreign Equity Index Fund	Foreign Equities	10%	3,600
Foreign Bonds Index Fund	Foreign Bonds	10%	3,600
<b>Total</b>		<b>100%</b>	<b>36,000</b>

**Contribution Details**

Month of Contribution	Date of Contribution	Contributions (JPY)	Plan Sponsor Contribution (JPY)	Participant Contribution (JPY)	Name of Contributor *Only stated in Japanese
11/20YY	11/25/20YY	36,000	20,000	16,000	株式会社
12/20YY	12/25/20YY	36,000	20,000	16,000	株式会社
01/20XX	01/25/20XX	36,000	20,000	16,000	株式会社
02/20XX	02/25/20XX	36,000	20,000	16,000	株式会社
<b>Total</b>		<b>144,000</b>	<b>80,000</b>	<b>64,000</b>	

**Asset Balance by Investment Product** This section shows the asset balance and gain/loss of each product you hold.

**As of Current Statement Date**

Investment Product	Asset Class	Total Amount Purchased (JPY)	Asset Balance (JPY)	Percent	Gain/Loss (JPY)
DC Guaranteed Principal plus Accident Insurance	Principal Guaranteed	718,431	718,431	8.4%	0
Balanced Fund 30	Balanced	1,453,409	1,484,085	17.4%	30,676
Balanced Fund 60	Balanced	1,396,407	1,424,355	16.7%	27,948
Japan Equity Index Fund	Japanese Equities	1,141,713	1,449,979	17.0%	308,266
DC Foreign Equity Index Fund	Foreign Equities	1,630,640	1,876,392	22.0%	245,752
Foreign Bonds Index Fund	Foreign Bonds	1,517,400	1,541,888	18.1%	24,288
<b>Cash</b>			36,000	0.4%	
<b>Total</b>			<b>8,528,930</b>	<b>100.0%</b>	

**As of Last Statement Date**

Investment Product	Asset Class	Total Amount Purchased (JPY)	Asset Balance (JPY)	Percent	Gain/Loss (JPY)
Balanced Fund 20	Balanced	5,004,447	4,727,080	59.2%	-277,367
Japanese Equity Index Fund	Japanese Equities	1,127,313	1,437,640	18.0%	310,327
DC Foreign Equity Index Fund	Foreign Equities	1,616,240	1,804,210	22.6%	187,970
<b>Cash</b>			16,000	0.4%	
<b>Total</b>			<b>8,528,930</b>	<b>100.0%</b>	

\*"Cash" represents funds that are pending for settlement as of the statement date.

**Ref.: Top Five Products by Asset Balance in Your DC Plan**

Investment Product	Asset Class	Percent
DC Guaranteed Principal plus Accident Insurance	Principal Guaranteed	48.6%
DC Foreign Equity Index Fund	Foreign Equities	9.2%
Japan Equity Index Fund	Japanese Equities	5.8%
Balanced Fund 30	Balanced	3.8%
Foreign Bonds Index Fund	Foreign Bonds	3.8%

\*This table shows the top five products with the highest asset balance in your DC plan as of the current statement date. Please note that this information is for reference purposes only and we do not recommend any specific products.

**Beneficiary of Lump-sum Death Benefit** This section shows the registration information on a designated beneficiary for a lump-sum death benefit.

Name of Beneficiary	Relationship
氏名	Spouse

3 Procedures for current participants

\* Contents displayed represent samples.  
 \* This Notice is also useful for confirming the transactions related to switching investment products, rollovers from other plans, receipt of benefits, commission details, etc. If not applicable, these items are not displayed.

22

# 3

# Procedures for current

## How to change investment products

There are two ways to change investment products (i.e. “changes of contribution allocation ratios” and “switching”). You need to understand the differences so that you can better invest your valuable pension assets. You can change your investment products by completing the necessary procedures via AnswerNet or the AnswerCenter.

When using the AnswerCenter, please inform the operator of product names accurately and details of changes by referring to “Guidance for Your Defined Contribution Pension Plan and Your Investment Products,” etc.

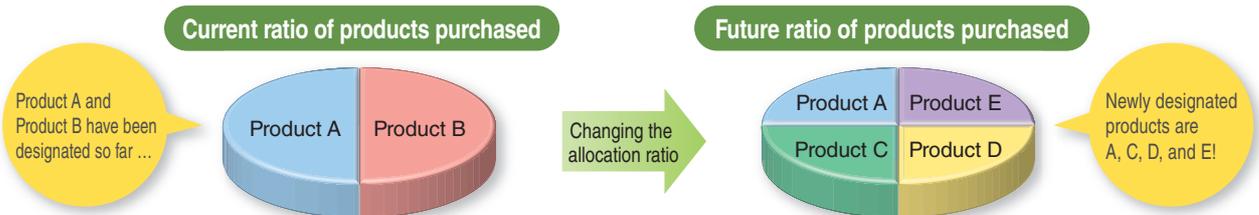
### How to change investment products and what to change

“Changes of contribution allocation ratios” and “switching” are separate procedures. Please determine what you wish to change, and complete both procedures if necessary.

		What to change	
		Balance of currently held investment products (assets)	Contribution allocation ratios in the future
Changing method	■ Changes of contribution allocation ratios	No change	Change
	■ Switching	Change	No change

### Changes of contribution allocation ratios

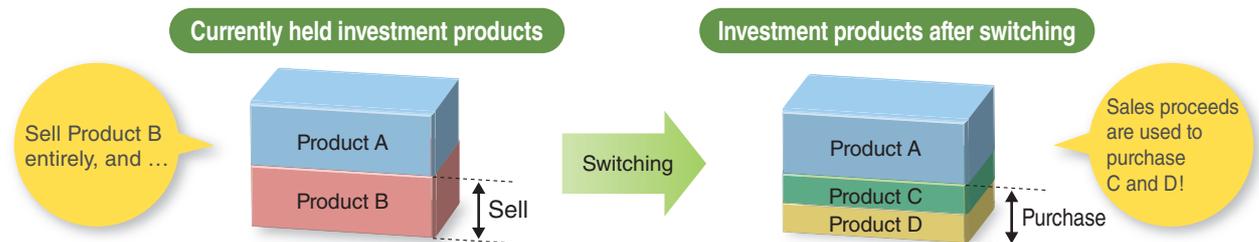
In this process, **investment products that are expected to be purchased** using monthly contributions, as well as ratios of such products purchased, are changed.



- You can complete the procedures at any time.
- After the allocation ratio is changed, it is applied to the next contribution.
- A request for change received by 12:00 A.M. on the day before the date of contribution is applied.

### Switching

In this process, **currently held investment products** are sold, and the sales proceeds are used to purchase other investment products.



- You can complete the procedures at any time. Investment products being purchased are excluded from switching until the day before the settlement date.
- A switching request received by 12:00 A.M. on the date of receipt is treated as part of transactions on the following business day (the second business day if the date of receipt is a holiday of financial institutions).
- Your request can be canceled on the date of receipt (the second business day after the receipt if the date of receipt is a holiday of financial institutions).

(Example) : In case you sell your Japanese investment trust and purchase foreign investment trusts



- \* The trade date is the day when a trade requested is finalized.
- \* The settlement date is the day when sales or purchase proceeds are settled and relevant transactions are completed.

# participants

## Important points related to switching

- Costs may be incurred in connection with procedures related to certain investment products (such as Partial Redemption charge). For details, please refer to the Investment Product Lineup, etc. contained in “Guidance for Your Defined Contribution Pension Plan and Your Investment Products.”

Refer to the booklet “Investment Product Lineup” in Guidance for Your Defined Contribution Pension Plan and Your Investment Products

- No switching can be carried out after you retire before the age of 60 (after losing eligibility for participation). See Note below.  
Note: The same applies when you become ineligible in accordance with the corporate-type DC plan document, your employer ceases to be the plan sponsor of your corporate-type DC plan, or you cease to be covered by Employee Pension Insurance, for example.

## Number of days required for switching (as an example)

It takes about 7 business days to complete the switching procedure. The number of days required for completing the procedure varies depending on the combination of products to be sold and purchased. Please refer to the following examples of combinations. The following schedule is a representative example and may differ depending on individual investment products. Information such as a date price determined is available for confirmation on the switching screen of AnswerNet.

Reference page **P.26**

### 1. Switching from “bank deposits” to other investment products

Number of Business days		0	1	2	3	4	5
Product for Sale	Bank Deposit	Received Date		Trade / Settlement Date Date Price Determined			
Product for Purchase	Bank Deposit					Trade Date Settlement Date	
	Insurance				Trade Date	Settlement Date	
	Japanese Investment Trust				Trade Date Date Price Determined	Settlement Date	
	Foreign Investment Trust				Trade Date	Date Price Determined	Settlement Date

### 2. Switching from “non-life insurance/life insurance” to other investment products

Number of Business days		0	1	2	3	4	5	6
Product for Sale	Insurance	Received Date	Trade Date Date Price Determined			Settlement Date		
Product for Purchase	Bank Deposit						Trade Date Settlement Date	
	Insurance					Trade Date	Settlement Date	
	Japanese Investment Trust					Trade Date Date Price Determined	Settlement Date	
	Foreign Investment Trust					Trade Date	Date Price Determined	Settlement Date

### 3. Switching from “Japanese investment trusts” to other investment products

Number of Business days		0	1	2	3	4	5	6	7
Product for Sale	Japanese Investment Trust	Received Date	Trade Date Date Price Determined				Settlement Date		
Product for Purchase	Bank Deposit							Trade Date Settlement Date	
	Insurance						Trade Date	Settlement Date	
	Japanese Investment Trust						Trade Date Date Price Determined	Settlement Date	
	Foreign Investment Trust						Trade Date	Date Price Determined	Settlement Date

### 4. Switching from “foreign investment trusts” to other investment products

Number of Business days		0	1	2	3	4	5	6	7
Product for Sale	Foreign Investment Trust	Received Date	Trade Date	Date Price Determined			Settlement Date		
Product for Purchase	Bank Deposit							Trade Date Settlement Date	
	Insurance						Trade Date	Settlement Date	
	Japanese Investment Trust						Trade Date Date Price Determined	Settlement Date	
	Foreign Investment Trust						Trade Date	Date Price Determined	Settlement Date

- The amounts, etc. of transactions made on the date price determined is finalized. The net asset values of investment trusts, as well as applicable interest rates and redemption charge of products other than investment trusts, are determined.
- “Japanese investment trusts” are investment trusts described as Japanese equities or Japanese bonds in product-related materials. In the same manner, “foreign investment trusts” are foreign equities, foreign bonds, or balanced trusts. Investment trusts described as “Others (e.g. REIT)” are classified into either of the said trusts depending on the investment destination. They may be treated differently depending on the product.

