Best Execution Policy
(For corporate customers who have transactions with the Execution Services Department)

SMBC Nikko Securities Inc.

This Best Execution Policy sets forth our policy and other matters to execute transactions on the best terms and conditions for our customers in accordance with the provisions of Article 40-2, paragraph (1) of the Financial Instruments and Exchange Act.
When we accept an order from a customer for any of the securities 1. below, we will endeavor to execute the order on the best trading terms and conditions for the customer in accordance with the following methods and policies.

1. Applicable securities

Stocks, corporate bonds with stock acquisition rights, ETFs, REITs, and other securities listed on financial instruments exchanges in Japan, which are "Listed Share Certificates, etc." as defined in Article 16-6, paragraph (1), item (i) (a) of the Order for Enforcement of the Financial Instruments and Exchange Act.

SMBC Nikko does not accept orders for “Tradable Securities”, as defined in Article 67-18, item (iv) of the Financial Instruments and Exchange Act, in principle.

2. Methods to execute on the best trading terms

Brokerage orders for listed shares and other equivalent securities received from a customer will be executed using the following methods: If a customer specifies the execution method to be used, including a transaction venue, we will follow such instructions only to the extent that we can accommodate.

(1) Of the trading orders for listed share certificates, etc. and other equivalent securities for which the Tokyo Stock Exchange is the primary market*, all direct orders with opening or closing conditions, direct orders received outside the daily trading session hours, and the portion of discretionary orders to be executed at the opening or closing of the trading session will be executed on the Tokyo Stock Exchange.

(2) Of the trading orders for listed shares and other equivalent securities for which the Tokyo Stock Exchange is the primary market, direct orders received during the daily trading session hours without any opening or closing conditions, and the portion of discretionary orders to be executed during the trading session hours will be executed using SOR. When SOR is being utilized, we will first attempt

to match in our Dark Pool, execute the matched quantity, if any, on the ToSTNeT market of the Tokyo Stock Exchange, and then execute the remaining unmatched quantity simultaneously on other trading venues. However, if a special quote or continuous execution quote is displayed for the issue in question, or if an order is received immediately before the close of trading, the entire quantity will be executed on the primary market.

SOR can target the following types of trading venues when seeking to get the best execution: the Dark Pool of SMBC Nikko, all financial instruments exchanges, and PTSs.
However, the trading venues for the relevant securities do not include PTSs where the securities are not traded.

Following PTS venues can be targeted by the SOR:

- J-Market operated by Japannext Co., Ltd. ("Japannext")
- ODX PTS operated by Osaka Digital Exchange Co., Ltd. ("ODX")

If the best quote among the various trading venues is the same, the order of priority of brokerage will be the Dark Pool first, followed by the financial instruments exchange which is the primary market, then the financial instruments exchanges that are non-primary markets, and finally PTSs. As a rule, the order of priority for PTSs is determined based on the volume of orders, and is not fixed.

When orders are executed using SOR, orders are split and routed to the respective trading venues simultaneously, and all brokerage to PTSs is conducted with IOC orders.

(3) For listed shares and other equivalent securities for which the Tokyo Stock Exchange is not the primary market, orders will be executed on the financial instruments exchange that is the primary market.

3. Reasons to choose these methods

We believe that the best trading conditions for our customers are determined by comprehensively considering various factors such as cost, speed, and execution probability in addition to price.

(1) For the orders specified in 2.(1) above, we cannot compare the best quote between the Tokyo Stock Exchange, which is the primary market, and other trading venues. Accordingly, we will execute all orders on the Tokyo Stock Exchange, which is considered to have the highest liquidity.

(2) With regard to the orders specified in 2.(2) above, we believe that execution using SOR is likely to produce favorable results for our customers in terms of price improving effects because listed shares and other equivalent securities whose primary market is the Tokyo Stock Exchange are considered to have relatively high liquidity in the Dark Pool and PTSs.

As for the relationship with Japannext, one of the firms operating PTSs, not only do we hold a stake in the company, but SBI Holding Inc. is also a major shareholder. Sumitomo Mitsui Financial Group, Inc. (hereinafter, "SMFG"), our parent company, invests in SBI Holdings. SMFG also invests in ODX. As explained above, by increasing the choice of trading venues, it is expected that the possibility of price improvement will increase, and we believe that this will enhance the opportunity to provide our customers with the best execution results. Therefore, we have added them as trading venues, and we treat both of them equally.

The reason for adding our Dark Pool as a trading venue is that it may offer better prices compared to the Tokyo Stock Exchange while simultaneously reduce market impact.

The reason we prioritize the use of our Dark Pool over other venues when we execute orders using SOR or broker orders when the same best prices are quoted in multiple trading venues is because the quotes from the Dark Pool are not published, which reduces market impact. The priority order for other trading venues will be determined based on the probability of execution.

The reason for splitting the order and placing it simultaneously to trading venues (except the Dark Pool) and for adopting IOC is that we believe using these methods to place orders can minimize potential latency arbitrage.

(3) For the orders specified in 2.(3) above, since liquidity is considered relatively low for listed stocks and other equivalent securities for which the Tokyo Securities Exchange is not the primary market, we believe it is effective to emphasize speed by executing orders only on the primary market where liquidity is most concentrated.

4. Others

(1) The transactions below shall be executed by the following methods.

① Trading of shares less than one trading unit (excluding trading to respond to requests for selling such shares to the issuing company and requests for purchasing additional shares to reach a whole trading unit)

Since the methods listed in 2. above cannot be used, SMBC Nikko will become the counterparty of the transaction and directly execute the transaction.

② Margin trading

Due to the system limitations, we will execute these orders by brokering them on the primary market.

③ Trading of corporate bonds with stock acquisition rights and some other securities*

Since the methods listed in 2. above cannot be used, we will execute these orders by brokering them on the primary market

(2) In the event of a problem with financial instruments exchanges, telecommunications line operators, or our system, SMBC Nikko may execute orders by a method different from the method that would normally be chosen in accordance with this Best Execution Policy.

The obligation of SMBC Nikko Securities under this best execution policy should be to execute orders by comprehensively considering various factors, including cost, speed, and executability, not only price. Therefore, if a trading order is executed under terms that focus only on price and the result of the transaction is not the best, this alone does not necessarily constitute a breach of the best execution policy.

Revised on April 1, 2026

*For inquiries about applicable issues and the primary market selected for each issue, please contact your sales representative.

This policy is made in Japanese and translated into English. The Japanese text is the original and the English text is for reference purposes.