

Best Execution Policy

Pursuant to the provision of Article 40-2, Paragraph 1 of Financial Instruments and Exchange ACT (“FIEA”), this Best Execution Policy stipulates the policy and method for the execution of transactions in the most favorable conditions.

We will execute our customer orders in accordance with the following policy when we receive orders from our customers for securities listed on Financial Instruments Exchange in Japan, unless we receive any specific instructions from our customers.

1. Scope of securities under this policy

- (1) The listed securities on Financial Instruments Exchange in Japan as defined in Article 16-6 of the Enforcement Order of the FIEA such as stocks, corporate bonds with stock acquisition rights, ETF (Beneficiary Certificates of Stock Index-Linked Investment Trust) and REIT (Investment Certificates in Real Estate Investments) (the “Listed Stocks, etc.”).
- (2) We do not deal “Toriatsukai Yuka Shoken”, prescribed as set forth in Article 67-18 (4) of the FIEA such as Phoenix issue stocks and corporate bonds with stock acquisitions.

2. Best execution methods

Listed Stocks, etc.

(1) We shall be forwarded to the exchange as soon as we receive orders for Listed Stocks, etc. We will not pass orders on PTS (Proprietary Trading System). In cases where orders are received in after-hours trading of the exchange, the order will be passed on to the exchange when the next session commences. For any other orders (off-exchange transactions or intermediary transactions), the transactions are executed at the terms agreed on between our customers and our company.

(2) The execution for the above (1) shall be passed on to the exchange as follows:

- (a) If the relevant issue is listed only on a single exchange (the “Single Listing”), then the order shall be passed on to that exchange.
- (b) If the relevant issue is listed on multiple exchanges (the “Multiple Listing”), then the order received shall be passed onto the exchange which is listed as Primary Exchange on the Bloomberg terminal. Regarding the selected specific market, we will inform the customer who contacted us.
- (c) If the exchange selected in accordance with (a) or (b) is not an exchange which

we are a trading participant in or a member of, we will forward the order to the exchange through our contracted securities company which is a trading participant in or a member of that exchange.

3. Reasons for choosing the above method

Listed Stocks, etc.

The majority of the investors' interest is concentrated on exchanges which are better than off-exchange trading in terms of the liquidity, possibility of execution and speed of execution. We think it is reasonable to execute our customers' orders on the exchange. For those listed on multiple exchanges, we think it is reasonable to execute the orders on the exchange with the highest liquidity.

4. Miscellaneous

(1) The following transactions shall be executed by the methods set forth below instead of the method indicated in 2.

① Specific Instruction from the customer

When we receive any specific instruction from the customer in relation to the method of execution, the instruction has priority over the method described in 2 above.

② Discretionary Orders

Orders shall be executed by the method selected by our company within such discretion authorized by customers.

③ Trading in less-than-unit shares

Orders shall be executed to securities companies that handle less-than-unit shares.

④ Trades where execution method is specified (e.g. cumulative stock investments and mini stock investments)

The method specified by the general trading terms and conditions, etc. shall be used.

(2) We may inevitably execute orders by a method different from the policy due to system failures or other circumstances. We will try our best to execute orders on the best method at the time.

Best execution obligation is the obligation for brokers to execute orders taking various



factors into consideration, such as transaction costs, speed, availability of execution, etc. Therefore, if the execution turned out to be not the best in terms of the price, the fact alone does not necessarily mean the order was executed without complying with the Best Execution Policy.