# 3 Procedures for current

## How to change investment products via AnswerNet

### How to change contribution allocation ratios via AnswerNet

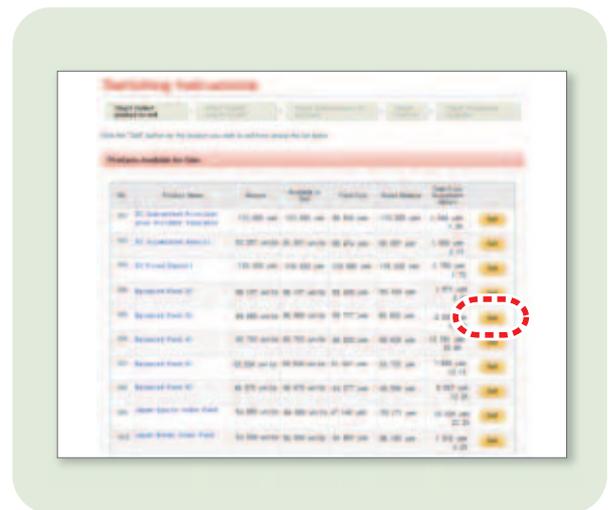
You can change contribution allocation ratios in the same way as conversion instructions for the initial contribution.

The total post-change ratio needs to represent 100%.

Reference page **P.15 and 16**

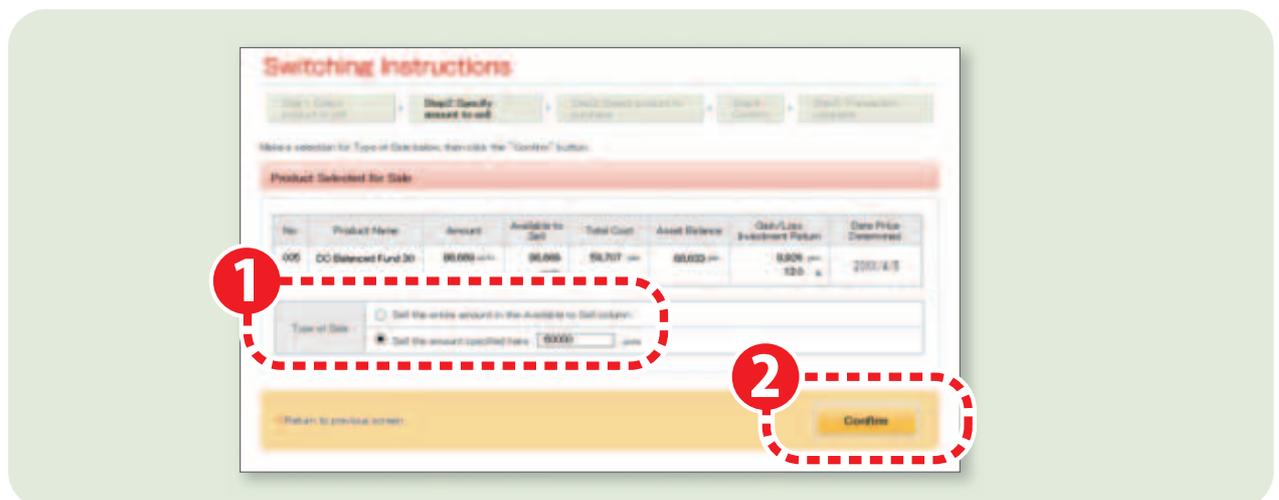
### How to perform switching via AnswerNet

1. Click “Switch Products” on the “Switching Instructions” page.
2. Select a product you wish to sell from “Step 1 – Select product to sell” page.  
\* Multiple products cannot be selected at one time. In case you wish to sell multiple products, please repeat the same procedure (1 to 5).



3. Perform the following steps on the “Step 2 – Specify amount to sell” page.

- 1 Select “Sell All” or “Sell Some.” In the case of “Sell Some,” please designate the quantity. (The ratio (%) cannot be designated.)
- 2 If the contents are correct, please click “Confirm.”



\* Contents displayed are samples.

# participants

4. Perform the following steps on the “Step 3 – Select product to purchase” page.

1 Select the product you wish to purchase.

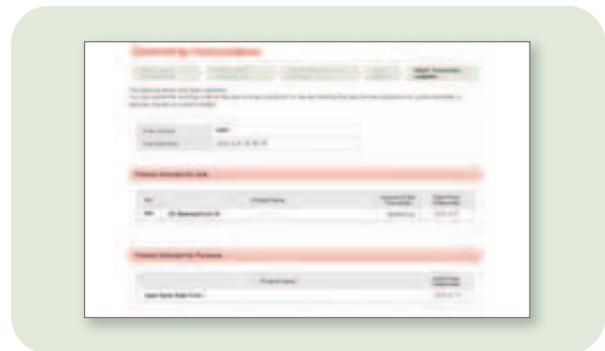
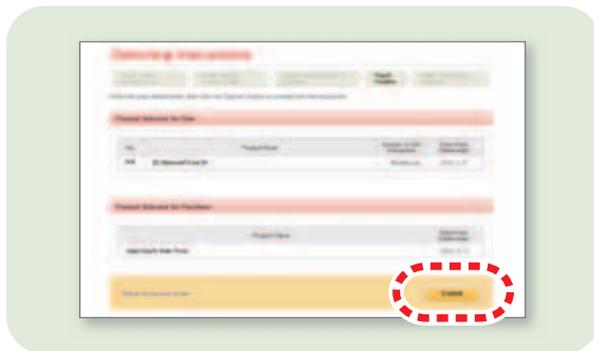
\* Multiple products cannot be selected at one time. In case you wish to purchase multiple products, please repeat the same procedure (1 to 5).

2 A message to confirm important matters is displayed. Please confirm the contents and click “OK” if there is no problem.

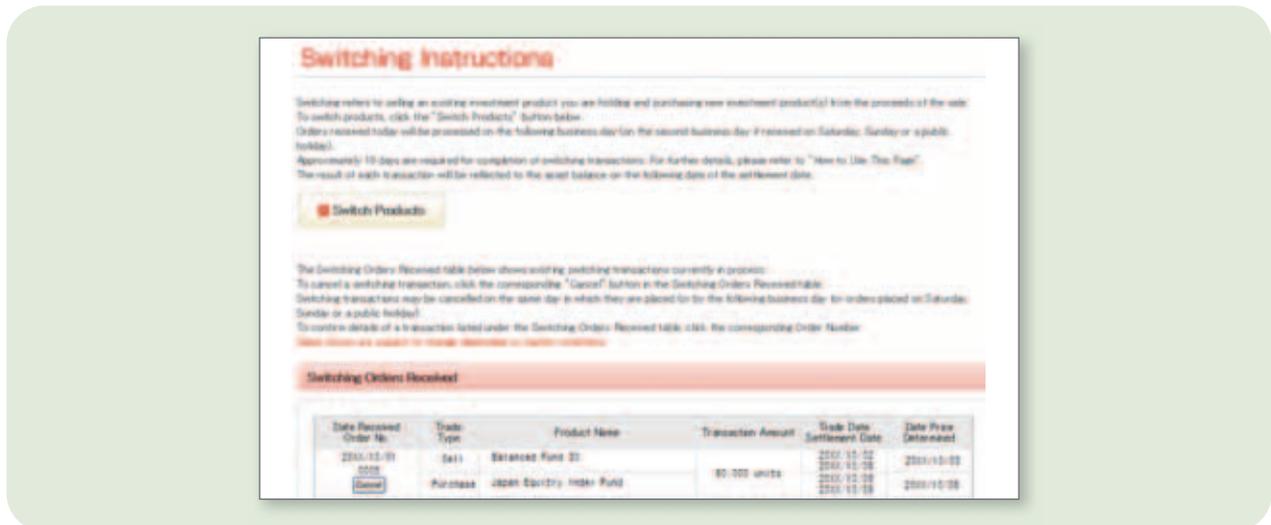


5. Go to the “Step 4 – Confirm” screen. Please click “Submit” if the contents are correct.

6. Go to the “Step 5 – Transaction complete” screen. Now your switching procedure is complete.



7. You can confirm transaction contents on the “Switching Orders Received” page.



\*As you proceed through this process, items such as date price determined will be displayed.

\*Contents displayed are samples.

3

Procedures for  
current participants

# 4 Procedures for receiving benefits

Pension assets you invest will be benefits you receive. (Receiving benefits is called benefit receipt.) You will need to confirm the age of initial benefit receipt and situations where you become eligible to receive benefits.

## Types of Benefits

The DC plan offers three types of benefits, **retirement benefits**, **disability benefits** and **lump-sum death benefit**.

### Retirement benefits

Retirement benefits are benefits paid out of your pension assets in accordance with the Corporate-type DC plan document. To receive these benefits, you need to file a relevant claim after you reach a certain age (age of 60 or older; age and date when you become eligible to start the procedure for filing a claim for benefits). After that age, you do not need to pay contributions until you receive benefits, but may continue to invest your pension assets.

#### How to receive benefits

Three types of methods are available to receive benefits (i.e. lump-sum receipt (one-time receipt), periodic receipt (pension), and lump-sum and periodic receipt (combined method)).

- \* The payment period under the periodic receipt (pension) method ranges from 5 years to 20 years.
- \* The corporate-type DC plan document may allow you to select a life annuity.
- \* Upon lapse of 5 years after you start receiving benefits, you are eligible to receive the remaining balance at once.

#### When to file a claim for benefits

On or after the date when you obtain eligibility to claim benefits, you may do so at any time. However, you will need to file your claim 2 days before your 70-year-old birthday at the latest. In case you fail to do so during that period, you are deemed to have filed your claim for benefits based on the lump-sum receipt (one-time receipt) method.

- \* In case the corporate-type DC plan document stipulates that the age of loss of participation eligibility is above 60 years of age, participants aged 60 or over cannot receive benefits before they withdraw from the plan.

