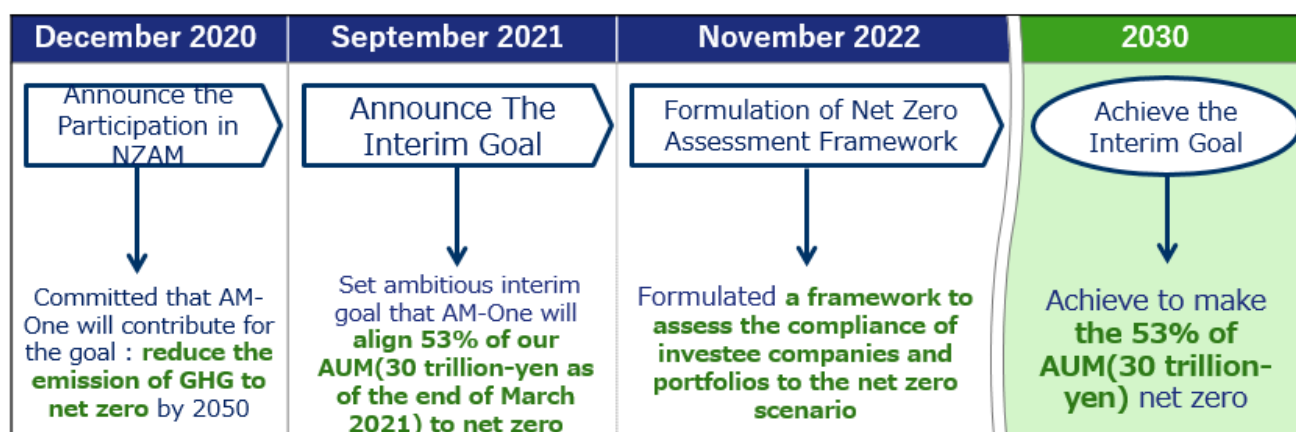


Formulation of Net Zero Assessment Framework

Asset Management One Co., Ltd. (Chiyoda-ku, Tokyo, President & CEO; Akira Sugano, hereinafter, AM-One) has been participating in Net Zero Asset Managers initiative (hereinafter, NZAM), an initiative led by global asset management companies, aiming to achieve net zero emission of greenhouse gas (hereinafter, GHG), since its inception. In September 2021, AM-One announced an ambitious interim goal to have 53% of our assets under management as of 2030, which is 30 trillion yen (*1), on the path to achieving net zero greenhouse gas emissions by 2050 or earlier, and have been promoting initiatives to support the society's movement toward net zero from the standpoint of an asset management company. AM-One hereby announces that it has formulated a framework to assess the alignment of investee companies and portfolios to the net zero scenario (hereinafter, Net Zero Assessment Framework).



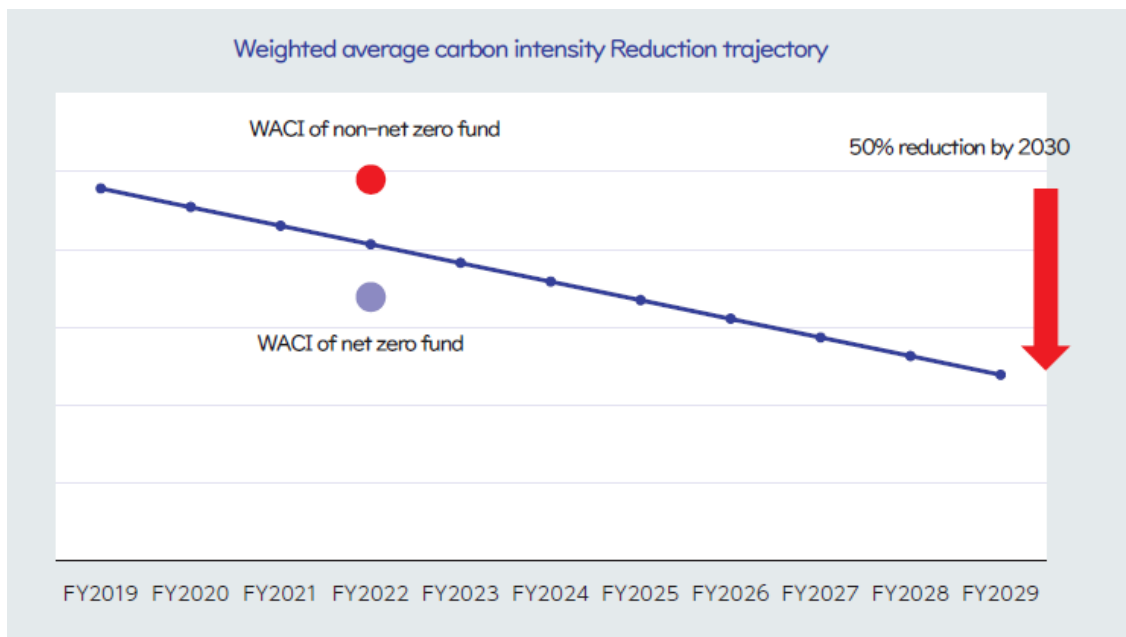
The net zero assessment framework formulated this time uses either of the following assessment methods to assess the compliance to the net zero scenario at the portfolio level; assessment method based on the alignment of investee companies to net zero scenario (*2) or assessment method using Weighted Average Carbon Intensity (WACI) at the portfolio level.

*1 Calculated by the amount of assets under management as of end of March, 2021.

*2 Assessed based on Net Zero Investment Framework of Paris Aligned Investment Initiative (PAII), one of the methodologies recommended by NZAM. The evaluation categories are the following six: Ambition for Net Zero, Target to reduce GHG emissions, The results of GHG emissions, Information disclosure, Strategy for decarbonizing, Allocation of capital.

When alignment of investee companies to the net zero scenario is used as a criterion of assessment, a portfolio is considered to be net zero aligned when portfolio companies emitting 95% of the portfolio's financed emissions are net zero scenario aligned companies. This method is used for funds which aim to achieve net zero alignment through engagement activities with investee companies (mainly passive funds). When the WACI is used as a criterion of assessment, net zero alignment is judged by comparing the WACI of the fund to be assessed and the WACI of the net zero assessment criteria index predetermined according to the asset class and asset universe. Specifically, a reduction trajectory is

calculated to make the WACI of the net zero criteria index in 2030 decrease by 50% from the WACI in 2019. When the WACI of the fund to be assessed is lower than this trajectory, the fund is assessed as a net zero aligned fund. This method is applied mainly to active funds, and also passive funds which adjust the weights of constituents based on the WACI.



Going forward, AM-One will develop products aligned to net zero in accordance with the framework formulated this time, and provide them to clients. Through these activities, AM-One will continue our efforts to support the transition to a net zero society, as an asset management company aim to realize our corporate message of "Creating a sustainable future through the power of investment", and AM-One will disclose the details through media such as our Sustainability Report.

Please see the link below for disclaimer: <http://www.am-one.co.jp/english/disclaimer>