

# Policy on Customer-Oriented Business Conduct

- Always placing our clients at the heart of everything we do -

## 1. Formulation and Publication of Policies

Under its philosophy of **placing clients at the heart of everything we do**, Nomura Securities Co., Ltd. (hereafter “the Company”) sincerely listens to clients to ensure their complete satisfaction as the trustworthy partner with whom they consistently chose to do business.

The Nomura Group also recognizes the vital importance of the Principle of Putting the Customer First, one of Our Founder’s Principles that has been passed down from generation to generation.

To firmly maintain our focus on customers as the heart of our business operations and on providing products and services that accurately address their specific concerns and needs, the Company conveys the following policies to all stakeholders as guidelines for its activities and periodically reviews its initiatives and progress to identify and implement revisions.

> [Our Founder’s Principles](#)

## 2. Pursuit of the Client’s Best Interests

Steadfast adherence to its philosophy of “placing clients at the heart of everything we do” ensures that the Company, as a trustworthy partner, will listen to what each customer wants and deliver products and services that ultimately enable them to realize their best interests.

The Nomura Group Corporate Philosophy defines its vision as being a leading financial institution chosen by clients as their most trusted partner. The Nomura Group Code of Conduct was established as guidelines for Nomura Group directors, officers, and employees to translate the Nomura Group Corporate Philosophy into actions and pursue the best interest of clients while serving clients with expertise. To keep pace with the ever-changing demands of society, the Code of Conduct is regularly reviewed to prevent any divergence between the Company and public expectations.

Nomura Founding Principles and Corporate Ethics Day was established to ensure that the Group does not lose sight of lessons learned from the past. Every year, directors, officers, and employees reiterate the founding principles and the importance of Nomura’s social responsibility.

> [Code of Conduct](#)

> [Similar KPIs among firms selling investment trusts and foreign currency-denominated insurance policies](#) (Japanese only)

> [Enhanced customer satisfaction](#) (Japanese only / Chapter1)

## 3. Effective Management of Conflicts of Interest

As a member of the Nomura Group, which provides a wide range of financial services, the Company is subject to the risk of internal conflicts of interest associated with such activities as selling products provided by other Group companies. The Company seeks to protect client interests by appropriately managing such conflicts.

The Company decides which investment trusts to handle by selecting quality products from a wide range of options that meet or exceed a given rating based on research and analysis by respected institutions

and is not limited to products offered by Group companies. The Company will appropriately disclose any potential conflict of interest regarding a product sold to a customer.

The Company has also established the Conflicts of Interest Management Policy, which specifies and categorizes transactions that may unfairly impair client interests. It clarifies management methods and systems and associated Group companies to ensure the transactions in question are handled by maintaining an appropriate separation of department interests and by protecting the flow of information to safeguard client interests.

> [Conflicts of Interest Management Policy](#)

> [Providing Quality Financial Products](#) (Japanese only / Chapter2)

> [Ratio of Group Companies in the Outstanding Balance of Investment Funds](#) (Japanese only / Chapter3)

#### **4. Clarification of Fees and Other Costs**

The Company simply and clearly explain fees and other costs charged to customers.

Customers are able to confirm details of fees and other costs by referring to the pre-contract document, public filings of listed securities, prospectus, design document, and other information provided by the Company when selling a product. Sales representatives will also offer information tailored to the customer's level of understanding. In addition, fees for some products and services are available on the Company's website.

The Company will continuously enhance the level of its overall service and strive to meet client expectations by providing services commensurate with the fees paid by customers as well as by offering added value for even greater satisfaction.

> [Explanatory Note on Risks and Fees](#) (Japanese only)

> [Clarification of Fees](#) (Japanese only / Chapter4)

#### **5. Clear Disclosure of Key Information**

The Company will provide the necessary information to support customer investment decisions on financial products and services, such as basic returns, losses and other risks, and transaction terms, using pre-contract documents, prospectus, product information materials, key data sheets, and other means.

