

BEST EXECUTION POLICY (TRANSLATION)

PLEASE NOTE :

This translated version is intended to be used as reference only.

The Japanese version of our best execution policy (“最良執行方針”) is deemed to be the official version.

April 1, 2020

This best execution policy stipulates the policy and method for executing orders from our trading participants (Type I Financial Services Providers) (“**trading participants**”) on the best possible terms in accordance with Article 40-2, Paragraph 1 of the Financial Instruments and Exchange Act (“**FIEA**”).

When Japannext (“**we**”) receive orders from the trading participants involving securities listed on the financial instruments exchanges (“**FIEs**”) in Japan, we will use our best endeavors to execute the orders in accordance with this policy.

1. **Applicable Securities**

“Listed share certificates, etc.” as defined in Article 16-6 of the Enforcement Ordinance of the FIEA, which includes shares listed on FIEs, exchange-traded funds (ETFs: beneficiary certificates of investment trust linked to equity indexes), real estate investment trusts (REITs), etc.

We do not perform transactions for Phoenix stocks, Convertible bonds, etc. which are defined in Article 67-18, Item (iv) as tradable securities.

2. **Method for Executing Orders on the Best Terms**

It is our fundamental policy to execute all orders from the trading participants on a private proprietary trading system (“**Japannext PTS**”) operated by us in accordance with our internal trading rules, i.e. the order we received from the trading participant will be matched with the other order we received from said participant or with the order received

from a different trading participant and executed on Japannext PTS. We will not conduct agency brokerage of the orders from the trading participants to a FIE in Japan or the PTS operated by other financial services providers. Accordingly, any unexecuted orders will be automatically cancelled.

3. Reason for Selecting the Method Stated in 2.

We mainly operate PTS and we never conduct agency brokerage of purchase and sale of securities to FIEs in Japan or PTS operated by other financial services providers. We endeavor to assist our trading participants to understand this as well as our PTS Trading Instructions and PTS Terms of Business. We anticipate that the order we receive from the trading participants will be matched and executed on our PTS and we believe that the trading participants would consider this as the most reasonable method of matching and execution that meets their needs.

4. Others

We will not process transactions involving fractional shares or transactions with an amount less than one trading unit (odd lot).

There may be instances where it is unavoidable that we select an order execution method other than the method selected in accordance with this best execution policy due to system failures or other circumstances. Even in such cases, we will endeavor to execute the orders on the best terms possible at that time.

The obligation of best execution not only relates to price but involves the consideration of various factors including cost, speed and probability of execution. Accordingly, the mere fact that an execution appears not to have resulted in the best possible price afterwards will not necessarily constitute a contravention or violation of such obligation.

Japannext Co., Ltd.