

Our Policy on Best Execution of Transactions

(the "Policy")

September 30, 2007
Mizuho Securities Co., Ltd.

This Policy stipulates the policy and methods for the best execution of transactions to benefit our customers in accordance with the provisions of Article 40-2, Paragraph 1 of the Financial Instruments and Exchange Law.

When we receive orders from our customers to trade in securities listed on financial instruments exchanges in Japan, we will endeavor to execute such transactions in accordance with the following policy unless we receive any other specific instructions from our customers.

1. Securities Subject To The Policy

(1) The "Listed Share Certificates" provided in Article 16-6, Paragraph 1 of the Financial Instruments and Exchange Law Enforcement Order such as stocks, corporate bonds with stock acquisition rights, ETF (Beneficiary Certificates of Stock Price Index-Linked Investment Trust), and REIT (Real Estate Investment Trust Securities) listed on financial instruments exchanges in Japan; and

(2) The "Over-the-Counter Handled Securities" prescribed in Article 67-18, Item 4 of the Financial Instruments and Exchange Law such as green sheet stocks and corporate bonds with stock acquisition rights, etc.

2. How to Execute Transactions at the Best Conditions

(1) Listed Share Certificates

Corporate customers

We will handle transactions for our corporate customers as follows:

An order received from our customers for Listed Share Certificates shall, unless we are instructed otherwise from the customer, be passed on to the financial instruments exchange as a commissioned order, and we will not engage in off-exchange transactions, nor will we pass orders on to PTS (Proprietary Trading System).

(i) When we receive a commissioned order from our customers, the order will be promptly passed on to the financial instruments exchange in Japan where the relevant issue is listed. For a commissioned order received in after-hours trading, the order will be passed on to the financial instruments exchange when the next session commences.

(ii) The commissioned order in (i) shall be passed on to financial instruments exchanges as follows:

(a) If the relevant issue is listed only on a single exchange (the "Single Listing"), then the order shall be passed on to that financial instruments exchange.

(b) If the relevant issue is listed on multiple financial instruments exchanges (the "Multiple Listing"), then the order received shall be passed on to the financial instruments exchange which has the highest trading volume for a certain period according to QUICK's stipulated computation method. This will be determined from the stock price first shown on the QUICK terminal when the securities code for the relevant issue is entered as at the execution time. (Customers can inquire about further details in relation to this).

(c) If the financial instruments exchange selected in accordance with (a) or (b) is not an exchange which we are a trading participant in or a member of, we will pass the order on to the financial instruments exchange through our contracted financial instruments company which is a trading participant in or a member of that exchange (the "Broker").

Individual customers and corporate customers trading through Corporate Business Development Department, Business Development Department, or financial instruments introducing brokerage business
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We will handle orders from our individual customers and our corporate customers trading through Corporate Business Development Department, Business Development Department, or financial instruments introducing brokerage business, as follows:

We will pass all orders for Listed Share Certificates received from our customers on to the Broker and we will not engage in off-exchange transactions, nor will we pass orders on to PTS.

(i) When we receive a commissioned order from our customers, the order will be promptly passed on through our Broker to the financial instruments exchange in Japan where the relevant issue is listed. For a commissioned order received in after-hours trades, the order will be passed on through our Broker to that financial instruments exchange when the next session commences.

(ii) The commissioned order in (i) shall be passed on to the financial instruments exchanges as follows:

(a) If the relevant issue is listed only on a single exchange (the "Single Listing"), then the order shall be passed on to that financial instruments exchange.

(b) If the relevant issue is listed on multiple financial instruments exchanges (the "Multiple Listing"), then the order received shall be passed on to the financial

instruments exchange which has the highest trading volume for a certain period according to QUICK's stipulated computation method. This will be determined from the stock price first shown on the QUICK terminal when the securities code for the relevant issue is entered as at the execution time. (Customers can inquire about further details in relation to this).

(2) Over-the-Counter Handled Securities (Green Sheet Issues)

We will not accept any orders for Over-the-Counter Handled Securities.

3. Rationale For Choosing Such Methods

(1) Listed Share Certificates

Most of the investors demand is concentrated on financial instruments exchanges where there is more liquidity, higher execution probability and higher speed in transactions as compared with off-exchange transactions. We therefore believe that it is the most advantageous for our customers to execute transactions in these financial instruments exchanges.

Furthermore, when the relevant issue is listed on multiple exchanges, we also believe that it is the most advantageous for customers to execute transactions in the financial instruments exchange which has the highest liquidity.

4. Miscellaneous

(1) The following transactions shall be executed by the methods set forth below instead of the methods indicated in 2.

(i) Transactions where specific instructions for executions are received from customers (such as a preference that we become the direct counterparty in principal transactions, a preference as to the financial instruments exchange, the timing of trade, or the need to execute the order in parts or in a lump):

These transactions shall be executed by the method instructed by the customer.

(ii) Discretionary trading account transaction orders that are exceptionally permitted such as specified consent orders:

These orders shall be executed by the method selected by us within the customer's consent.

We will pass on these orders to the financial instruments exchange in Japan where the relevant issue is listed, unless we are neither a trading participant in nor a member of the selected financial instruments exchange.

(iii) Trading in less-than-unit shares:

These orders shall be passed on to financial instruments companies that handle less-than-unit shares.

(iv) For an order directing that certain transactions take place over a period of time (the “Good-Till-Cancelled Order”), where the relevant issue is listed on multiple exchanges, we may vary our selection of the financial instruments exchange over that period.

(v) For system margin transactions regulated by financial instruments exchanges in fees and maturity (*Seido Shinyo Meigara*), since the system is intended for margin selling and netting to be executed on the same market, even if a different market is selected at the time of netting, this shall be executed at the same market where margin selling was executed.

(vi) Regarding commissioned orders from our offshore subsidiaries (including orders defined in 4.(1)(ii)), in the case where we receive specific instructions that allow us to execute against matching orders, we may execute such orders in a financial instruments exchange other than that selected by the method set forth in 2., or may execute it against our proprietary account or another commissioned order through after-hours trading or off-exchange trading in consideration of factors such as price, and certainty of the execution when it is impossible or impractical for us to contact or confirm with the client who places the order due to time-zone difference, etc.

(2) We may inevitably execute orders by a method different from the Policy due to system disruptions or other circumstances if we believe another method to be the best one at the time.

END

<p>The obligation for best execution concerns not only the price but also encompasses considerations of the cost, the speed, the assurance of execution and other various elements. Therefore, the mere fact that our execution may not result in the best price will not necessarily mean that there has been a contravention of such obligation.</p>
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