

Best Execution Policy

BNP Paribas Securities (Japan) Limited
18th August, 2025

This Best Execution Policy, set forth in accordance with Article 40-2(i) of the Financial Instruments and Exchange Act (referred as “FIEA”), defines our policy and methods to execute client orders on the best conditions for clients.

When we accept a client order for securities listed on a financial instruments exchange in Japan, and when there is no specific instruction from the client regarding execution, we endeavor to execute the order in accordance with this Policy, as described hereafter.

1. Securities covered in this Policy

This Policy applies to the “listed share certificates, etc.” prescribed under Article 16-6 of the FIEA Enforcement Order, including stocks, corporate bonds with warrant, ETFs (beneficiary certificates in investment trusts linked to a stock index), and REITs (Real Estate Investment Trusts) which are listed on a financial instruments exchange in Japan.

The “Tradable Securities” (toriatsukai yuukashouken) defined in Article 67-(18)(iv) of the FIEA including stocks and corporate bonds with warrant of Phoenix issues are outside the scope of this Policy.

2. Methods of Best Execution

[Definition of Terms]

“PTS” refers to a Proprietary Trading System as defined in Article 26-2-2, Paragraph 7 of the FIEA Enforcement Order.

“Dark Pool” refers to an Internal Trading System as defined in Article 70-2, Paragraph 7 of the FIEA Cabinet Order.

“SOR” means Smart Order Routing and it refers to a method by which an electronic information processing system automatically make comparison of market data and selects a venue for execution at the most favorable conditions from Financial Instruments Exchange Markets, PTS and/or Darkpool.

“Latency Arbitrage” refers to a trading strategy utilizing market fluctuations in financial instruments markets and market differences, etc. caused by the gap in the time required to execute an order as defined in Article 124, Paragraph 2, Item 1 (iii) of the FIEA Cabinet Office Order on Financial Instruments Business, etc.

“IOC” means “Immediate Or Cancel”, and it refers to an order condition that executes with designated price or better for a part of, or all of the amount of the orders, and immediately cancel the unexecuted amounts. An order meeting such condition is called IOC order.

(1) Listed Securities, etc.

We provide SOR service to our clients.

a. Symbols Eligible for SOR

SOR is available for all listed securities available for trading on the Tokyo Stock Exchange (referred as “TSE”) except the symbols listed on TOKYO PRO Market and symbols not tradable on PTS.



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Markets Eligible for SOR

The markets where the SOR compares prices are TSE and J-Market, a market operated by Japannext Securities (referred as “Japannext”).

Also, as mentioned below, based on the price information, etc. that is determined through the comparison, we also place orders to a BNP Paribas operated darkpool (referred as “BNPP Darkpool”).

Selection Method and Order Logic of the SOR Eligible Markets

For client orders which we accepted, based on each clients' configurations, the SOR receives real time market information from the Markets Eligible for SOR and computes the best price that are executable in each market.

If the parameters of the parent order require immediate execution, SOR will go to BNPP Darkpool first via IOC, afterwards, the SOR places unexecuted amounts to TSE and/or Japannext with computed tradable amounts in each venue.

If the parent order does not require immediate execution, SOR is responsible for venue routing selection: subject to parent order parameters, the choice may be TSE-only, or a wider venue routing choice based on various market factors.

Also, if best quotes are similar across multiple venues, the SOR determines the venue with comprehensively taking other factors into consideration, but in principle prioritizing BNPP Darkpool.

The SOR determines its order placement venue and its amounts not only referring to price information but also taking various market factors into consideration.

The decision of order placement to BNPP Darkpool and/or the Markets Eligible for SOR are made after we receive market data and conduct necessary computation. Due to the market price fluctuations, the execution prices in other markets could result in a different price than the actual execution because there could be limited latency difference between the moment when SOR receives the market data and the actual execution.

Measures for Latency Arbitrage

The SOR places IOC orders to TSE and/or Japannext, aiming to take liquidity simultaneously.

Moreover, in BNPP Darkpool, clients can configure matching permissions/elections for certain client types and also set Minimum Execution Quantity.