#### Age and date when you become eligible to start the procedure for filing a claim for benefits

- The age when you become eligible to start the procedure for filing a claim for benefits differs as follows depending on the total participation period, etc. until the age of 60 (See Note below).

Note: The total participation period is the sum of the following periods until the age of 60 (excluding overlapping periods).

- Period of participation in the corporate-type DC plan and the period spent as an investment instructor
- Period of participation in the individual-type DC plan and the period spent as an investment instructor
- Period of participation in a plan other than DC plans in case money is rolled over or transferred from such plan
- \* If you previously received an early lump-sum payment your total participation period, etc. may be adjusted.

Total participation period	Age when a participant becomes eligible to start the procedure for filing a claim for benefits
10 years or more	60 years old
8 years or more and less than 10 years	61 years old
6 years or more and less than 8 years	62 years old
4 years or more and less than 6 years	63 years old
2 years or more and less than 4 years	64 years old
1 month or more and less than 2 years	65 years old

- The date when you obtain eligibility to claim benefits is described in "Notice Relating to DC Plan and Retirement Benefits," which is sent during the month immediately before the age of loss of participation eligibility in accordance with the Corporate-type DC plan document.

\* In case the age when a participant loses eligibility is more than 60 years of age in accordance with the corporate-type DC plan document, "Notice of Loss of Participant Eligibility and Retirement Benefits for Corporate-Type DC Plan" will be sent to participants aged 60 years or older who retire before reaching the age they become ineligible.

- In case the notice sent to you states that the date when you obtain eligibility to claim benefits comes after the lapse of one year or more from the date when you lose your eligibility to participate, "Notice on Acquisition of Eligibility for Receiving retirement benefits for DC plan" will be sent to you in the month immediately before the date when you obtain eligibility to claim benefits.

#### Right to receive benefits

- The right to receive retirement benefits lapses if any of the following applies.
  - When there are not remaining corporate-type DC plan assets
  - When an eligible recipient dies
  - When a person becomes an eligible recipient of disability benefits under a corporate-type DC plan

## Disability benefits

Disability benefits are benefits paid out of your pension assets if you suffer from a specified disability due to injury or disease after your participation (see Note below). To receive these benefits, you need to file the relevant claim.

Note: A specified disability means a disability level applicable to the basic pension for the disabled under the National Pension System.

### How to receive benefits

Three methods are available to receive benefits (i.e. lump-sum receipt (one-time receipt), periodic receipt (pension), and lump-sum and periodic receipt (combined method)).

\* The payment period under the periodic receipt (pension) method ranges from five years to 20 years.

\* The corporate-type DC plan document may allow you to select a life annuity.

\* Upon the lapse of five years after you start receiving benefits, you are eligible to receive the remaining balance at once

\* In the case of periodic receipt (pension), even though you need to select the receipt period and the number of payments per year when you make a relevant claim, you can review them every five years.

### When to file a claim for benefits

On or after the disability determination date (see Note below), you can file a claim for benefits at any time, but need to do so two days before your 70th birthday.

Note: The disability determination date is the date on which 1.5 years elapses from the date when an injury or disease is treated by a medical doctor or dentist (the first medical treatment date) (or the date of a full recovery during that period, if applicable)

\* In case you fail to file your claim during that period, you are deemed to have filed a claim for retirement benefits (lump-sum receipt (one-time receipt)) and are requested to receive them.

### Right to receive benefits

The right to receive disability benefits lapses if any of the following applies.

- When there are no remaining corporate-type DC plan assets
- When an eligible recipient dies

## Lump-sum death benefit

Lump-sum death benefit is benefit paid out of pension assets after survivors (benefit recipients) of deceased participants file claims for benefit. To receive this benefit, these survivors need to file a relevant claim.

### How to receive benefits

Only one method is available to receive benefit (i.e. lump-sum receipt (one-time receipt)).

### Beneficiaries of lump-sum death benefit

- You can designate beneficiaries in advance for your lump-sum death benefit. In case your beneficiaries are designated in advance, they will receive the benefit. If not designated, benefit is paid based on the range and order of beneficiaries stipulated in the Defined Contribution Pension Act. In case the direct beneficiary is a foreign national, please be sure to designate him or her as a beneficiary for lump-sum death benefit.
- The range of beneficiaries you can designate for lump-sum death benefit is described below. Spouse, children, parents, grandchildren, grandparents, brothers, and sisters (The legal order of beneficiaries for lump-sum death benefit is as follows: 1. spouse, 2. dependent children, 3. dependent parents)
- You can designate or change beneficiaries your lump-sum death benefit at any time. In case you do so, please fill out an application for designation of beneficiaries for lump-sum death benefit (see Note below) and submit it to Sompo Japan Nipponkoa DC Securities. In the case of a pension transfer from an individual-type DC plan or another corporate-type DC plan, the beneficiaries for the former plan remain unchanged. Please be careful.

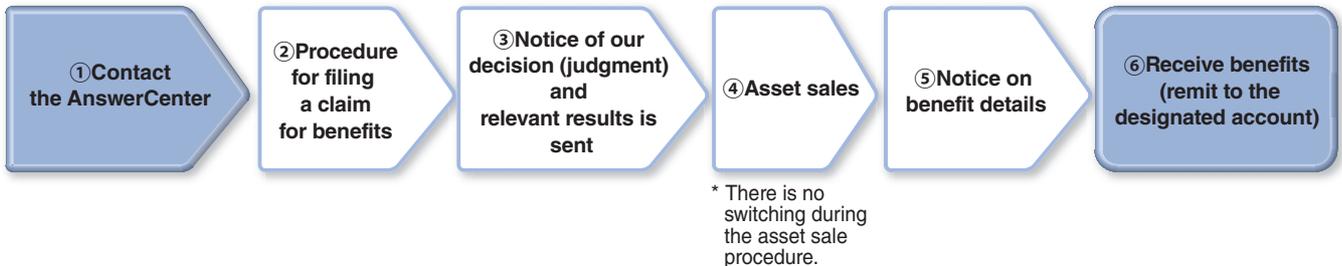
Note: Please contact the AnswerCenter or download an "application for designation of beneficiaries for lump-sum death benefit" from the AnswerNet, and mail your application to us.

# 4 Procedures for receiving benefits

## Procedure

To receive benefits, you need to complete the prescribed procedure by yourself. Please contact the AnswerCenter to receive relevant forms by mail.

### Overview of Procedures



### When you can start receiving benefits

Please submit your application by the deadline. The benefit decision (judgment) can be basically made in the same month, but may be made later depending on the situation. Benefits are paid on the 25th day of each applicable month. In case the 25th is a holiday of financial institutions, the business day immediately before that date is used.

- **Lump-sum receipt (one-time receipt)** Retirement benefits Disability benefits Lump-sum death benefit

You can receive benefits in the month following the month when the benefit decision (judgment) is made.

- **Periodic receipt (pension)** Retirement benefits Disability benefits

The month(s) you receive benefits differ(s) depending on the number of payments per year. Please refer to the table below.

<Number of payments per year>	<Month you receive your initial payment>	<Month you receive your second or succeeding payment>
One ... Annually	Month following one year from the month immediately after the month when the benefit decision (judgment) is made	Anniversary month (annual anniversary of the initial payment)
Two ... Semi-annually	Month following six months from the month immediately after the month when the benefit decision (judgment) is made	Anniversary month (six-month anniversary of the initial payment)
Four ... Quarterly	Month following three months from the month immediately after the month when the benefit decision (judgment) is made	Anniversary month (three-month anniversary of the initial payment)

\* The number of payments per year that you can select differs depending on the Corporate Type Pension Plan Document.

Refer to the booklet **"My DC Plan" in Guidance for Your Defined Contribution Pension Plan and Your Investment Products**

### Examples of major documents to be attached

The following documents need to be attached, in addition to relevant forms we send you.

	Documents to be attached
For all cases	Identity verification document (certificate of residence or registered seal)
Retirement benefits	Document necessary for tax calculation (e.g. copy of a withholding tax certificate for retirement income); Document verifying Individual Number (See Note below.)
Disability benefits	Document verifying the disability grade (e.g. copy of a physical disability certificate)
Lump-sum death benefit	Document verifying death (e.g. copy of death certificate); Document verifying Individual Number (See Note below.)

\* Submission of documents other than the above may also be necessary.

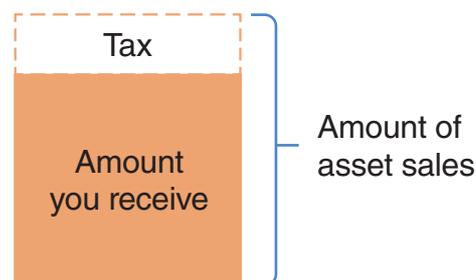
Note: A "document verifying Individual Number" and a "personal identity verification document" (Examples)

- "Copy of the Individual Number Card (front and back)"
- "Copy of the Individual Number Notification Card" and a "copy of the driver's license"
- "Copy of an original certificate of residence containing the Individual Number," copy of passport (with passport holder's address entered in the space provided), etc.

## Preferential tax treatment, etc. applicable to benefits when you receive

### Retirement benefits

The amount of benefits you receive is the amount obtained by deducting withholding tax (if taxable) from the amount received from asset sales. Special income tax for reconstruction is disregarded in the following explanation.



#### Lump-sum receipt (one-time receipt)

Lump-sum receipt (one-time receipt) is treated as retirement income. Retirement income is deducted in the tax calculation for preferential tax treatment to reduce tax burden.

Amount of tax withheld =  
Income tax [Taxable retirement income × Income tax rate — Deduction] + Inhabitant tax [Taxable retirement income × Inhabitant tax rate]

Taxable retirement income = (Lump-sum — Retirement income deducted) × 1/2

Reference page **P.36**

The amount of retirement income deducted is calculated as follows based on the length of service.

Length of service (Contribution period)	Amount of retirement income deducted
<b>20 years or less</b>	400,000 yen × Length of service *800,000 yen if the amount is less than 800,000 yen
<b>More than 20 years</b>	8 million yen + 700,000 yen × (Length of service — 20 years)

Retirement income deducted is calculated by making an adjustment using your lump-sum receipt (one-time receipt) in the applicable year and your retirement income for 14 years immediately before that year. In this case, the period used as the calculation base for lump-sum receipt (one-time receipt) and that for other retirement income may overlap to some extent, and the overlapping period needs to be considered when the deductible amount is calculated. If applicable, please submit “a copy of your withholding tax certificate for retirement income.”

