

July 10th, 2013

Asuka Asset Management Co., Ltd.

To whom it may concern,

Improvement to Management Structure
by Enhancing Internal Control and Corporate Governance

As of July 2013, it has been 11 years since Asuka Asset Management Ltd. (“AAML”), our previous entity, was founded. During these years, Asuka Asset Management Co., Ltd. (“Asuka”) has been engaged in investment management business as an independent asset management company under the motto: “Disciplined investment avoiding event risk and accountability to customers”.

Considering the recent environmental changes of the asset management business and the administrative penalty imposed on us last year, we once again reviewed our management structure. As a result, we have decided to concentrate the responsibilities to the person in charge of investment of our flagship funds while enhancing internal controls and corporate governance of the company. Changes in our new management structure are as follows:

1. Transition to dual representatives

As of July 10th, 2013, Toshihiro Hirao will assume the post of President, Representative Director. The purpose is to hold the head of the investment management department, the executive who has been the Chief Investment Officer of Asuka and its previous entity of AAML for over 10 years, accountable by assuming a role in the management practice of the company.

The present Chief Executive Officer (“CEO”), Mamoru Taniya, will assume the post of Chairman and CEO, Representative Director and will continue to play a key role in the management and to enforce strong governance of Asuka Group.

2. Business centering on the management of Asuka Funds and enhancing customer accountability

Asuka’s core business has always been investment management of the Asuka Funds; however based on the recent environment, Asuka will enhance its structure to further focus on investment management of Asuka Funds and customer relations. In accordance with this, Asuka will abolish the Investment Advisory Department.

In addition, as of June 17th, 2013, Eiji Miura, former head of sales at a major

international asset management company, has joined the company as Managing Executive Officer in order to reinforce customer relations.

3. Enhancement of internal controls

Previously, our Compliance Officer was serving concurrently as head of Administration and General Affairs Department. To enhance internal controls, a newly and independent Compliance Department was established and Masaaki Nemoto, who has over 20 years of experience in compliance, internal audit, and external audit, assumed the position of Compliance Officer and head of Compliance.

Moreover, on April 2013, Asuka concluded a contract with a consulting firm affiliated to a major accounting firm. A team composed of independent consultants and our staff has reviewed the operations for over 2 months and implemented improvements to enhance internal controls. Asuka will continue to engage in a variety of efforts to improve internal controls.

4. Appointment of two (2) external directors

On August 1st, 2013, as Asuka recognizes the necessity to its improve its corporate governance, we will be appointing two (2) external directors, Seiichi Shimada and Masahiro Fukuhara, to increase transparency and objectivity of our management from an outside and independent perspective. Asuka aims to establish a stakeholder-centric management system in consultation with rich knowledge and experience of Shimada's corporate management and Fukuhara's asset management business.

Biography of external directors

Seiichi Shimada

Seiichi Shimada serves as Special Advisor of Nihon Unisys, Ltd. and Chairman of Trustees of Tsuda College. Previously, he has served as President of Japan Housing Loan Corporation, Governor of Government Housing Loan Corporation, Representative Director and President, CEO of Nihon Unisys, Ltd., and Representative Director, Vice President, CIO of MITSUI & CO., LTD. He started his career at MITSUI & CO., LTD. after receiving a Bachelor's degree from University of Tokyo in 1961. He has also completed the Advanced Management Program at Harvard Business School.

Masahiro Fukuhara

Masahiro Fukuhara is the Founder & CEO of Institution for a Global Society. Previously, he has served as Executive Managing Director of Barclays Global Investors (presently BlackRock Japan Co., Ltd.). He has experience as being in positions of Head of Global Market Investment, General Manager of Sales, and Investment Advisor of Client Assets. He started his career at The Bank of Tokyo, Ltd. after receiving a Bachelor's degree from Keio University in 1992. He has also completed MBA at INSEAD, MS (with Honors) at HEC Paris, and Ph.D. at Tsukuba University.

Organization Chart of Asuka Asset Management
(as of July 10th, 2013)