The Company strives to provide information clearly and honestly at a level that is appropriate for the customer's level of understanding and the nature of financial products and services, with due consideration for the associated complexity and risks, the customer's trading experience, and financial knowledge and condition. The Company has a wide range of products, from simple offerings suitable for novice and elderly investors to highly specialized, complex products. The content and level of information provided is commensurate with the relative complexity of each product or service and yet easy to understand. The Company may, as appropriate, request the presence of a family member or friend when presenting a proposal.

In the course of recommending investment in a financial product or service, it will explain how any potential conflicts of interest will be managed.

Sales representatives strive to clearly explain particularly important information that is necessary for customers in making investment decisions. The Company will continue to make any additional explanatory materials, including information on its corporate website and transaction screens, easier to understand.

- > [Important Information Sheet \(for Financial Businesses\)](#) (Japanese only)
- > [Providing Key Information in a Clear and Easy-to-Understand Manner](#) (Japanese only / Chapter5)

## **6. Provision of Suitable Customer Services**

With the firm conviction that recommending the right products and services for each customer depends upon having detailed feedback on what they think and information about their circumstances, the Company's proposals are presented from the perspective of the customer, as stipulated in the Nomura Securities Solicitation Policy.

The Company requests that customers share their investment strategy and objectives, investment experience, type of income, occupation, motives for considering a transaction, and other factors, and it documents their responses using customer cards as mandated by laws and regulations. In addition, during the consultation process, the Company will seek customer feedback on their general intentions, including life plans, asset status, and family structure, before proposing an investment opportunity. Specific proposals are presented with due consideration for the products and services best suited for the customer from an extensive range of options.

To further safeguard the customer's sense of security with a transaction, the Company provides appropriate status reports on entrusted assets, particularly in the event of changes in the market environment, and it continuously offers information on other financial products and transactions as well as recommended revisions as needed.

The Company may occasionally refrain from proposing complicated or high-risk products after carefully considering their suitability for a specific customer based on the characteristics of the products under consideration. It has particularly selected products that are relatively easy to understand or low risk in its Heartful Communication product line for customers seeking stable investments and elderly investors. In addition, the Company actively provides information to clients through seminars as well as financial and economic training to encourage asset building by disseminating basic knowledge about financial products and transactions to people of all ages.

- > [Nomura Securities Solicitation Policy](#) (Japanese only)
- > [Heartful Communication Product Line](#) (Japanese only)
- > [Proposals that Correspond with Customer Investment Strategies](#) (Japanese only / Chapter6)
- > [Encouraging Asset Building](#) (Japanese only / Chapter7)

## **7. Frameworks for Appropriately Motivating Employees**

The Company strives to enhance in-house education and training to ensure that employees always act in the client's best interest and provide quality services at higher levels of consultation. In addition to creating education and training opportunities for enhancing employee knowledge and expertise, the Company also conducts periodic training on compliance and codes of conduct. In addition, to better

serve public and customer expectations, the Company presents awards and introduces best practices on desirable conduct to genuinely instill the Nomura Group Code of Conduct and nurture a sound corporate culture, with each department undertaking their own initiatives for maintaining and improving discipline. The Company's sales representatives conduct customer satisfaction surveys that are followed up by meetings of the Customer Satisfaction Committees at each branch office to deliberate on survey results toward implementing measures for raising the level of customer satisfaction.

The internal performance evaluation of sales representatives incorporates key indicators that include items on compliance and code of conduct, enhancement of knowledge and skills required to provide customer service, and raising the outstanding balance of assets under management as a reflection of customer trust. Internal training, improvement measures, and the performance evaluation system emphasize the significance of increasing customer satisfaction, and effectively motivate them to pursue the best interests of the customer.

> [Providing Higher Levels of Consulting](#) (Japanese only / Chapter8)

> [Being a Trusted Partner for Our Clients](#) (Japanese only / Chapter9)