#### Periodic receipt (pension)

Periodic receipt (pension) is treated as miscellaneous income. The amount of withholding tax is calculated by multiplying the amount of pension by a uniform tax rate. No inhabitant tax is withheld at source.

Amount of withholding tax = Amount of pension × 7.5%

You need to file your tax return yourself including the benefits you receive. In this case, these benefits are treated as public pension income, etc., and your tax is calculated by combining them with other income. Deduction for public pensions, etc. is available as preferential treatment in the calculation of miscellaneous income included in your tax return so that your tax burden can be reduced (see Note below). Tax return filing may not be necessary depending on the amount of income.

Note: Please refer to the “rapid calculation table” for miscellaneous income related to public pensions, etc.

Reference page **P.36**

### Disability benefits

Both lump-sum receipt (one-time receipt) and periodic receipt (pension) are nontaxable.

### Lump-sum death benefit

Lump-sum death benefit is treated as inherited assets and subject to inheritance tax as in the case of life insurance proceeds, pre-retirement death benefits, etc.

\* For details, please contact the Tax Office, municipal office, etc.

\* An administrative charge is deducted for the remittance of benefits (400 yen per domestic remittance excluding tax).

\* As of January 2016

Under a DC plan, even in case a participant aged below 60 retires from the company (due to a job change, etc.) and loses participant eligibility, he or she can roll over his or her accumulated assets to the corporate-type DC plan offered by the new plan sponsor or an individual-type DC plan and continue to invest these assets so that he or she can receive benefits in the future. The procedure you need to follow differs depending on your post-retirement situation.

## Things you need to confirm and understand before your retirement

### Confirm your address, name, and telephone number

In case you lose your eligibility to participate due to retirement, you receive “Notice of Loss of Participant Eligibility for Corporate-Type DC Pension Plan and Necessary Procedures,” which explains the procedure you need to complete.

In case you need to change or correct your address, name, or telephone number, please inform your employer’s pension section before your retirement so that you can be sure to receive the said notice.

### Confirm your investment products

After losing eligibility, you cannot switch your products. However, your investment continues, and prices of your investment products may change. Please make the relevant confirmation.

### Returning assets to the plan sponsor

In case a participant with less than three years of service loses eligibility to participate due to retirement for personal reasons, disciplinary dismissal, or other reasons, his or her assets may be returned to the plan sponsor in accordance with the corporate-type DC plan document because such document may require that applicable participants return assets to their plan sponsor in such case.

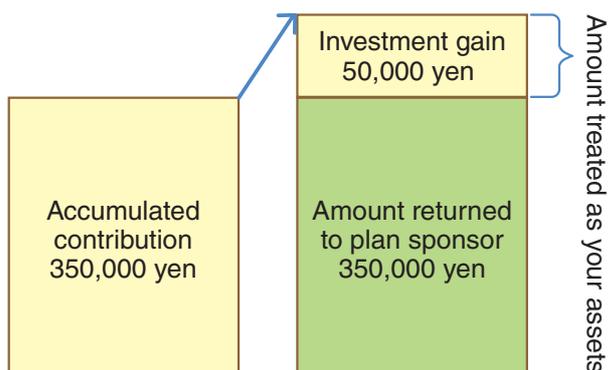
- Money rolled over or transferred from DC or other plans and participant contributions are excluded from assets returned to the plan sponsor.
- The maximum amount an applicable participant needs to return to his or her plan sponsor is the accumulated plan sponsor contribution. The ratio of the amount returned may be predetermined. Even in case this ratio is 100%, investment gains are excluded from the assets returned (see Example 1). In case an investment loss is incurred (i.e. asset balance is lower than accumulated plan sponsor contribution), only the asset balance must be returned to the plan sponsor. The loss portion does not need to be compensated (see Example 2).

\*If payments other than plan sponsor contributions have been made, assets are divided proportionally based on the ratios.

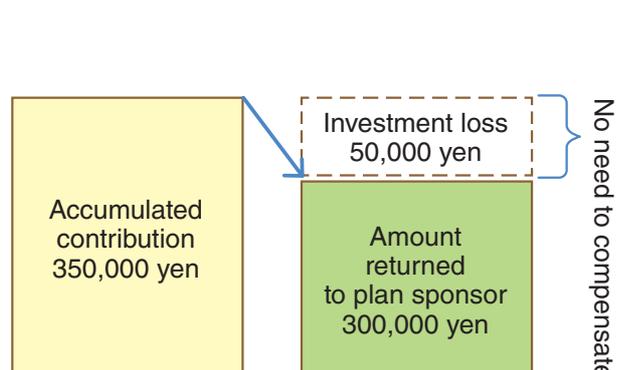
#### Examples in which a participant returns assets to his or her plan sponsor

Years of service : two years and 11 months  
 Reason for losing eligibility : Retirement for personal reasons  
 Accumulated plan sponsor contribution : 350,000 yen (10,000 yen/month)  
 Ratio of assets returned to plan sponsor : Less than three years of service (100%)

(Example 1) In case an investment gain is posted  
 (asset balance: 400,000 yen)



(Example 2) In case an investment loss is posted  
 (asset balance: 300,000 yen)



# from the company before the age of 60

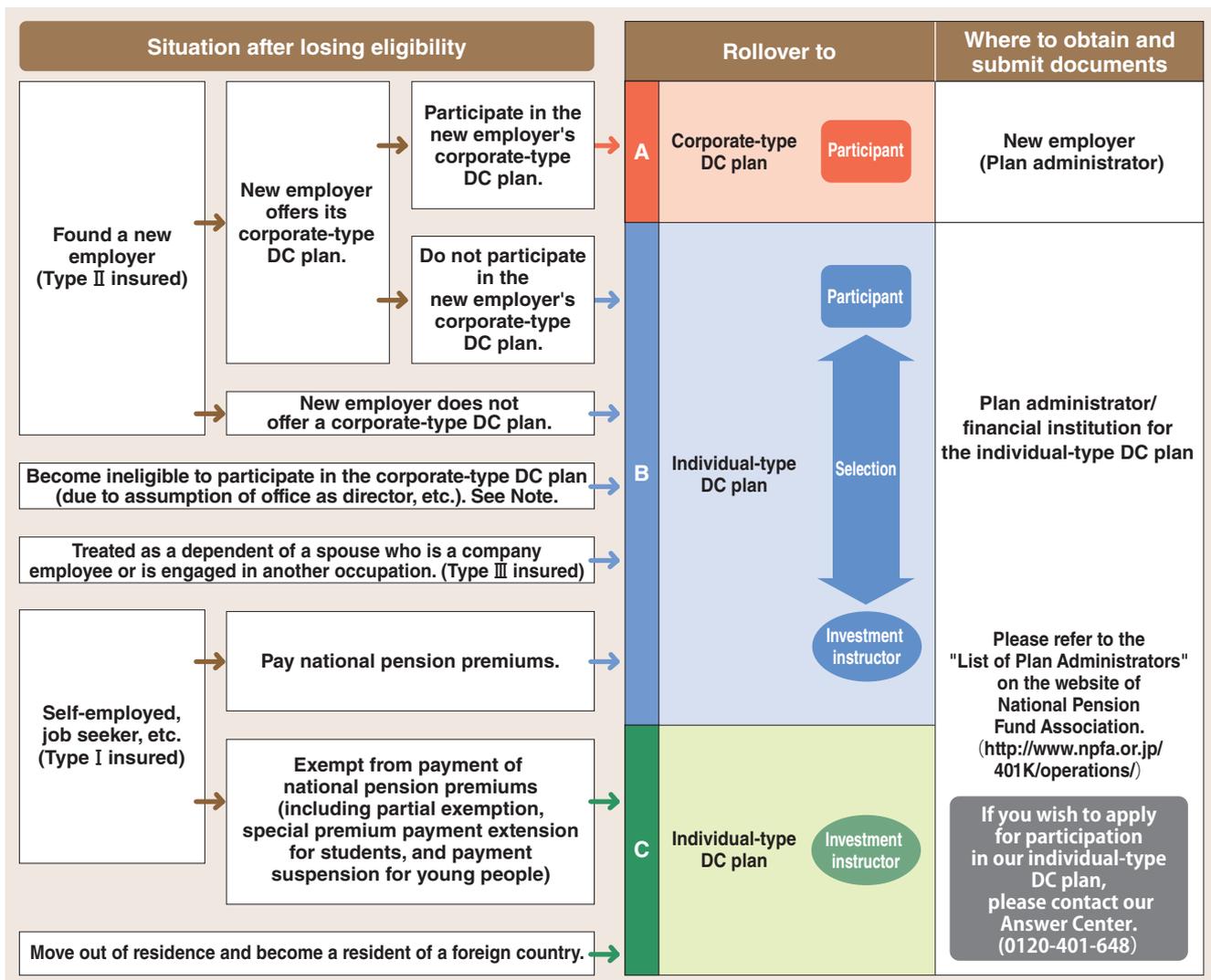
## Post-retirement procedure

In case you retire before the age of 60 (lose your eligibility to participate), you need to complete the procedure for rolling over your DC plan assets, etc. by the deadline. In case you fail to complete this procedure, all your assets are automatically sold (converted into cash) and transferred to the National Pension Fund Association. This is known as automatic rollover.

\* In case you retire at or after the age of 60 (lose your eligibility to participate) and become an investment instructor for your corporate-type DC plan or for your individual-type DC plan by transferring your assets, you can continue your investment and start the procedure for claiming benefits after becoming qualified to receive them.

Referring to the table below, please confirm where to transfer your corporate-type DC plan assets, etc. and where to obtain and submit the necessary documents for completing the rollover procedure. The AnswerCenter can provide you with advice on how to complete the procedure by considering your situation. In case you are also a participant in an individual-type DC plan, you may be treated differently. Early withdrawal of your assets is basically prohibited.

