

Anti-money Laundering and Counter-terrorist Financing Policy

The Tokyo Star Bank, Limited ("TSB") recognizes that anti-money laundering and counter-terrorist financing measures ("AML/CTF") are important duties for a financial institution, which conducts operations of a highly public nature, and in addition to setting AML/CTF as one of our top management priorities, we will strive to contribute to maintaining and developing a sound financial system by taking the following measures.

1. Management Framework

TSB will designate the Executive Officer in Charge of Compliance as the AML/CTF Officer and the Compliance Department as the AML/CTF supervising department to build a centralized management framework. Further, we will also conduct a periodic review on the effectiveness of the framework and continuously strive to improve the framework based on the review results.

2. Risk Assessment

TSB will identify and assess risks that we face in a timely and appropriate manner based on the concept of a risk-based approach and take measures to mitigate such risks. Further, we will periodically and continuously assess their effectiveness, and revise them as needed.

3. Transaction Policy

TSB will conduct identity verification and confirmation according to customer risk or transaction risk under the related laws and regulations, and take customer management measures in an appropriate and continuous manner. In addition, we will abandon and eliminate inappropriate relationships such as with anti-social forces and individuals subject to economic sanctions in accordance with laws and regulations.

4. Suspicious Activity Report and Response to Those Subject to Economic Sanctions

TSB will detect suspicious activity through transaction monitoring and other means, and promptly file a report with the authorities. In addition, we will promptly take measures against those subject to economic sanctions and file a Suspicious Activity Report according to domestic and international rules and regulations.

5. Management of Correspondent Banks

TSB will gather and assess information on correspondent banks and then take appropriate measures according to the risks. In addition, if a correspondent bank is a fictitious bank with no operations (a so-called "shell bank"), TSB will eliminate our relationship with them.

6. Training for Officers and Employees

TSB will provide training and support for officers and employees in order to increase their awareness of the importance of AML/CTF and maintain and strengthen expertise and professional skills commensurate with their roles.

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