

Best Execution Policy

Morgan Stanley MUFG Securities Co., Ltd.

This Best Execution Policy (“Policy”) sets forth the policy and methods used to execute transactions on the best terms and conditions for our clients in connection with the provisions of Article 40-2, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (“FIEL”).

Upon acceptance of a client order for securities listed on a financial instruments exchange in Japan (“Stock Exchange”), Morgan Stanley MUFG Securities Co., Ltd. (“Morgan Stanley”) will endeavor to execute that order in accordance with the following policy:

1. Securities Covered in the Policy

“Listed Securities, etc.,” as prescribed under Article 16-6 of the FIEL Enforcement Order

Listed shares of stock, bonds with stock acquisition rights, warrants, preferred capital securities, beneficiary rights of investment trusts or foreign investment trusts, investment securities or foreign investment securities similar to such investment securities, investment securities listed on a financial instruments exchange in Japan, which are issued by entities incorporated under special laws, beneficiary right certificates issued by trusts capable of issuing such beneficiary right certificates under the Trust Law of Japan, and the foreign equivalent of the securities listed above if listed on a Stock Exchange.

“Tradable Securities” (toriatsukai yuukashouken) as defined in Article 67-18, Item 4 of FIEL

Morgan Stanley does not accept orders for Tradable Securities.

2. Best Execution Method

Definition of Terms

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

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

“Financial Instruments Exchange Markets etc.” refers to financial instruments exchange in Japan, PTS and Dark Pool, collectively.

“SOR” refers to a method by which an electronic information processing system automatically selects a financial instruments exchange market for execution at the most favorable price from multiple Financial Instruments Exchange Markets etc. or the provision of transactions executed using such method.

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

(1) Listed Securities, etc.

a. Symbols Eligible for SOR

SOR is available at Morgan Stanley (“MS SOR”) and eligible symbols are all listed securities available for trading on the Tokyo Stock Exchange (“TSE”). However, foreign securities issued by foreign issuers and listed on both domestic and overseas stock exchanges are outside the scope of MS SOR. In addition, MS SOR is not available for trading securities where the primary

market determined by a market data vendor that is chosen by Morgan Stanley (“the primary exchange”) is not the TSE.

Markets Eligible for SOR

Markets eligible for SOR are the TSE, a market operated by Japannext (“Japannext PTS”), Japan Alternative Market (“JAX PTS”), Osaka Digital Exchange (“ODX PTS”) and the Dark Pool operated by Morgan Stanley called “MS POOL”.

The scope of use of these markets may vary depending on each client’s settings, the type of transaction, and system connectivity, among other factors.

Selection Method and Order of the SOR Eligible Markets

To the extent it is eligible based on client configurations and/or instructions, for marketable orders, MS SOR is designed to capture a contemporaneous snapshot of financial instruments markets etc. that provide quotes to which it routes (i.e., TSE, Japannext PTS, JAX PTS and ODX PTS). Based on its view of liquidity available in MS POOL at prices equal to or better than the then-current best bid and offer of the TSE, as long as price is within Daily Price Limits defined by TSE, MS SOR can send an immediate or cancel order (“IOC”) to multiple sources of Financial Instruments Exchange Markets etc. MS SOR primarily determines which source of liquidity to access based upon price. Please note that if available price quotes are the same across multiple venues, MS SOR may take liquidity based on the following order: MS POOL, PTSs and TSE, which is subject to change due to market conditions and system factors such as liquidity, tick size and fee etc.

In addition, where the most favorable price is the same across multiple PTSs, the priority among such PTSs may change depending on market conditions, etc. (including liquidity, tick size, fees, etc.).

Measures for Latency Arbitrage

MS SOR is designed to route marketable orders by sending an IOC, aiming to take available liquidity contemporaneously from multiple Financial Instruments Exchange Markets etc.

Dark Pool for Retail Clients

Morgan Stanley does not accept orders from retail clients directly. Therefore, we do not offer direct access to the Dark Pool for retail investors.

b. Symbols Not Eligible for SOR

If MS SOR is not used or not available for a symbol, client orders will be placed on the stock exchange in the following manner (excluding foreign securities listed on both domestic and overseas stock exchanges):

- (a) Security listed on a single stock exchange will be placed on such exchange.
- (b) Security listed on multiple stock exchanges will be placed on the ‘primary exchange’.
- (c) If Morgan Stanley is not a participating member of the stock exchange selected pursuant to (a) or (b) above, security will be placed through an exchange participating member with whom Morgan Stanley has entered into an agreement to route orders.

