

Correspondence table with the "Principles for Customer-Oriented Business Conduct" published by the Financial Services Agency

Name of financial business operator	Morgan Stanley MUFG Securities Co., Ltd.
■ URL of the website regarding the policies:	https://www.morganstanley.co.jp/en/legal-notices/client-oriented-business-conduct-msms
■ URL of the website regarding the status of	https://www.morganstanley.co.jp/en/legal-notices/client-oriented-business-conduct-msms/progress-update202311_en.pdf

Principles**		Implemented or not *6	Corresponding section of the policies *6	Corresponding section of the status of compliance *6	
Principle 2	<p>Pursuit of customers' best interests</p> <p>A financial business operator should maintain the highest level of specialized expertise and professional ethics, conduct its business with integrity and fairness for customers, and pursue customers' best interests. A financial business operator should endeavor to ensure that such business operations become part of its corporate culture.</p>	Implemented	1. Our Core Value to Put Clients First (Corresponding to Principle 2)	1. Status of Compliance with Putting Clients First (Corresponding to Principle 2)	
	(Note)	<p>When conducting transactions with customers, a financial business operator should aim to secure its stable customer base and profits by providing high-quality, customer-oriented services and by pursuing the best interests of customers.</p>	Implemented	1. Our Core Value to Put Clients First (Corresponding to Principle 2)	1. Status of Compliance with Putting Clients First (Corresponding to Principle 2)
Principle 3	<p>Proper Management of Conflict of Interest</p> <p>A financial business operator should accurately identify potential conflicts of interest with customers in transactions, and if there is a potential conflict of interest, it should manage such conflicts of interest appropriately. A financial business operator should establish a specific policy in advance for this purpose.</p>	Implemented	2. Our Policy on Proper Management of Conflict of Interest (Corresponding to Principle 3)	2. Proper Management of Conflict of Interest (Corresponding to Principle 3)	
	(Note)	<p>When determining potential conflicts of interest, a financial business operator should also consider, for example, the impact of the following circumstances on transactions or business:</p> <ul style="list-style-type: none"> • when a distributor receives payment of fees, etc. from a company that provides financial products in connection with the sale, recommendation, etc. of such financial products to customers; • when a distributor sells, recommends, etc. products provided by another company in the same group; and • when a corporate sales division and an investment division exist within the same entity or group, and when the investment division selects a company that has a business relationship or the like with the corporate sales division as its target for investment of assets. 	Implemented	2. Our Policy on Proper Management of Conflict of Interest (Corresponding to Principle 3)	2. Proper Management of Conflict of Interest (Corresponding to Principle 3)
Principle 4	<p>Clarification of Fees, etc.</p> <p>A financial business operator should provide detailed information of fees and other costs incurred by customers regardless of names, in a manner that customers can understand, including what kind of services are provided in exchange for such fees, etc.</p>	Implemented	3. Our Policy on Clarification of Pricing and Applicable Fees for the Financial Products and Services (Corresponding to Principle 4)	3. Clarification of Pricing and Applicable Fees for the Financial Products and Services (Corresponding to Principle 4)	
Principle 5	<p>Providing Important Information in an Understandable Manner</p> <p>Given the asymmetry of information with customers, a financial business operator should provide important information related to the sales and recommendations of financial products and services, in addition to the matters indicated in Principle 4 above, in an understandable manner so that customers can understand.</p>	Implemented	4. Our Policy on Providing Important Information in an Understandable Manner (Corresponding to Principle 5)	4. Providing Important Information in an Understandable Manner (Corresponding to Principle 5)	
	(Note 1)	<p>The followings should be included in the important information:</p> <ul style="list-style-type: none"> • basic profits (returns), losses and other risks, and transaction terms and conditions of financial products and services sold, recommended, etc. to customers; • customer attributes that are assumed to be the target of financial products sold by a financial business operator that is involved in structuring the financial products to be sold, recommended, etc. to customers; • reasons for the selection of financial products and services to be sold or recommended to customers (including reasons for the determination that they are based on needs and intentions of customers); and • if there is a potential conflict of interest with customers regarding financial products or services to be sold or recommended to customers, the specific details thereof (including fees, etc. to be received from third parties) and the impact thereof on the transaction or business. 	Implemented	4. Our Policy on Providing Important Information in an Understandable Manner (Corresponding to Principle 5)	4. Providing Important Information in an Understandable Manner (Corresponding to Principle 5)
	(Note 2)	<p>When a financial business operator sells or recommends multiple financial products or services as a package, the financial business operator should indicate to customers whether it is possible to purchase them separately and should provide important information about each financial product or service so that the customers can compare the packaged and non-packaged products and services. (Note 2 through Note 5 also applies to the cases when providing information on fees, etc.)</p>	Implemented	4. Our Policy on Providing Important Information in an Understandable Manner (Corresponding to Principle 5)	4. Providing Important Information in an Understandable Manner (Corresponding to Principle 5)
(Note 3)	<p>A financial business operator should provide information in a clear, plain, and sincere manner that is not misleading, taking into account the transaction experience and financial knowledge of its customers.</p>	Implemented	4. Our Policy on Providing Important Information in an Understandable Manner (Corresponding to Principle 5)	4. Providing Important Information in an Understandable Manner (Corresponding to Principle 5)	

