

## Correspondence Table with the Financial Services Agency's "Principles for Customer-Oriented Business Conduct"

Name of financial service provider	Nippon Building Fund Management, Ltd.
The URL of the page for the policy:	<a href="https://www.nbf-m.com/client/index.html">https://www.nbf-m.com/client/index.html</a>
URL of the page for the status of the project:	<a href="https://www.nbf-m.com/client/index.html">https://www.nbf-m.com/client/index.html</a>

principle		Implemented/not implemented	Applicable parts of the action policy	Applicable part of the status of initiatives
Principle 2	<p><b>Pursuit of Customers' Best Interests</b></p> <p>Financial service providers should maintain a high level of professionalism and professional ethics, conduct their business with integrity and fairness to their customers, and seek to serve their customers' best interests.</p> <p>Financial service providers should strive to make such business operations an established part of their corporate culture.</p>	implementation	<p>Policies on Customer-Oriented Business Conduct</p> <p>2. Pursuit of Customers' Best Interests</p>	<p>the status of initiatives</p> <p>1. Pursuit of the Best Interests of Customers</p>
	<p>(Note)</p> <p>Financial service providers should aim to secure a stable customer base and profits by providing high-quality, customer-oriented services and pursuing the best interests of their customers when conducting transactions with them.</p>	implementation	<p>Policies on Customer-Oriented Business Conduct</p> <p>2. Pursuit of Customers' Best Interests</p>	<p>the status of initiatives</p> <p>1. Pursuit of the Best Interests of Customers</p>
Principle 3	<p><b>Appropriate Management of Conflicts of Interest</b></p> <p>Financial service providers should accurately identify potential conflicts of interest with customers in transactions, and appropriately manage such potential conflicts of interest when they exist. Financial service providers should establish specific policies in advance to deal with such conflicts.</p>	implementation	<p>Policies on Customer-Oriented Business Conduct</p> <p>3.Appropriate Management of Conflicts of Interest</p>	<p>the status of initiatives</p> <p>2. Appropriate Management of Conflicts of Interest</p>
	<p>(Note)</p> <p>In determining the possibility of a conflict of interest, a financial service providers should consider, for example, the impact of the following circumstances on its transactions or business.</p> <ul style="list-style-type: none"> <li>•When a distributor receives payment of brokerage commissions, etc. from a company that provides the product in</li> </ul>	implementation	<p>Policies on Customer-Oriented Business Conduct</p> <p>3.Appropriate Management of Conflicts of Interest</p>	<p>the status of initiatives</p> <p>2. Appropriate Management of Conflicts of Interest</p>

	<p>connection with the sale or recommendation of a financial product to a customer.</p> <ul style="list-style-type: none"> <li>•When a distributor sells or recommends a product provided by another company belonging to the same group.</li> <li>•When a distributor has both a corporate sales division and an asset management division within the same entity or group, and the asset management division selects a company with which the corporate sales division has a business relationship as the asset management company.</li> </ul>			
Principle 4	<p><b>Clarification of Fees and Expenses</b></p> <p>Financial service providers should provide detailed information on commissions and other fees borne by customers, regardless of name, so that customers can understand what services they are being charged for, including the type of service for which they are being charged.</p>	implementation	<p>Policies on Customer-Oriented Business Conduct</p> <p>4. Clarification of Fees and Expenses</p>	<p>the status of initiatives</p> <p>3. Clarification of Fees and Expenses</p>
Principle 5	<p><b>Easily Understandable Provision of Important Information</b></p> <p>Financial service providers should provide important information regarding the sale and recommendation of financial products/services in a manner that is easy for customers to understand, in addition to the matters set forth in Principle 4 above, in light of the asymmetry of information with customers.</p>	implementation	<p>Policies on Customer-Oriented Business Conduct</p> <p>5. Easily Understandable Provision of Important Information</p>	<p>the status of initiatives</p> <p>4. Easily Understandable Provision of Important Information</p>
	<p>(Note 1)</p> <p>Material information should include the following;</p> <ul style="list-style-type: none"> <li>• Fundamental profit (return), loss and other risks, transaction conditions of financial products/services sold or recommended to customers</li> <li>• The attributes of customers that financial services providers involved in structuring financial products sold or</li> </ul>	implementation	<p>Policies on Customer-Oriented Business Conduct</p> <p>5. Easily Understandable Provision of Important Information</p>	<p>the status of initiatives</p> <p>4. Easily Understandable Provision of Important Information</p>