Reference page **P.34**



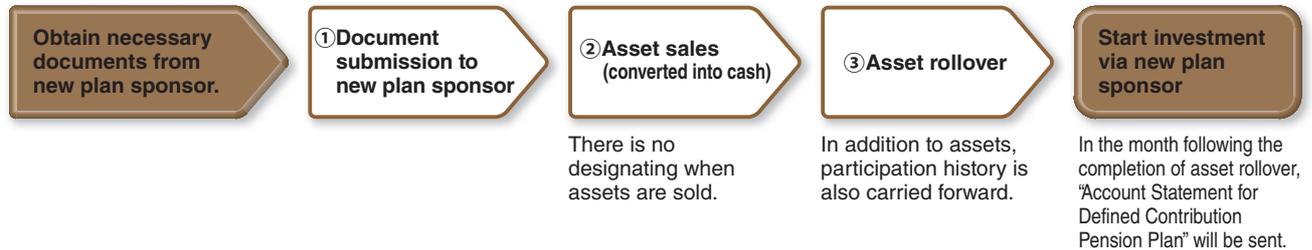
**5**  
Procedure required when you retire from the company before the age of 60

- If your employer ceases to be the provider of your corporate-type DC plan, procedure **B** will be used.
- To participate in a corporate-type DC plan, please contact your new employer (plan sponsor).
- You are responsible for paying your own fees for the individual-type DC plan. The amount of those fees differs depending on the plan administrator. Regarding fees, please contact your plan administrator directly.

Note: If a participant aged 60 years or over becomes a non-participant due to the assumption of office as director or other reasons and fails to complete the rollover procedure on or before the automatic rollover deadline, his or her assets will be automatically rolled over. In addition, it may be permitted to start the procedure for receiving retirement benefits before the automatic rollover deadline arrives.

## Overview of Procedures

It takes about 2 to 3 months to complete the procedure (from document submission to asset rollover) because administrative coordination with relevant organizations is necessary. After the document submission, however, prices of investment products you roll over may change before these products are sold. Accordingly, sales prices may also change.



## Automatic rollover and procedure deadline

The last day of 6 months after the month to which the date of loss of participant eligibility (i.e. the day after the retirement date) belongs is the deadline for submitting documents required for completing the procedure. (Example: In case you lose eligibility in April, the end of six months from May (i.e. the end of October) is the deadline.) However, even in case you fail to correct defective or inadequate documents by the deadline after your submission, automatic rollover applies. Accordingly, it is recommended that you complete the procedure as soon as possible. Automatic rollover is disadvantageous in various ways.

### Examples of disadvantages

- Additional fees are incurred.
  - Fee for automatic rollover ⇒ 4,269 yen (including tax) See Note.
  - Post-automatic rollover management fee (starting in the fourth month after the following month of automatic rollover) ⇒ 51 yen/month (including tax) See Note.
  - Fee for transferring over automatically rolled over assets to a corporate- or individual-type DC plan ⇒ 1,080 yen (including tax) See Note.
  - Fee for filing a claim for lump-sum death benefit or early lump-sum payment ⇒ 4,104 yen (including tax) See Note.

Note: Amount as of December 2016
- Your assets are not invested.  
Your assets are kept in the form of cash. No asset investment is assumed.
- The automatic rollover period is not included in your total length of participation required for receiving retirement benefit. In this case, the date when you obtain eligibility to claim benefit may be delayed.
- To receive retirement benefits and/or disability benefits, you need to roll over your assets to your corporate- or individual-type DC plan.



# from the company before the age of 60

## Filing a claim for early lump-sum payment

Under DC plans, early asset withdrawal is generally not permitted until the age of 60, but is possible if either of the following cases is applicable. In case you can withdraw your assets, you will receive money in a lump sum (early lump-sum payment). Regarding whether you are eligible to receive such payment, please check the following cases. If you wish to receive an early lump-sum payment, please contact the AnswerCenter.

### Case 1 All of the following requirements must be met.

- Must not be a DC plan participant or an investment instructor.
- The amount of your assets in a corporate-type DC plan is 15,000 yen or less. <sup>Note1</sup>
- Six months have not elapsed since the month following the month of loss of eligibility to participate in your corporate-type DC plan (Example: In case you lose eligibility in April, the end of six months from May (i.e. the end of October) is the deadline.)

### Case 2 All of the following requirements must be met.

- You are exempt from paying national pension premiums entirely or partially. (including the cases where you are eligible for special premium payment extension for students or payment suspension for young people)
- The total contribution period<sup>Note2</sup> is one month or more and three years or less, or the asset amount is 250,000 yen or less. <sup>Note1</sup>
- You have no right to receive disability benefits.
- Two years have not elapsed since the final day of loss of eligibility to participate in your corporate- individual-type DC plan.
- You have not received an early lump-sum payment from your corporate-type DC plan (Case 1).

Note 1: The amount obtained by deducting the amount returned to the plan sponsor from the sum of assets as of the end of the month immediately before the day when a claim for lump-sum payment is filed and also by adding the total amount of unpaid contributions, rollover money, etc. as of the said end of the month to the said sum. In case you have assets in another DC plan, these assets are combined (i.e. assets in another corporate-type DC plan (Case 1) and assets in another corporate- or individual-type DC plan (Case 2))

Note 2: The total contribution period is the sum of a period of participation in a corporate-type DC plan, a period during which individual-type DC plan contributions have been paid, and a period added as a result of rollover from another corporate pension plan, etc. (plan rollover).

\* Those who lose participant eligibility on or before December 31, 2016 may be treated differently. Please contact the AnswerCenter.

\* In case a participant in a DC plan under which he or she files a claim for a lump-sum payment (see Case 2 above) is also a participant in a corporate- or individual-type DC plan, the period until the month immediately before the month of receipt of such early lump-sum payment may be deducted from the total participation period.

5

Procedure required when you  
retire from the company  
before the age of 60

## Other procedures

### Procedures for participants

1. Under the DC plan, if you are simultaneously eligible to participate in two or more plans under different corporate-type DC plan documents, you need to select one of them. Immediate notification is required in the following cases.

Cases where notification is required	Give notification to:
When you become eligible or lose eligibility to participate in a corporate-type DC plan offered by another employer	Plan sponsor/employer
When you cease to be employed by another employer	
When you lose eligibility to participate in the corporate-type DC plan offered by your employer	Plan sponsor/another employer

Employer: An employer offering a corporate-type DC plan in which you participate

Another employer: An employer other than an employer offering a corporate-type DC plan in which you participate

2. If you are a participant under the small enterprise mutual aid system or either corporate- or individual-type DC plan and the following is applicable, notification is necessary.

Cases where notification is required	Give notification to:	Notification deadline
When you are a participant under the small enterprise mutual aid system	AnswerCenter (Please visit AnswerNet to confirm participant information and register notification contents using the change menu.)	Within 14 days from the day you become eligible to participate in a corporate-type DC plan
When you are a new participant under the small enterprise mutual aid system		Within 14 days from the day when you become a participant
When you receive a mutual aid payment or cancellation allowance under the small enterprise mutual aid system (Age limit: Age 46 or older)		Within 14 days from the day when you receive a payment
When you were a participant in another corporate- or individual-type DC plan	AnswerCenter	Within 14 days from the day when you become eligible for participation in a corporate-type DC plan

3. We may ask you to submit prescribed documents to us or the plan sponsor depending on the necessity.

4. Certain documents you need to submit to us are downloadable from AnswerNet.

### Procedures for plan sponsors (refunding contributions)

Refunding means returning a portion of a participant's assets to the plan sponsor in the form of cash if contributions, etc. not stipulated in the corporate-type DC plan document was made. More specifically, these assets equivalent to the said contributions, etc. are sold (converted into cash) and returned to the plan sponsor.

\* In the case of a plan for which matching contributions are made, participant contributions are returned to the respective participants through the plan sponsor. Refund-related sales are made based on the ratio of the amount of each investment product that a relevant participant holds.

Note: The amount refunded to you may not be the same as the relevant contribution amount due to price fluctuations of investment products sold.

#### Important point related to refunds

- Switching may be restricted for a few days before and after sales because refund-related sales need to be processed.

# Tax calculation for retirement benefits

## Lump-sum receipt (one-time receipt)

Detailed calculation method (Special reconstruction income tax is not included in the calculation.)

### Tax calculation method

Amount of tax withheld =  
Income tax [Taxable retirement income × Income tax rate – Deduction] + Inhabitant tax [Taxable retirement income × Inhabitant tax rate]

Taxable retirement income = (Lump-sum – Retirement income deducted) × 1/2

### Calculation example (in case a person with 21 years of service receives a retirement allowance of 13 million yen)

Retirement income deducted 8 million yen + 700,000 yen × (21 years – 20 years) = 8.7 million yen

Taxable retirement income (13 million yen – 8.7 million yen) × 1/2 = 2.15 million yen

Income tax 2.15 million yen × 10% – 97,500 yen = 117,500 yen

Inhabitant tax 2.15 million yen × 10% = 215,000 yen

Retirement income deducted (as of January 2016)

Length of service(Contribution period)	Amount of retirement income deducted
<b>20 years or less</b>	400,000 yen × Length of service *800,000 yen if the amount is less than 800,000 yen
<b>Over 20 years</b>	8 million yen + 700,000 yen × (Length of service – 20 years)

“Rapid calculation table” for withholding tax on retirement income (as of January 2016)

Taxable retirement income	Income tax rate	Amount deducted
1.95 million yen or less	5%	0 yen
More than 1.95 million yen and 3.3 million yen or less	10%	97,500 yen
More than 3.3 million yen and 6.95 million yen or less	20%	427,500 yen
More than 6.95 million yen and 9 million yen or less	23%	636,000 yen
More than 9 million yen and 18 million yen or less	33%	1,536,000 yen
More than 18 million yen and 40 million yen or less	40%	2,796,000 yen
More than 40 million yen	45%	4,796,000 yen

## Periodic receipt (pension)

Amount of miscellaneous income related to public pensions, etc. = (a) × (b) – (c)

“Rapid calculation table” for miscellaneous income related to public pensions, etc. (as of January 2016)