Please note that client orders for foreign securities listed on both domestic and overseas stock exchanges will be placed through an overseas Morgan Stanley group affiliate for execution.

(2) Tradable Securities (toriatsukai yuukashouken)

Morgan Stanley does not accept orders for Tradable Securities.

3. Reasons for Selecting the Applicable Execution Method

(1) Listed Securities, etc.

a. Symbols Eligible for SOR

Markets Eligible for SOR

MS POOL, which is the Dark Pool offered by Morgan Stanley, employs anti-gaming control measures such as restricting order types, not accepting IOCs from participants, and not transmitting IOIs, among other things, and we believe access to MS POOL will contribute to our attempt to achieve best execution for clients as described in the following paragraph “Selection Method and Order of the SOR Eligible Markets”. It is reasonable for MS SOR to access Japannext PTS, JAX PTS and ODX PTS and MS POOL, in addition to the TSE, given the presence of liquidity available at prices equal to or better than best bid and offer of the TSE as long as price is within Daily Price Limits defined by TSE. Please note that Morgan Stanley does not have a strategic ownership stake in Japannext PTS, JAX PTS and ODX PTS.

Selection Method and Order of the SOR Eligible Markets

MS SOR logic reflects our belief that our approach of seeking to minimize signaling and maximize fill rates and execution quality will be the most efficient choice for execution of client orders. For more information on Morgan Stanley’s general approach on order handling and routing of its client orders, please refer to “[Morgan Stanley’s Asia Equity Order Handling & Routing Practices Frequently Asked Questions](https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/sales_and_trading_disclosures/MS_Asia_Equity_Order_Handling_and_Routing_FAQs.pdf)¹” or contact your Morgan Stanley representative.

Measures for Latency Arbitrage

With the above-described method, we believe that we can minimize the possibility of latency arbitrage based on our client order flow.

Dark Pool for Retail Clients

Not applicable.

b. Symbols Not Eligible for SOR

Foreign securities listed on both domestic and overseas stock exchanges are not eligible for SOR because typically, greater liquidity is available in overseas stock exchanges. For securities where “the primary exchange” is not the TSE, while the regional stock exchange may have greater liquidity, they are outside of the scope because Morgan Stanley does not hold membership on regional exchanges and an order needs to be executed through an intermediary.

(2) Tradable Securities (toriatsukai yuukashouken)

Morgan Stanley does not accept orders for Tradable Securities (toriatsukai yuukashouken).

¹https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/sales_and_trading_disclosures/MS_Asia_Equity_Order_Handling_and_Routing_FAQs.pdf

4. Other

Notwithstanding Section 2 above, Morgan Stanley will execute the following types of transactions as indicated below:

- i. A transaction with instructions to execute on the TSE open/close auctions will be executed at the TSE.
- ii. A transaction with specific or general instructions from the customer regarding the method of execution including one received after the TSE market close, (for example, a request for a cross transaction with Morgan Stanley principal account or another customer order, request for executing in other stock exchanges, tachiaigai cross, off-exchange cross or PTS) will be executed as instructed.
- iii. A transaction covered under discretionary trading agreements will be executed in accordance with those instructions and with the discretion contained in such agreements.
- iv. A transaction involving fractional shares or shares of less than one unit (odd lots) will be either executed against a Morgan Stanley principal account or will be placed with an appropriate broker. However, please note that Morgan Stanley may not be able to agree to a transaction depending on the terms of such transaction.

Orders placed by a client to stock exchanges and other markets through their direct use of Morgan Stanley systems will be executed in accordance with the instructions specifically inputted or agreed upon by such client. All such clients are subject to the terms and conditions of direct access agreements with Morgan Stanley.

In some cases, system failures or other disruptions may prevent us from using all execution methods normally at our disposal. In such cases, Morgan Stanley will endeavor to execute on the best terms possible.

Morgan Stanley does not accept orders for Over-the-Counter Traded Securities (tentoubaibai yuukashouken).

The best execution obligation is the obligation to execute orders by taking into careful consideration not only the price but a number of other factors including but not limited to the cost, the speed and the probability of execution. Therefore, the fact that an execution did not result in the best price will not necessarily constitute a breach of such obligation.

Revised on September 14, 2026