Dark Pool for Retail Clients

We do not accept orders from Retail Clients directly. Therefore, we do not offer access to Dark Pool for Retail Clients.

b. Symbols Not Eligible for SOR

We place all client orders on listed stocks, etc. to the financial instruments exchanges where the stocks are listed unless we receive any specific instruction from the client regarding execution. When the client has given us prior consent but no specific instruction regarding trade execution, for the choice of the execution method, with comprehensively taking market liquidity, etc. into consideration, we may place client orders to PTS, BNPP Darkpool, third party darkpool, and/or we may prioritize the means of cross trade where the Company acts as the counterparty to the client or cross trade where the Company acts as an intermediary for our affiliated company who becomes the counterparty.

Client orders are placed to the financial instruments exchange as follows:

- a) If the instrument is listed on one financial instruments exchange (single listing), we will place the order to such financial instruments exchange. If we are not a participant or a member of such



financial instruments exchange, we will place client orders on such financial instruments exchange through a financial instruments exchange participant with whom we have entered into an agreement for handling orders on such financial instruments exchange (however, we may not be able to accept orders depending on specific conditions.)

- b) If the instrument is listed on more than one financial instruments exchanges (multiple listing), we will place the orders to the financial instruments exchange of which we are a participant or a member. (As of 18th August, 2025, we are a trading participant of the TSE.)

(2) Tradable Securities (toriatsukai yuukashouken)

We do not accept orders for Tradable Securities.

3. Reasons to select Execution Method

(1) Listed Securities, etc.

a. Symbols Eligible for SOR

Markets Eligible for SOR, Selection Method and Order logic of the SOR Eligible Markets

We consider that it can lead to best execution for clients' orders with receiving market information from several markets with high liquidity and placing orders to the market with the best conditions will increase the likelihood that the client's execution results will be the most appropriate one.

Also, we consider that by adding BNPP Darkpool to the place where the order is placed, we can access more diverse liquidity while lowering market impacts, etc. by concealing the order information, and this will ultimately increase the possibility of better executions.

Please note that we do not have strategic ownership stake in Japannext.

As mentioned above, if best quotes are similar across multiple venues, the SOR determines the venue with comprehensively taking other factors into consideration. In principle we prioritize BNPP Darkpool but we consider this is reasonable approach as BNPP Darkpool can lower market impacts for clients.

For more detail, please contact your account manager.

Measures for Latency Arbitrage

With the above-described method in 2. (1). a, we believe that we are minimizing the possibility of latency arbitrage.

Dark Pool for Retail Clients

Not applicable.

b. Symbols Eligible for SOR

In principle, since the majority of the demand from investors concentrate on financial instruments exchanges, such exchanges are considered to offer benefits in liquidity, speed, chances for execution, etc. Thus, we consider it best and most reasonable for our clients to execute their orders on such exchanges. We also believe that it is most reasonable to execute your orders on a financial exchange that has the highest liquidity if the instrument is listed on more than one exchange.

When we decide to execute orders from clients at PTS, BNPP Darkpool and third party darkpool, or through cross trade with us or our overseas affiliate at a reasonable price we decide considering the market price, the basis for such decision is that the execution is more secure and the trading cost is lower in the said cross trade compared with the execution on a financial instruments exchange.

4. Others

- (1) Regardless of the methods explained in 2. above, we execute the following types of trades as



described:

- i) Orders for which client has specified the execution method (e.g. requesting us to act as the direct counterparty, choosing specific financial instruments exchange, or specifying certain execution time, etc.):
 - The method instructed by client
 - ii) Orders placed under a discretionary trading agreement
 - The method we choose within the range of discretion permitted to us under the contract
 - iii) Orders for which the execution method is specified in the General Terms or the like
 - The designated execution method
 - iv) Orders on odd-lot shares or shares less than a trading unit:
 - We place the orders with financial instruments dealer that handles odd-lot shares or shares less than a trading unit OR we act as a counterparty to execute cross trade
- (2) As a result of system error, etc., we may have to choose a method other than what we normally choose based on this Best Execution Policy in some cases. In such cases though, we will still endeavor to execute orders on the best terms possible.
- We do not accept orders for Over-the-Counter Traded Securities (tentoubaibai yuukashouken)

The duty of Best Execution not only relates to price but also involves comprehensive consideration of various factors such as cost, speed and certainty of execution. Therefore, even if an execution price is found not being the best possible price then after a trade takes place, that alone is not necessarily regarded as a violation of the duty of Best Execution.

