

# Notice on JGB Transactions

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## Japanese Government Bonds (“JGB”) Transactions Notice

This notice refers to JGB transactions you may request SMBC Bank International plc (“**SMBC**”, “**we**” or “**us**”) to enter into where the execution price is determined by reference to BB JGB prices (“**JGB transactions**”), published by Japan Bond Trading Co., Ltd., with which we have a relationship (“**Closing Price**”). Upon execution of a JGB transaction, we or our affiliate, SMBC Nikko Securities Inc. which acts as hedge counterparty (“**SMBC Nikko**”) may conduct proprietary hedging transactions in connection with the relevant JGB transaction. Any proprietary hedging transactions may be conducted after receiving an order from you based on the relevant Closing Price, but before the JGB transaction is finalized, upon determination of the relevant Closing Price.

Such hedging transactions are conducted in accordance with our internal rules, conflict of interest management policies, and applicable laws and regulations, with the aim of mitigating the risks borne by us and minimizing market impact. They are also intended to enable us to offer fair and competitive trading terms to customers, including liquidity provision and spreads relative to the relevant Closing Price. However, such hedging transactions may potentially influence market prices and liquidity.

We do not engage in hedging transactions with the intention of disadvantaging customers or disrupting the market.

When conducting transactions referencing the Closing Price, we provide trading terms to you on the premise that we may, at our sole discretion, engage in hedging transactions.

If you explicitly request that we refrain from conducting hedging transactions prior to the determination of the Closing Price, we may comply with such request. However, in such cases, we may decline to execute the relevant JGB transaction if we cannot accommodate such request. Following receipt of your request to refrain, if hedging transactions are not conducted, the prices offered to you and the potential market impact may be affected accordingly.

Should you have any questions or require further clarification regarding this matter, please contact your usual SMBC contact.