

BASIC POLICY ON DISTRIBUTING OF SHARE CERTIFICATES, ETC., TO INVESTORS

Macquarie Capital Securities (Japan) Limited
Enacted on 31 March 2017

1. The Company, in distributions to clients of share certificates and the like in connection with conducting the Underwriting of Public Offering or Secondary Distribution of share certificates and the like, handling of Public Offering, handling of Secondary Distribution or conducting Secondary Distribution (hereinafter, “Underwriting of Public Offerings, Etc.”), shall conduct business that accurately grasps the various investment needs of its clients, and provide a wide variety of appropriate instruments tailored to the market mechanism.
2. When engaging in the distribution of share certificates and the like associated with Underwriting of Public Offerings, Etc., the Company’s basic policy shall be to make every effort to understand client demand trends in advance, shall engage in the appropriate handling of Underwriting of Public Offerings, Etc., and make every effort to engage in fair distributions.
3. As the Company conducts business with financial institutions or listed companies and the like in Japan and abroad, it does not distribute share certificates and the like associated with Underwriting of Public Offerings, Etc., to individual clients nor distribute share certificates and the like by drawing lots.
4. The Company shall distribute to clients share certificates and the like associated with Underwriting of Public Offerings, Etc., taking into account the needs of clients precisely in consideration of suitability, long-term possession and appropriate demand declaration for book building.
5. The Company shall determine distributee from among those clients that have provided indications of interest during the book building, as well as those that have subscribed for distribution separately from the book building. Provided, however, that if the quantity of share certificates and the like that clients have indicated interest in and/or subscribed falls below the quantity of share certificates and the like scheduled to be distributed, the Company may distribute the residual share certificates and the like to the clients that have not indicated interest in or subscribed the share certificates and the like, while taking such client’s trading relationship with the Company into consideration.
6. The details of the book building in each case, such as the acceptance period of the demand declaration, acceptance method, provisional condition, etc., are stated in the securities registration statement and the prospectus prepared by the issuer.
7. The Company will not engage in the distribution of share certificates and the like in order to compensate clients’ losses or to add profits, and will comply with the Financial Instruments and Exchange Act and the like and rules made

by self-regulatory organizations, and shall not make distributions to: (i) entities designated by the issuing company; (ii) officers and employees of the Company; (iii) entities granting special conveniences to the Company or otherwise incurring a social sense of unfairness; and (iv) anti-social forces, i.e. members of organized crime, persons affiliated with organized crime groups and so-called *soukaiya* (extortionists who threaten to disrupt general meetings of shareholders). In the event notifications for demand and applications for distribution are discovered to be from clients corresponding to the foregoing, said notifications and application shall not be accepted. Moreover, the Company shall stipulate in its internal rule that the company shall not engage in overly concentrated distributions to a single client, and shall not make improper distribution such as distributing IPO share certificates subject to purchase of other products.

8. The Company will provide the name of the customers (excluding individuals) and the number of share certificates allotted to such customers to the issuer of such share certificates under its internal rule through the Lead Underwriter.