

December 13, 2013
Nissay Asset Management Corporation

**Our Actions in Response to the Recommendation Issued by
the Securities and Exchange Surveillance Commission**

With regard to the recommendation (“Recommendation”) announced by the Securities and Exchange Surveillance Commission (“SESC”) on December 2, 2013 to issue an administrative monetary penalty payment order based on the violation of Financial Instruments and Exchange Act of Japan (on account of violation of insider trading rules) by our company (“Matter”), we reported our decision to the Financial Services Agency of Japan today that we will duly accept the penalty payment order pursuant to the Recommendation.

We, as a company being expected to provide services in a fair and prudent manner, express our sincere regret for having caused a great deal of concerns and inconvenience to all of our customers and business partners through this Matter.

While we fully cooperated with the SESC throughout their investigation, we also conducted an internal inspection, with the assistance from our outside legal counsels, which included interviews with the relevant officers and review of relevant materials and various data at the time of the transactions of the Matter. We also continued our inspection after the Recommendation was made by the SESC in order to confirm the facts of the Matter.

We take this Matter extremely seriously, and will put in place measures to reinforce our internal control system, including (i) strengthening of management of insider information and others, (ii) deterrence of acceptance of insider information, and (iii) tightening of control over the investment professionals’ activities and retention of records, and reinforcement of post-trade monitoring functions. Details of the above measures will be announced promptly once they are finalized. Furthermore, we will take disciplinary actions against those who were involved in this Matter.

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This material is an English translation of a Japanese announcement made on December 13, 2013. Although we 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.