Pension recipient's age	(a) Sum of public pension and other income	(b) Ratio	(c) Amount deducted
Below 65 years of age	(In case the sum of public pension and other income is 700,000 yen or less, the amount of income is treated as zero.)		
	700,001 yen to 1,299,999 yen	100%	700,000 yen
	1,300,000 yen to 4,099,999 yen	75%	375,000 yen
	4,100,000 yen to 7,699,999 yen	85%	785,000 yen
	7,700,000 yen or more	95%	1,555,000 yen
65 years of age or older	(In case the sum of public pension and other income is 1,200,000 yen or less, the amount of income is treated as zero.)		
	1,200,001 yen to 3,299,999 yen	100%	1,200,000 yen
	3,300,000 yen to 4,099,999 yen	75%	375,000 yen
	4,100,000 yen to 7,699,999 yen	85%	785,000 yen
	7,700,000 yen or more	95%	1,555,000 yen

# User's Guide to AnswerNet

## How to log in to AnswerNet

1. Go to the login page via the website of Sompo Japan Nipponkoa DC Securities.



**Start here.**

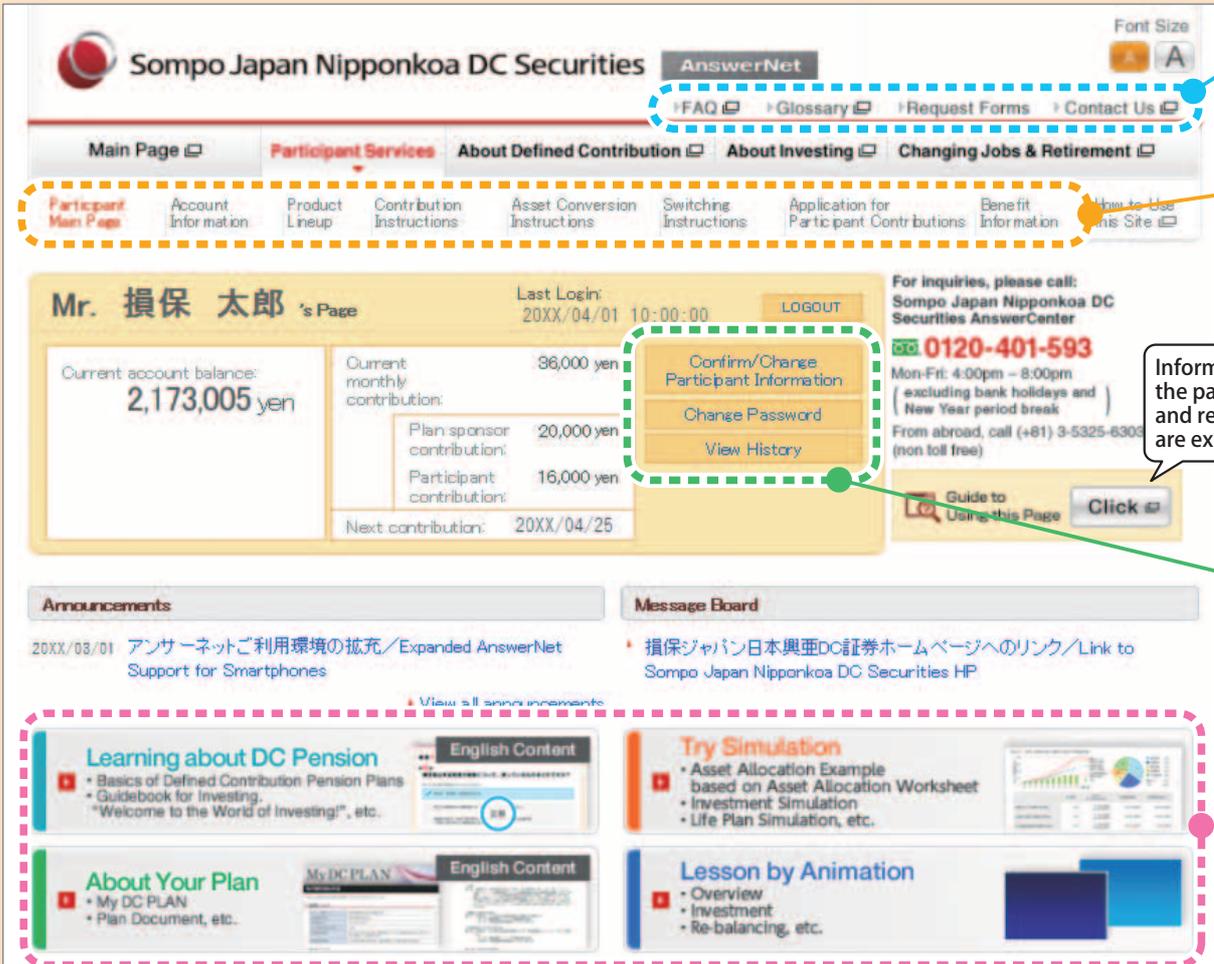
**Website of Sompo Japan Nipponkoa DC Securities**  
<http://www.sjnk-dc.co.jp>

2. On the login page, enter your login ID and password to log in to AnswerNet.

Reference page **P.14**

## Introduction to the menu

Participant main page (Different information may be displayed depending on the plan in which you participate.)



**Mr. 損保 太郎's Page**

Current account balance: **2,173,005 yen**

Current monthly contribution: 36,000 yen

Plan sponsor contribution: 20,000 yen

Participant contribution: 16,000 yen

Next contribution: 20XX/04/25

For inquiries, please call:  
**Sompo Japan Nipponkoa DC Securities AnswerCenter**  
**0120-401-593**  
 Mon-Fri: 4:00pm – 8:00pm (excluding bank holidays and New Year period break)  
 From abroad, call (+81) 3-5325-6300 (non toll free)

**Information about the page displayed and relevant items are explained.**

## ■ Tips for using AnswerNet

Regarding the latest information, please refer to “Using AnswerNet” on the login page of AnswerNet.

### <Service hours>

24 hours a day

\* While night-time system maintenance work is being carried out, certain services such as the designation or change of allocation ratios and the switching are not available.

### <ID and password>

● Point to remember when you log in

If you input incorrect IDs or passwords more than the specified number of times, use is suspended.

● In case you forget your ID or password

Please contact the AnswerCenter directly. After verifying your identity, we will mail you a temporary password using your registered address.

● In case you leave our website idle on your computer for a specified period, you need to re-enter your ID and password.

When you restart your computer work, the login screen automatically appears. Please enter your ID and password again to log in to our website.

● Password change

The password you use initially is your temporary password. Please change it to your desired password at the time of your initial login.

### <Security>

Various security measures are in place to protect important information such as personal information and asset statuses. For details, please refer to “Using AnswerNet” on the login page of AnswerNet.

### <Usage environment>

Regarding details about OS, recommended browser versions, browser settings, etc., please refer to “Using AnswerNet” on the login page of AnswerNet.

(Normal operation is not guaranteed if the environment used is not that recommended or depending on how you set up your browser even if the recommended environment is used.)

### <Disclaimer>

The disclaimer applies to the contents described in AnswerNet. For details, please refer to “Using AnswerNet” on the login page of AnswerNet.

## Menu

<b>FAQ</b>	Answers to frequently asked questions are available.
<b>Glossary</b>	Difficult words are explained.
<b>Request Forms</b>	Various procedure forms and reference documents are downloadable.
<b>Contact Us</b>	Make inquiries here if you need clarification.
<b>Participant Main Page</b>	You can confirm the basic information, messages, etc. (e.g. the current balances of your assets and allocation ratios).
<b>Account Information</b>	You can confirm the current balances and changes in your assets, information by product, yield, etc.
<b>Product Lineup</b>	You can confirm the list of selectable investment products and the results of investment performance.
<b>Contribution Instructions</b>	You can designate or change investment products you purchase using monthly contributions, as well as purchase ratios.
<b>Asset Conversion Instructions (See Note)</b>	You can designate or change investment products you purchase using monthly contributions, as well as purchase ratios.
<b>Switching Instructions</b>	You can sell investment products you currently hold and purchase other investment products using the sales proceeds.
<b>Application for Participant Contributions (See Note)</b>	You can newly apply for participant contribution payment, make relevant changes, or suspend such payment.
<b>Benefit Information</b>	You can confirm how to receive benefits and the relevant history.
<b>Confirm/Change Participant Information</b>	You can confirm or change your participant information (some items may not be changeable).
<b>Change Password</b>	You can change your password used when logging in.
<b>View History</b>	You can confirm your transactions and access history for the past year.
<b>Learning about DC Pension</b>	You can learn basic knowledge about DC plans and asset investment.
<b>Try Simulation</b>	You can use simulations of your life plan and investments under your DC plan.
<b>About Your Plan</b>	You can confirm the Corporate-type DC plan document and its outline as a plan participant.
<b>Lesson by Animation</b>	You can learn DC plans by viewing videos.

Note: May not be displayed depending on the plan in which you participate.

# Terms and Conditions for the Defined Contribution Pension Plan (Revised as of December 1, 2016)

## Chapter 1 General

### Definition of Terms and Conditions

**Article 1** These terms and conditions describe the contents and procedures of the plan administration services (hereinafter "Services") that Sampo Japan Nipponkoa DC Securities Inc. (hereinafter "Company") provides to participants and investment instructors (hereinafter, "Participants") of the defined contribution pension plans as described below. Any matters not specifically stipulated in these terms and conditions are governed by the stipulations of the "Defined Contribution Pension Plan Document" and the "Terms and Conditions for Sampo Japan Nipponkoa DC Securities AnswerNet (for defined contribution pension plans)" (hereinafter, "Terms and Conditions for AnswerNet").

(1) Corporate type pension plan:

A corporate type defined contribution pension plan based on the plan administration consignment contract or re-consignment contract which the Company has concluded with a plan sponsor to implement a defined contribution pension plan.

(2) Individual type pension plan:

An individual type defined contribution pension plan based on the re-consignment contract between the Company and a plan administrator designated by Participants (provided, however, that this shall not apply if the plan administrator designated by Participants has its own terms and conditions).

### (Use of Services)

**Article 2** The use of Services is governed by the following:

(1) The defined contribution pension plan is managed in accordance with the defined contribution pension plan document (this refers to either a corporate type pension plan document as determined by an employer and its employees, or an individual type pension plan document, hereinafter "Plan Document.") For more information on this plan, please read the Plan Document.

(2) In defined contribution pension plans, Participants are responsible for making their own investment decisions, by selecting investment products from those available in the plan. The Company cannot and does not make recommendations for any investment products.

