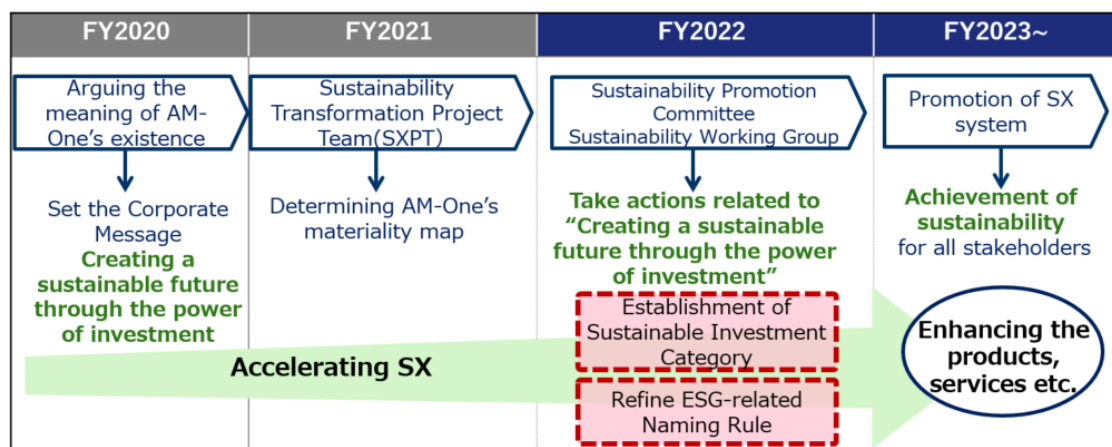


AM-One to establish Sustainable Investment Category and enhancing ESG-related Naming Rule

Asset Management One Co., Ltd. ("AM-One"; President & CEO Akira Sugano) has been promoting sustainability transformation (SX) as an asset management company by strengthening its sustainability transformation system, enhancing ESG investment capabilities and developing products expressing AM-One's corporate message "Creating a sustainable future through the power of investment" which was set on January 2021.

AM-One is pleased to announce that the firm has formalized a Sustainable Investment Category which takes into account the degree of emphasis on social return of a product in addition to the financial return that our clients have traditionally emphasized, and has refined the rules for products which can use "ESG" for the name.

<AM-One's Sustainability Transformation Roadmap>



<Sustainable Investment Category (SIC)>

Under the new Sustainable Investment Category, there are four categories: "Impact Investment" products which actively invest in outstanding companies whose primary investment objective is to raise social returns and solve social and environmental issues, "ESG Leader," which invest in "Excellent Companies", defined as those which contribute to the achievement of a sustainable society while focusing on financial returns, "Transition" which support companies in the process of self-improvement, and "ESG Integration" which consider ESG risks and opportunities within the investment process.

AM-One is committed to incorporating the opinions of clients with a diverse set of values through this product structure, and to co-creating investment services together with clients which take into account both financial and social return perspectives.

Category	Sub-Category	Features of fund
Impact Investment	Impact Generating	• Aim to raise financial return while setting the purpose of generating social return (impact) and directly contributing towards solving issues to achieve a sustainable society
	Impact Aligned	• Aim to raise financial return whilst providing positive impact through the initiatives and business of the investee company to achieve a sustainable society
ESG Leader		• Invest in "Excellent Companies" which contribute to the achievement of a sustainable society
Transition		• Invest in companies which are active towards transition for a sustainable society • Invest in companies which can be expected to improve their own ESG initiatives
ESG Integration		• Consider ESG risks and/or opportunities in the investment process

<ESG-related naming rule>

When giving a fund an ESG or sustainability-related name, we apply our internal ESG-related naming rules. The purpose of this naming rule is to minimize the gap between clients' expectations regarding ESG-related investments and the actual fund management. Only funds where it is possible to explain to clients at an appropriate level how taking ESG factors into account will contribute to the achievement of their investment objectives are permitted to use ESG-related names.

Funds which use "ESG" or other related words in their names must fall under the Impact Investment, ESG Leader, or Transition (with conditions) categories in AM-One's Sustainable Investment Category, and must also meet AM-One's own requirements for confirmation, based on the SFDR and other international initiatives. The rules also require that the product be structured with reference to the SFDR and other international initiatives, and that it meet the requirements for disclosure.

The main points of the rule are: (1) consistency and clarity regarding ESG/sustainability in investment objectives, investment policies and strategies, and portfolio characteristics; (2) clarity regarding resources used to achieve ESG objectives and continuity of investment strategies; and (3) disclosure of ESG/sustainability-related information that facilitates investors' decision-making (e.g., information on the ESG/sustainability of the investment portfolio, the investment strategy and the investment methodologies used). Disclosure of sustainability-related information (easy to obtain, clear and concise). AM-One has established checklist items based on these perspectives. We will further enhance disclosure in the future.

AM-One will continue to update its Sustainable Investment Category and ESG-related naming rules in a timely and appropriate manner, incorporating domestic and international trends, and will continue to practice sustainable investment together with its clients.

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