

December 2, 2013
Nissay Asset Management Corporation

**Recommendation issued by the Securities and Exchange Surveillance
Commission to Issue an Administrative Monetary Penalty Payment Order**

Today, Japan's Securities and Exchange Surveillance Commission ("SESC") announced that it has made a recommendation ("Recommendation") to the Prime Minister and the Commissioner of the Financial Services Agency of Japan that an order to pay an administrative monetary penalty be issued against Nissay Asset Management Corporation ("NAM") based on the breach of the Financial Instruments and Exchange Act (on account of breach of insider trading rules) in regard to the transactions involving shares of a Japanese listed company in June and July of 2010.

It is our utmost regret that the announcement made by the SESC regarding the Recommendation may have caused concerns to all of our customers and business partners.

Following are the outline of the Recommendation made by the SESC and our comments and actions hereafter on this matter.

1. Summary of the Recommendation

(1) Transactions that gave rise to the Recommendation

The Recommendation is based on the facts alleged to be found by the SESC that fund managers who are employees of NAM ("Fund Managers") sold 1,574 shares (total amount of JPY 781,585 thousand) of INPEX CORPORATION ("INPEX") on June 29 and June 30, 2010, and July 1, 2010 for 33 funds ("Funds"). ("Transactions"). According to the SESC, the Transactions are regarded as insider trading activities, in that the Fund Managers sold the INPEX shares based on the nonpublic information obtained from an underwriter.

(2) Amount of penalty

The Recommendation states that an order be issued for NAM to pay a monetary penalty in the amount of JPY 410 thousand.

(3) Summary of the Funds

All Funds are active funds that invest in Japanese equity securities. 29 of them are managed in accordance with the discretionary investment management agreement (net asset value : JPY 67.9 billion as of October 30, 2013), and the remaining 4 funds are managed in accordance with the investment trust agreement (net asset value : JPY 52.2 billion as of October 30, 2013).

2. Our comments and actions on the Recommendation

While we have fully cooperated with the investigation conducted by the SESC, we have also conducted our internal investigation, with the advice from our external legal counsels. In light of the Recommendation today, we shall examine any actions to be pursued, as well as continue our further internal investigation and make prompt disclosure of the results once our investigation is concluded.

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This material is an English translation of a Japanese announcement made on December 2, 2013. Although the company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed and thus you are encouraged to refer to the original Japanese document.