## Chapter 2 Investment Products

### (Eligible Investment Products)

**Article 3** A list of investment products that Participants can select from is provided in writing or electronically; hereinafter "documents" (limited to corporate pension plans that are in agreement with SJDC to transmit data electronically), at the time the Participants join the defined contribution pension plan and as new investment products are added. Participants can also get details of investment products available through their corporate type or individual type DC plans via our online service (hereinafter "AnswerNet") and call center (hereinafter "AnswerCenter").

### (Removal of Investment Products)

**Article 4** If we remove products from our product line-up, we will do so with the consent of Participants who have selected the product. After obtaining consent of all the participants, we will ask them to follow procedures for switching (hereinafter "Switching") out of the investment product.

2 Due to potential events specified in the Plan Document, such as termination of the investment trust (investment trust closure), etc., we may be unable to continue offering such investment trust. In such cases, we will ask Participants to switch to other investment product(s), by completing the required procedures.

3 If it becomes necessary for Participants to switch to other investment products, and provided no switching investment instructions have been received from Participants by a deadline determined in advance, the investment product stipulated in the Plan Document will be purchased in the case of corporate type pension plans, and principal guaranteed investment product will be purchased in the case of the individual type pension plans.

### (Important Notice Concerning Investment Products)

**Article 5** The Company provides Participants with information on investment products. Please submit your investment instructions after reviewing the details of each investment product and ensuring that you understand all important information related to your investment selections.

## Chapter 3 Investment Instructions

### (Providing Investment Instructions)

**Article 6** As described below, Participants can invest in one or more investment products by providing the Company with instructions to allocate the respective amounts (ratio) to each product.

(1) Instructions for investing monthly contributions

① Participants provide investment instructions for monthly contributions by allocating a portion of their contribution to each investment product in increments of 1%. The Company places purchase orders (hereinafter "Purchases") for investment products based on investment instructions provided by the Participants. If no investment instructions are provided, the investment product(s) prescribed in the Plan Document will be purchased in the case of corporate type pension plans, and principal guaranteed investment product(s) (if several principal guaranteed investment products are held, the product listed on the top of the Asset Allocation Sheet) will be purchased in the case of individual type pension plans.

② Participants should provide investment instructions for their contributions prior to the date specified when an account is established. For corporate type pension plans, this should be done using one of these methods: "AnswerNet," "AnswerCenter" or the Asset Allocation Change Order Form. However, an Asset Allocation Change Order Form should be submitted for individual type pension plans.

③ Please use the AnswerNet or call the AnswerCenter when changing your investment elections. A request for a change received by 11:59 PM on the day before the date a contribution is paid to the asset administrator or to the financial institution providing administrative services is reflected in the current month, and a request received thereafter is reflected in the contribution for the following month.

④ Your investment instructions stay in place until these are changed by you.

(2) Investment Instructions for switching between investment products

Sell orders, including redemptions, etc., (hereinafter referred to as "Asset Sales") for your assets and purchase orders of other investment products can be made under the defined contribution pension plan. You will need to specify the investment product to be sold and the selling amount, by designating the number of units or shares to be sold. At the same time, you must specify a product to be purchased for each product you want to sell. (The purchase amount is determined based on the sales amount.) Investment instructions for switching are to be submitted through the AnswerNet or the AnswerCenter.

(3) Investment instructions for transfer of assets from retirement lump-sum plans, Employee's Pension Fund Plans, Tax Qualified Pension Plans and Defined Benefit Corporate Pension Plans (Unless otherwise specified, Participants in corporate type pension plans are entitled to give these instructions.)

Investment products are purchased using the same investment elections as those designated for your monthly contributions. If you would like to allocate your transferred assets differently from your monthly contributions, please provide investment instruction separately for your converted assets through the AnswerNet, or by calling the AnswerCenter by 11:59 PM on the day before the date that the converted assets are paid to the asset administrator.

If you provide investment instructions for transfer of assets from a retirement lump-sum plan, Employee's Pension Fund Plan, Tax Qualified Pension Plan or Defined Benefit Corporate Pension Plan (hereinafter "Other Plans"), which are different from those designated for your monthly contributions, this allocation ratio will also apply to any subsequent asset transfers from Other Plans, unless you request a change.

(4) Investment instructions for transfer of assets and lump-sum withdrawals

With regard to transfer of assets as described below, unless otherwise specified, 100% of the assets will be allocated to the investment products as stipulated in the Plan Documents in the case of corporate type pension plans, and 100% of assets will be allocated to the principal guaranteed investment product in the case of individual type pension plans.

Participants who wish to purchase other investment products may do so by "switching" into the desired products.

① Transfer of individual assets from corporate type pension plans or individual type pension plans.

② Transfer of early lump-sum payment from Employee's Pension Fund Plan, Defined Benefit Corporate Pension Plan, or Pension Fund Association

2 Please be sure to submit your investment instructions.

When we receive investment instructions through the AnswerCenter, we will verify your identity by confirming the registered information of Participants. In addition, when using AnswerNet, please provide the correct ID and password to access this Service.

3 Once we have verified your identity using these procedures, the Company deems any inquiries and transactions, etc. valid, even in cases of unauthorized use.

4 Your ID and password are critical in using the Services. Participants should always handle their ID and password with great care. These should not be written down for third parties to see, and should not be otherwise disclosed to third parties. If you are aware or suspect that your ID or password have been compromised, please contact the Company immediately, so these can be reissued. Please note that the Company does not ask Participants to disclose their password at any time. We recommend that you change your password periodically. Passwords can be changed by Participants themselves through the AnswerNet. In some cases, we may ask you to change your password.

5 When using AnswerNet, please confirm that you have read and agree to the "Terms and Conditions for AnswerNet".

6 Participants may not be able to submit investment instructions during certain periods of time. Our system may be unavailable for these transactions, while processing Asset Sales in connection with benefit payments, refunds, rollovers of individual assets, fee collections, or other reasons.

#### **(Cut-off Time for Investment Instructions and Execution of Transactions)**

**Article 7** All investment instructions received from Participants by 11:59 PM on a business day (by the designated date, regarding investment instructions for monthly contributions, assets from Other Plans, investment instructions for individual assets from other Defined Contribution Pension Plans or early lump-sum payment from the Employee's Pension Fund Plan, etc.) are provided to the asset administrator or to the financial institution providing administrative services on the following business day.

- 2 The asset administrator or the financial institution providing administrative services, in general, places an order for transactions with the investment management company on the day when all the investment instructions are submitted. If an investment management company cannot accept the order on that day, the order will be placed on the first business day when such order can be accepted.
- 3 Investment instructions may be transmitted to the asset administrator on the following business day or later when there is a discrepancy between the expected amount and the amount actually received by the asset administrator, or when the asset administrator is unable to confirm the receipt of payment by the prescribed time under the corporate type pension plan.

#### **(Execution of Transactions for Switching)**

**Article 8** When you give investment instructions to sell investment products that you hold and purchase other investment products, investment instructions for both the sell and buy orders will be accepted at the same time. However, the buy orders are executed on a specified day after proceeds from the Asset Sales have been received by the asset administrator or the financial institution providing administrative services.

### **Chapter 4 Participant Contribution in a Corporate Type Defined Contribution Pension Plan**

#### **(Making Participant Contribution in a Corporate Type Defined Contribution Pension Plan)**

**Article 9** In case that participant contribution in a corporate type defined contribution pension plan (hereinafter "Participant Contribution") is available, it is described in the Plan Document, etc. and is presented to participants when they join the defined contribution pension plan and Participant Contribution becomes available. In addition, participants can check the information anytime through the AnswerNet or by calling the AnswerCenter.

#### **(Handling of Making Participant Contribution)**

**Article 10** To the extent that the contract between the Company and a plan sponsor is in full force, participants can submit applications for Participant Contribution through the AnswerNet, by calling the AnswerCenter or by the designated form.

- 2 Please be sure to submit your investment instructions. When we receive investment instructions through the AnswerCenter, we will verify your identity by confirming the registered information of Participants. In addition, when using AnswerNet, please provide the correct ID and password to access this Service.
- 3 Once we have verified your identity using these procedures, the Company deems any inquiries and transactions, etc. valid, even in cases of unauthorized use.
- 4 Your ID and password are critical in using the Services. Participants should always handle their ID and password with great care. These should not be written down for third parties to see, and should not be otherwise disclosed to third parties. If you are aware or suspect that your ID or password have been compromised, please contact the Company immediately, so they can be reissued. Please note that the Company does not ask Participants to disclose their password at any time. We recommend that you change your password periodically. Passwords can be changed by Participants themselves through the AnswerNet. In some cases, we may ask you to change your password.
- 5 When using AnswerNet, please confirm that you have read and agree to the "Terms and Conditions for AnswerNet" and the "Terms and Conditions for Sampo Japan Nipponkoa DC Securities AnswerNet (for Defined Contribution Pension Plan) Wide Support."

#### **(Participant Contribution Application)**

**Article 11** Participant Contribution applications can be made with acceptable amounts (1,000 yen as the minimum).

- 2 In the case of Wide Support, Participant Contribution applications can be made through the AnswerNet, by calling the AnswerCenter or by the designated form, when participants join the defined contribution pension plan and Participant Contribution becomes available. An application by 11:59 PM on the day before the date a previous month's contribution is paid to the asset administrator, is reflected in the current month. However, the acceptance of the application may be restricted to a month specified in the Plan Document.

#### **(Suspending or Resuming Participant Contribution)**

**Article 12** In the case of Wide Support, through the AnswerNet or by calling the AnswerCenter, participants can suspend or resume the current month's Participant Contribution by 11:59 PM on the day before the date a previous month's contribution is paid to the asset administrator. However, the resumption of Participant Contribution may be restricted to a month specified in the Plan Document.

#### **(Participant Contribution Amount)**

**Article 13** In the case of Wide Support, through the AnswerNet, by calling the AnswerCenter or by designated form, participants can apply for the current month's Participant Contribution by 11:59 PM on the day before the date a previous month's contribution is paid to the asset administrator.