	<p>recommended to customers assume to be the target of sales</p> <ul style="list-style-type: none"> <li>• Reasons for selecting financial products/services to be sold or recommended to customers (including reasons for judging that they are based on customers' needs and intentions)</li> <li>• If there is a possibility of a conflict of interest with customers regarding financial products/services sold or recommended to customers, the specific details (including commissions to be received from third parties) and the impact of such on transactions or business</li> </ul>			
(Note 2)	<p>When financial services providers sell or recommend multiple financial products or services as a package, it should indicate to customers whether they can purchase them individually or not and should provide important information about each of them so that customers can compare whether they can purchase them as a package or not. ((Note 2) to (Note 5) are also applicable to the case where information on fees and commissions is provided.)</p>	Not applicable	<p>Policies on Customer-Oriented Business Conduct *Described at the end of the document.</p>	<p>Policy on Customer-Oriented Business Operation *Described at the end of the document</p>
(Note 3)	<p>Financial service providers should provide information in a clear, plain, and honest manner that does not mislead customers, taking into account their customers' trading experience and financial knowledge.</p>	implementation	<p>Policies on Customer-Oriented Business Conduct 5. Easily Understandable Provision of Important Information</p>	<p>the status of initiatives 4. Easily Understandable Provision of Important Information</p>
(Note 4)	<p>Financial service providers should provide information to customers in an easy-to-understand manner that is appropriate to the complexity of the financial products/services that they sell or recommend to customers. When selling or recommending simple and low-risk products, information should be provided</p>	Not applicable	<p>Policies on Customer-Oriented Business Conduct *Described at the end of the document.</p>	<p>Policy on Customer-Oriented Business Operation *Described at the end of the document</p>

	<p>in a concise manner. When selling or recommending complex or high-risk products, information should include the basic structure, such as the relationship between risk and return, while using materials designed to make it easy for customers to compare the contents of the products with those of the same type, The information should be provided in a more understandable and detailed manner, including the basic structure of the product, such as the relationship between risk and return.</p>			
(Note 5)	<p>When providing information to customers, financial service providers should distinguish information according to its importance, and should draw customers' attention to more important information by placing special emphasis on it.</p>	implementation	<p>Policies on Customer-Oriented Business Conduct 5. Easily Understandable Provision of Important Information</p>	<p>the status of initiatives 4. Easily Understandable Provision of Important Information</p>
Principle 6	<p><b>Provision of Services Suited to Each Customer</b> Financial service providers should understand their customers' asset conditions, trading experience, knowledge, and trading objectives and needs, and structure, sell, and recommend financial products/services that are appropriate for their customers.</p>	implementation	<p>Policies on Customer-Oriented Business Conduct 6.Provision of Services Suited to Each Customer</p>	<p>the status of initiatives 5. Provision of Services Suited to Each Customer</p>
	(Note 1)	<p>Financial service providers should pay attention to the following points; •When selling and recommending financial products/ services, after confirming the customer's intention, financial service providers should first consider the customer's target asset amount and the appropriate ratio of safe assets to investable assets based on the customer's life plan, etc., and then propose specific financial products/services based on such consideration</p>	Not applicable	<p>Policies on Customer-Oriented Business Conduct *Described at the end of the document</p> <p>Policy on Customer-Oriented Business Operation *Described at the end of the document</p>

	<ul style="list-style-type: none"> <li>Proposals for specific financial products/services should be made in a cross-sectional manner beyond the framework of each business law for similar products/services or the content of alternative products/services (including fees)</li> <li>After the sale of financial products/services, appropriate follow-up should be conducted based on the customer's intentions and from a long-term perspective</li> </ul>			
(Note 2)	When a financial service provider sells or recommends multiple financial products or services as a package, the financial service provider should pay attention to whether the package as a whole is appropriate for the customer.	Not applicable	Policies on Customer-Oriented Business Conduct *Described at the end of the document.	Policy on Customer-Oriented Business Operation *Described at the end of the document
(Note 3)	Financial service business operators involved in the structuring of financial products should, when structuring products, specify and disclose the attributes of customers to be targeted for sales based on the characteristics of the products, and ensure that the financial service business operators involved in the sales of the products market the products accordingly.	Not applicable	Policies on Customer-Oriented Business Conduct *Described at the end of the document	Policy on Customer-Oriented Business Operation *Described at the end of the document
(Note 4)	Financial service providers should more carefully examine the appropriateness of selling or recommending complex or risky financial products, especially when selling or recommending products to groups of customers who are more vulnerable to financial transaction damage, depending on the product and the attributes of the customers.	Not applicable	Policies on Customer-Oriented Business Conduct *Described at the end of the document	Policy on Customer-Oriented Business Operation *Described at the end of the document
(Note 5)	Financial service providers should endeavor to deepen their employees'	implementation	Policies on Customer-Oriented Business Conduct	the status of initiatives

	understanding of the structure of the financial products they handle, and actively provide customers with information to enable them to obtain basic knowledge about financial transactions according to their attributes.		6. Provision of Services Suited to Each Customer	5. Provision of Services Suited to Each Customer
Principle 7	<b>Framework for Motivating Employees Appropriately and Other Measures</b> Financial service providers should have in place a remuneration and performance evaluation system, employee training and other appropriate motivational frameworks, and an appropriate governance system designed to promote actions in pursuit of the best interests of customers, fair treatment of customers, and appropriate management of conflicts of interest.	implementation	Policies on Customer-Oriented Business Conduct 7. Framework for Motivating Employees Appropriately and Other Measures	the status of initiatives 6. Framework for Motivating Employees Appropriately and Other Measures
	(Note) Financial service providers should inform their employees who are involved in these principles (including any notes attached to them) of what they do and what alternative measures they take in lieu of not implementing these principles and establish a system to support and verify the work of these employees.	implementation	Policies on Customer-Oriented Business Conduct 7. Framework for Motivating Employees Appropriately and Other Measures	the status of initiatives 6. Framework for Motivating Employees Appropriately and Other Measures

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