	(Note 4)	A financial business operator should provide information in an understandable manner that is commensurate with the complexity of the financial products and services it sells or recommends to customers. When selling or recommending simple, low-risk products, a financial business operator should provide concise information. On the other hand, when selling or recommending complex or high-risk products, a financial business operator should make efforts to provide detailed and easy-to-understand information including basic structures such as the relationship between risk and return by using materials that enable customers to compare the product with similar products.	Implemented	4. Our Policy on Providing Important Information in an Understandable Manner (Corresponding to Principle 5)	4. Providing Important Information in an Understandable Manner (Corresponding to Principle 5)
	(Note 5)	When providing information to customers, a financial business operator should differentiate information according to its importance and draw the customers' attention to more important information by placing special emphasis on such information.	Implemented	4. Our Policy on Providing Important Information in an Understandable Manner (Corresponding to Principle 5)	4. Providing Important Information in an Understandable Manner (Corresponding to Principle 5)
Principle 6	Providing Suitable Service for Customers				
		A financial business operator should understand the customers' status of assets, transaction experiences, knowledge, transaction purpose, and needs and structure, sell, recommend, etc. financial products or services suitable for each customer.	Implemented	5. Our Policy on Providing Suitable Service for Clients (Corresponding to Principle 6)	5. Providing Suitable Service for Clients (Corresponding to Principle 6)
	(Note 1)	A financial business operator should keep in mind the following points in selling, recommending, etc. financial products and services: <ul style="list-style-type: none"> • after confirming a customer's intentions, a financial business operator should first consider the target amount of assets and the appropriate ratio of safe assets and investment assets based on the customer's life plan, etc., and then, the financial business operator should propose specific financial products or services based on such consideration; • when proposing specific financial products or services, a financial business operator should make comparisons with similar and alternative products or services (including fees) it offers across the boundaries of each business law; and • after the sale of financial products or services, a financial business operator should provide appropriate follow-up based on the customers' intentions and with consideration for the long-term perspective. 	Implemented	5. Our Policy on Providing Suitable Service for Clients (Corresponding to Principle 6)	5. Providing Suitable Service for Clients (Corresponding to Principle 6)
	(Note 2)	When a financial business operator sells, recommends, etc. multiple financial products or services as a package to customers, it should consider whether the package as a whole is suitable for the customers.	Implemented	5. Our Policy on Providing Suitable Service for Clients (Corresponding to Principle 6)	5. Providing Suitable Service for Clients (Corresponding to Principle 6)
	(Note 3)	When structuring products, a financial business operator, which is involved in structuring financial products, should specify and disclose the customer attributes that they expect to sell the products to, based on the characteristics of the products. Also, a financial business operator, which is involved in selling the products, should ensure that the products will be sold in accordance with the specified attributes of the customers.	Implemented	5. Our Policy on Providing Suitable Service for Clients (Corresponding to Principle 6)	5. Providing Suitable Service for Clients (Corresponding to Principle 6)
	(Note 4)	When selling, recommending, etc. particularly complex or risky financial products, or when selling, recommending, etc. products to a group of customers who are vulnerable to damage from financial transactions, a financial business operator should examine more carefully whether such sales, recommendations, etc. are appropriate, depending on the products and the attributes of customers.	Implemented	5. Our Policy on Providing Suitable Service for Clients (Corresponding to Principle 6)	5. Providing Suitable Service for Clients (Corresponding to Principle 6)
	(Note 5)	A financial business operator should strive to deepen employees' understanding of the structure, etc. of the financial products it offers, and actively provide information to its customers so that they can obtain basic knowledge of the financial transactions in accordance with their attributes.	Implemented	5. Our Policy on Providing Suitable Service for Clients (Corresponding to Principle 6)	5. Providing Suitable Service for Clients (Corresponding to Principle 6)
Principle 7	Framework for Proper Incentives for Employees				
		A financial business operator should establish a proper framework for incentives and proper governance system such as a compensation/performance evaluation system, employee training, etc. designed to promote actions to pursue best interests of customers, fair treatment of customers, and appropriate management of conflicts of interest.	Implemented	6. Our Policy on Proper Training and Incentives for Employees (Corresponding to Principle 7)	6. Proper Training and Incentives for Employees (Corresponding to Principle 7)
	(Note)	A financial business operator should inform measures to be implemented regarding each principle (including notes attached to them), any alternative measures to be taken, and its employees who participate in these measures, and should establish a system to support and verify the performance of such employees.	Implemented	6. Our Policy on Proper Training and Incentives for Employees (Corresponding to Principle 7)	6. Proper Training and Incentives for Employees (Corresponding to Principle 7)

Inquires	
Division	Client-Oriented Business Conduct Team
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*6 Please select "Implemented," "Partially Implemented," "Not Implemented," or "Not Applicable" for each of the principles 2 through 7 of the "Principles for Customer-Oriented Business Conduct" and the notes attached to them and state the corresponding section (names of the items, headings, pages, etc.) of the policies and the status of compliance.

If there is a discrepancy between the correspondence table posted on the financial business operator's website and this report format, it will not be listed on the financial business operator list.

**The English translation of the Principles is sample translation, and Morgan Stanley MUFG Securities Co., Ltd. has not verified its accuracy and completeness.