- 2 Participant Contribution amounts (1,000 yen as the minimum) stay in place without instructions for changing the amounts. When an amount exceeds a limit, e.g. a plan sponsor contribution changes, Participant Contribution will be adjusted within a limit (0 yen if less than 1,000 yen).
- 3 In the case of Wide Support, through the AnswerNet or by calling the AnswerCenter, participants can change the current month's Participant Contribution by 11:59 PM on the day before the date of contributions paid to the asset administrator preceding the month of change prescribed in the Plan Document. Participant Contribution can be changed only once a year except as otherwise provided in the Plan Document.

### **Chapter 5 Provision of Information, etc.**

#### **(Provision of Information Concerning Investment Products)**

**Article 14** We deliver documents that include certain information concerning investment products that are available to you. These are intended to help you with your investment decisions upon participation in the defined contribution pension plan. In addition, we will provide you with documents containing certain information at least once a year after start of your participation.

- 2 As a rule, documents are mailed to the home address on file with the Company of each Participant. Under the corporate type pension plan, however, it will be mailed to the home address of Participants or sent via plan sponsors, etc. in accordance with the agreements made in advance with the plan sponsors, etc.
- 3 In addition to the provision of documents on investment products, Participants can also obtain such information through the AnswerNet or by calling the AnswerCenter.

#### **(Reporting of Individual Management Assets, etc.)**

**Article 15** We regularly send you, for your reference, details on your assets and transactions in accordance with the provisions of the Plan Document. In addition, you can check the information at any time through the AnswerNet, or by calling the AnswerCenter.

- 2 If Participants or other persons who are eligible to receive a death lump-sum benefit wish to inquire about their assets, they can also do so by calling the AnswerCenter.

#### **(Customer Service Desks)**

**Article 16** If you have any inquiries, please call the AnswerCenter.

- 2 Availability of service hours during which Participants can use the Services shall be specified by the Company. The Company reserves the right to change service hours without prior notice to Participants.
- 3 Due to certain regulatory restrictions imposed under this plan, AnswerCenter representatives may be unable to answer certain types of inquiries.

#### **(Amendment to Terms and Conditions)**

**Article 17** These terms and conditions may be amended due to changes in laws or other regulations, instructions from governing authorities, changes to the plan administration consignment contract (or re-consignment contract), or whenever otherwise deemed necessary.

#### **(Disclaimer of Liability)**

**Article 18** The Company is not responsible for losses or damages incurred by Participants as a result of the following causes.

- (1) Transactions or notifications conducted after verification of identity in accordance with the method in Paragraph 2 of Article 6 or Paragraph 2 of Article 10.
  - (2) Disruption or defect of telecommunications equipment, telecommunications lines, or computer systems; obstruction, trespassing or alteration of information, etc. by a third party (excluding cases of intentional acts or gross negligence on the part of the Company.)
  - (3) Delay or inoperability with regard to handling the Services described in Paragraph 2 of Article 16.
  - (4) Delay or inoperability with regard to handling of the Services due to force majeure such as natural disaster, war, riots, disturbance, or uprising.
- 2 The Company is not responsible for any liability arising from disclosure of personal information due to the following.
    - (1) Access to information or Services of the Company due to breach of password security as a result of theft, etc. (excluding breach of password security caused by intentional acts or gross negligence by the Company.)
    - (2) Misdelivery of mail or items, or disclosure after delivery (including deliveries via plan sponsors.)

#### **Miscellaneous**

**Article 19** In the following cases, you may not be able to receive certain services specified by the Company. As a result, the Company is not responsible for any damage or liability incurred by Participants.

- (1) When Participants fail to submit, without any reasonable cause, certain documents, etc. requested by the Company in accordance with the defined contribution pension plan.
- (2) When Participants are in violation of these terms and conditions without any reasonable cause.

※This translation of the original Japanese document is provided for reference purposes only.

# Terms and Conditions for Sampo Japan Nipponkoa DC Securities AnswerNet (for the defined contribution pension plan) (Revised as of September 1, 2014)

## (Purpose of the rules)

**Article 1:** These rules determine how participants and investment instructors (hereinafter, "participants") under the defined contribution pension plan registered with Sampo Japan Nipponkoa DC Securities Inc. (hereinafter, "the Company") can use certain services, including those employing the Internet (the "Sampo Japan Nipponkoa DC Securities AnswerNet"). Any matter not specifically stipulated in these rules is governed by the stipulations of the "Defined Contribution Pension Plan Document" and the "Terms and Conditions for the Defined Contribution Pension Plan."

## (Use of the service)

**Article 2:** Participants of the defined contribution pension plan registered with us can use the services. The services are usable only when an ID and password entered match those registered with us.

## (Service hours)

**Article 3:** Service hours during which participants can use the services shall be specified by Sampo Japan Nipponkoa DC Securities. (For details, please see "User's Guide to AnswerNet.") However, Sampo Japan Nipponkoa DC Securities may change service hours without any prior notice to participants.

2 Sampo Japan Nipponkoa DC Securities may cease or temporarily suspend some or all services without any notice due to technical difficulties with or maintenance of the system, etc.

## (Type or services)

**Article 4:** The service which participants can utilize shall be specified by Sampo Japan Nipponkoa DC Securities. (For details, please see "User's Guide to AnswerNet.") Sampo Japan Nipponkoa DC Securities reserves the right to change the content of the services at its discretion without prior notification to participants.

## (Investment instructions)

**Article 5:** When participants give investment instructions to us using the services under the defined contribution pension plan, we consider that the investment instructions from the participants have been completed after the participants enter and confirm certain details specified by us and when we receive these details.

## (Execution of investment instructions)

**Article 6:** We will execute investment instructions in the above Article as early as possible after the completion of the investment instructions in accordance with the provisions of our "Terms and Conditions for the Defined Contribution Pension Plan."

## (Cancellation and changes of an application)

**Article 7:** Participants can cancel their investment instructions described in Article 5 using the services, but only during the hours specified by us.

2 When participants change their investment instructions described in Article 5, they can do so using the services only during the hours specified by us. But when only changing contribution instructions against contributions to the defined contribution pension plan, participants can directly enter new investment instructions on the allocation without cancelling any other investment instructions.

## (Reference to the contents of an application)

**Article 8:** The participants can refer to the contents of investment instructions prescribed in Article 5 using the services.

## (Notification methods)

**Article 9:** Participants can notify Sampo Japan Nipponkoa DC Securities of required information (only for items stipulated by the Company) using the online services instead of submitting necessary documents via postal mail. In this case, notification procedures will be considered completed by participants upon receipt of data electronically submitted by the participant.

## (Inquiries regarding receipt of electronically submitted data)

**Article 10:** Participants can make inquiries for confirmation of the receipt of data submitted electronically by participants as prescribed in Article 9 using the online services.

## (Liability disclaimer)

**Article 11:** We bear no responsibility for damage incurred by participants as a result of the following causes.

- (1) Transactions conducted after confirming the agreement of an ID and password registered with us
- (2) Trouble, errors, obstruction or intrusion by a third party, alteration of information, etc. regarding communication equipment, communication lines or computer systems (excluding cases where this damage is our responsibility, such as due to gross negligence or error)
- (3) Delinquency in, or inability to handle the services in accordance with the provisions of Article 3, Sentence 2 of Article 12, or Article 13
- (4) Delinquency in, or inability to handle the services due to a natural disaster or other force majeure

## (Suspension of the services)

**Article 12:** We will suspend the provision of services at the request of the participants.

2 We may suspend the provision of services for unavoidable reasons. In this case, we will notify the participants of the suspension without delay.

## (Prohibition from using the services)

**Article 13:** We reserve the right to refuse provision of the services to particular applicants whom we consider inappropriate as participants.

## (Revision of these rules)

**Article 14:** These rules may be changed to conform to changes in laws and other regulations, in response to the instructions of the relevant authorities, or whenever otherwise deemed necessary.

※This translation of the original Japanese document is provided for reference purposes only.

# Handling of personal information

1. Sampo Japan Nipponkoa DC Securities will make use of such personal information as customer name, address, telephone number, date of birth, email address, and investment situation of the customer's assets in the execution of business related to DC pension management and associated business (plan establishment, opening of accounts, plan transfers, rollovers, benefit decisions, refunds, etc.) and will acquire, use, deposit, provide, or record such information with respect to (1) and (2) below or within the scope necessary to carry out other business.
  - (1) Implementation of information provision services related to asset management and pensions, and research and development of financial products and services through the implementation of market surveys, data analysis, or questionnaire surveys.
  - (2) For the purposes of the business activities listed above, such information may be provided to or received from group companies, business partners, product handling institutions related to the management method (product) specified by the customer, the National Pension Fund Association, medical institutions, or entities related to requesting or paying benefits.

Please view our website at <http://www.sjnk-dc.co.jp> or see below for inquiries regarding our policy on protection of personal information, request for disclosure of personal information, and the names of our group companies and business partners.

## <Contact for information on our privacy policy>

**Sampo Japan Nipponkoa DC Securities AnswerCenter**  
**(manager in charge of personal information)**

Inquiry form : <http://www.sjnk-dc.co.jp/ja/formprivacy/>

(the link shown above cannot be accessed from mobile phones)

## <Personal Information Protection Manager>

Chief Privacy Officer

2. Please be informed that we record participants' personal information in accordance with our policies for protecting personal information when a participant makes a phone call to our AnswerCenter.
3. Except for the following case, we will not use or disclose personal information obtained to conduct plan administration to any third parties including your plan sponsor. We will not disclose any information to your plan sponsor, for purposes other than those consigned (or re-consigned) operations.
  - (1) Only when personal information is provided to us and the asset administrator or a company that provides products under this plan in order to administer this plan.
  - (2) When advance permission has been obtained in writing from the participants after specifying the purposes of use other than the fulfillment of obligations under the outsourcing contract for plan administration (or re-consignment contract).
  - (3) When you have a responsibility to disclose personal information to administrative agencies or a court in accordance with the law, regulations, or a judgment or order of the court.
4. We bear no responsibility for any leakage of personal information owing to the following causes.
  - (1) When someone gains access to our information provision services by stealing your password, etc. (This excludes cases where the theft of the password is our responsibility, due to negligence, etc.)
  - (2) When leakage occurs after the delivery of mail and other goods including wrong deliveries. (Deliveries via your plan sponsor are included in this case.)



SOMPO HOLDINGS

Sompo Japan Nipponkoa DC Securities Inc.

These materials are based on laws and regulations as of January, 2017.

Revised January, 2017  
0050151160300