

CONFLICTS OF INTEREST POLICY

December 30, 2025

Nomura Fiduciary Research & Consulting Co., Ltd.

Index Services Department

Purpose

Nomura Fiduciary Research & Consulting Co., Ltd. (NFRC) is a wholly owned subsidiary of Nomura Holdings, Inc. (NHI) and a member of the Nomura Group. NFRC offers fund analyses and assessments, investment advisory services, and asset management consulting services for individuals and for pension funds and other institutional investors and has started Index Business by taking over Nomura Securities Co., Ltd. (NSC)'s Index Operations Dept. on February 1, 2023. NFRC is committed to fulfilling its fiduciary duty as a participant in the investment chain by providing services described above, in alignment with the Nomura Group Purpose: "We aspire to create a better world by harnessing the power of financial markets." To this end, NFRC believes that all directors, auditors, and employees must, with the highest degree of ethics and integrity, act in the best interests of its clients.

NFRC provides various financial benchmarks, including the NOMURA-BPI family, bond performance indices representative of the Japanese fixed income market, and the Russell/Nomura Japan Equity Index series, an equity index family which is co-developed and jointly owned with FTSE Russell. With regard to the NFRC's indices, NFRC acts as a licensor and administrator and the Index Services Department (ISD) is responsible for practical activities relating to the index administration.

Since it is engaged in a range of investment solution services as outlined above, NFRC, as an index provider, believes that it is crucial to identify, disclose, avoid or mitigate, and manage material conflicts of interest (Col). NFRC identifies and discloses existing or potential Col that could impair the independence and objectivity of ISD's index determination or interfere with responsibilities to clients in the Conflicts of Interest Management Policy. It is available on NFRC's website and is regularly reviewed by the compliance department and is updated where necessary. Furthermore, NFRC has policies and procedures to avoid arbitrariness and/or sole discretion in the index determination process and day-to-day operations. NFRC ensures that Col does not influence the index determinations by establishing a control framework for Col management.

Transparent and Objective Rule-based Methodology

The NFRC's indices are determined and calculated based on transparent, logical, objective, measurable, and quantitative rules which are available to clients and appropriate oversight and approval processes are in place with regard to index constituent selections (reconstitutions and rebalancing) and index maintenance (reflections of corporate actions, free-float weighting adjustments, etc.). These processes help to avoid arbitrariness and/or sole discretion in the index determination process at the earliest stage and hence mitigate risks related to Col in day-to-day operations.

Control Framework

NFRC ensures that Col does not influence the indices determination by establishing the following control framework over the Col management.

Specifically, NFRC:

- works under a “Conflicts of Interest Policy”, which is designed to help prevent existing or potential Col from inappropriately influencing index determinations.
- complies with the Nomura Group’s “Code of Conduct”, which applies to all NFRC employees. To enhance the awareness of compliance including “Code of Conduct”, all NFRC employees are required to take compliance training.
- uses a compliance hotline managed by Nomura Group for the reporting of violations of the “Code of Conduct” or suspicious conducts that may be violating laws and regulations, as a whistle-blowing system. Matters reported via the hotline are reported to the Internal Controls Committee of Nomura Group.
- sets forth internal rules concerning personal investment by ISD's employees to prevent inappropriate conduct.
- stipulates in the compensation policies that compensations for employees engaged in the index administration are not linked to the values of NFRC's Indices.
- has a robust index administration governance structure, with effective supervisory and authorization processes over index determination processes

including methodology changes and index cessations (Refer to the “Index Governance Framework”).

- stipulates in its information security rules that information must not be shared with unauthorized persons, and has established firewalls governing information flow between ISD and other entities within the Nomura Group as well as other departments in NFRC.
- physically segregates index administration team's workspace from other departments and restricts access to the area.
- restricts access by staff engaged in index development to information related to index determination.
- uses public information or information provided by third-party vendors to calculate the NFRC's indices.

Independence

To ensure the effectiveness of the above-mentioned control framework in the face of potential Col, the index administration is conducted solely by ISD, which is fully independent of other departments in NFRC and other entities within the Nomura Group. With regard to the index administration, particularly the validity of index determinations and the methodologies used to make index determinations, ISD acts in accordance with the governance structure in NFRC (Refer to “Index Governance Framework”).

Provision of services to other entities within the Nomura Group

In terms of the provision of services, a license agreement is required for the use of index. As a matter of policy, the standard agreement is used for all clients. This policy applies to all legal entities including entities within the Nomura Group. They are subject to the same terms and conditions as users outside the Nomura Group.

Prices used for index determination

NFRC's equity indices (including the Russell/Nomura Japan Equity Index family) are calculated using official prices published by highly liquid exchanges.

NFRC's fixed income indices are calculated based on JS Price. JS Price generally covers the index constituents of NFRC's fixed income indices, however, when it is not available, Nomura Price is used as an alternative source.

JS Price represents Japanese bond fair values determined based on the price from NSC, and is established and managed by NSC and three third parties, Nikkei Inc., Nikkei Financial Technology Research Institute, Inc., and NRI. JS Price is validated under the methodology and process established by the four parties, made publicly available, and widely used as fair values of bonds. Nomura Price is provided by NSC as an end-of-day bond price.

Separation and Independence of functions

In order to avoid Col, the development and administration of NFRC's indices are functionally separated and mutually independent. To ensure this, the role and authority of ISD staff are defined and limited within their functions. Staff who are engaged in the development may not be involved in the index determination process and may not submit applications for the approval of index rules. Furthermore, information and data related to index determination process are managed only by the staff who are authorized by Head of ISD.

Revision history

Revision date	Details
March 27, 2019	First edition
March 31, 2020	Partial revision of “Control Framework”
	Partial revision of “Independence” and addition of “Price for the index determination”
	Added “Provision of services to other entities within Nomura Group” and “Separation and Independence of the function”
	Changed the company name from “Financial Technology Research Institute Inc.,” to “Nikkei Financial Technology Research Institute, Inc.,”
March 17, 2022	Partial revision of “Control Framework”
February 1, 2023	Revisions to overall text due to the business succession
July 26, 2023	Partial revision of “Purpose”
December 30, 2024	Partial revision of “Purpose”: changed the company name from “Frank Russell Company” to “FTSE Russell”
December 30, 2025	Partial revision to overall text