

Basic Policy on Distribution to Customers of Shares, Etc. Related to Public Offering, Etc.

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BNP Paribas Securities (Japan) Limited

1. With respect to distribution to customers of share certificates, etc. related to handling of Public Offering (meaning Public Offering as defined in Article 1 of the Rules Concerning Distribution to Customers Related to Underwriting, Etc. of Public Offering, Etc. of Share Certificates, Etc. stipulated by the Japan Securities Dealers Association (the "Distribution Rules"); the same shall apply hereinafter) or Secondary Distribution (meaning Secondary Distribution as defined in the said article; the same shall apply hereinafter) or Secondary Distribution (the "Public Offering, Etc."), we conduct our operations focusing on accurate identification of customers' diverse management needs and provision of appropriate and diverse products while responding to market mechanisms.
2. Our basic policy upon conducting distribution of shares, etc. is to strive to identify trends of customers' demands in advance, properly handle the Public Offering, Etc. and ensure fair distribution. In principle, we do not hold a lottery to determine which customer will receive distribution because we do not conduct the Public Offering, Etc. targeting individual customers. If we conduct the Public Offering, Etc. targeting individual customers, we will separately establish the applicable basic policy.
3. We are committed to proper distribution in accordance with the following standards:
 - (1) In the case of initial public offering (IPO) shares

Upon accurately considering customers' needs, we mainly distribute shares to the customers who have applied for them and meet the following standards:

 - ① Standards regarding the principle of suitability
 - We distribute shares to customers who can understand the risk of IPO shares in light of the length of period since the opening of their accounts and frequency of their transactions upon ensuring that they understand such risk.
 - Upon distributing shares, we prioritize customers with sufficient deposits at the time of application for IPO shares.
 - We mainly distribute shares to customers who have sufficient investment experience and, furthermore, fully understand the risk of stock investment including IPO shares.
 - ② Standards regarding exclusion of short-term trading
 - We focus on the transition of stock price trends after the initial public offering of IPO shares. Thus, we focus on those customers who hold shares for a long term. Therefore, we mainly distribute IPO shares to customers who will hold them for a certain period after obtaining them. We kindly request your understanding and cooperation as we may confirm your intention regarding the holding at the stage of application.
 - We mainly distribute IPO shares to customers who emphasize their characteristics and hold them for a long term in a stable manner. Therefore, please note that if you sold IPO shares immediately after they were distributed by us in the past, you may receive fewer shares upon

distribution than those customers who hold them for a long term in a stable manner.

③ Standards regarding proper participation in book building

- Upon distributing IPO shares, we prioritize customers who declare their demands properly upon confirming the status of their proper involvement in book building. Therefore, we may confirm whether your application and declaration of your demands were appropriate in the demand survey conducted in connection with the past initial public offering. The term “appropriate declaration of demands” refers to declaration made for each individual issue upon considering the situation, etc. of such issue.

④ Standards applicable for the case where each sales department determines its final distribution policy

- In principle, we determine which customer will receive distribution upon considering the above-mentioned suitability, customers’ investment experience, status of long-term and stable holding and other factors. However, each sales department and branch may individually establish its distribution policy upon determining specific distribution.
- In principle, when distributing IPO shares, we determine which customer will receive distribution upon considering the above-mentioned suitability, customers’ investment experience, status of long-term and stable holding and other factors.

(2) In the case of securities other than IPO shares

When distributing securities other than share certificates in the initial public offering or distributing already listed shares, etc. we mainly distribute those securities, etc. to customers who have applied for them and meet the standards described in (1) above upon accurately considering customers’ needs.

4. When we distribute IPO shares, we establish standards for distribution in order to avoid excessively concentrated distribution and unfair distribution.
5. We select the customers to receive distribution from among both of the customers who have declared their demands in response to book building and the customers who have applied for distribution separately from the book building. However, if the quantity declared or applied for by customers does not reach our scheduled distribution quantity, we may distribute shares, etc. to the customers who have not made declaration or application after soliciting them in light of their trading situations with us, etc.
6. We accept your demand declaration and application for distribution in person or on the phone at the branch you trade with.
7. Specific details of book building in each initial public offering, including the period during which demand declaration is accepted, the method thereof and provisional terms and conditions, are stated in the Securities Registration Statement and prospectus prepared by the issuer of each offering. In addition, the information on the said items plus the period during which demand declaration and application for distribution are accepted, the method thereof, lottery and other details regarding our distribution is available on our website (<http://japan.bnpparibas.com/>) and our

sales departments and branches for a period from the commencement of the book building of the relevant offering to the end of the application period.

8. If, in any individual case, book building or distribution is conducted pursuant to the policy that is different from the one described in the provisions up to Article 6, such fact will be announced together with the reason of the change and the information described in Article 7.
9. We are committed to comply with the Financial Instruments and Exchange Act and regulations of self-regulatory groups, including avoidance of distribution of shares, etc. for the purpose of compensating customers for their loss or adding profits. Furthermore,
 - (1) We will not distribute shares, etc. to any person designated by an issuer;
 - (2) We will not distribute shares, etc. to any of our officers and employees;
 - (3) We will not distribute shares, etc. to any person who has any special interest in us;
 - (4) We will not distribute shares, etc. to any member of an organized crime group, any person affiliated with an organized crime group, so-called corporate racketeer or any other person who engages in any act against social public interests; and
 - (5) We will not excessively concentrate distribution of IPO shares on the same customer or engage in any unfair distribution, including distribution of IPO shares on condition of purchasing another product. In addition to the above examples, we will clarify how distribution should be made in our internal rules and strive to comply with those rules.
10. Pursuant to the Distribution Rules, we will provide the issuer of the share certificates, etc. via the lead managing underwriter with the information on the names of certain customers who received the distribution of the share certificates, etc. and the quantity of the share certificates, etc. distributed to those customers.
11. We believe that our mission is to contribute to the development of financial instruments exchange market through fair distribution based on the basic distribution policy described above.

