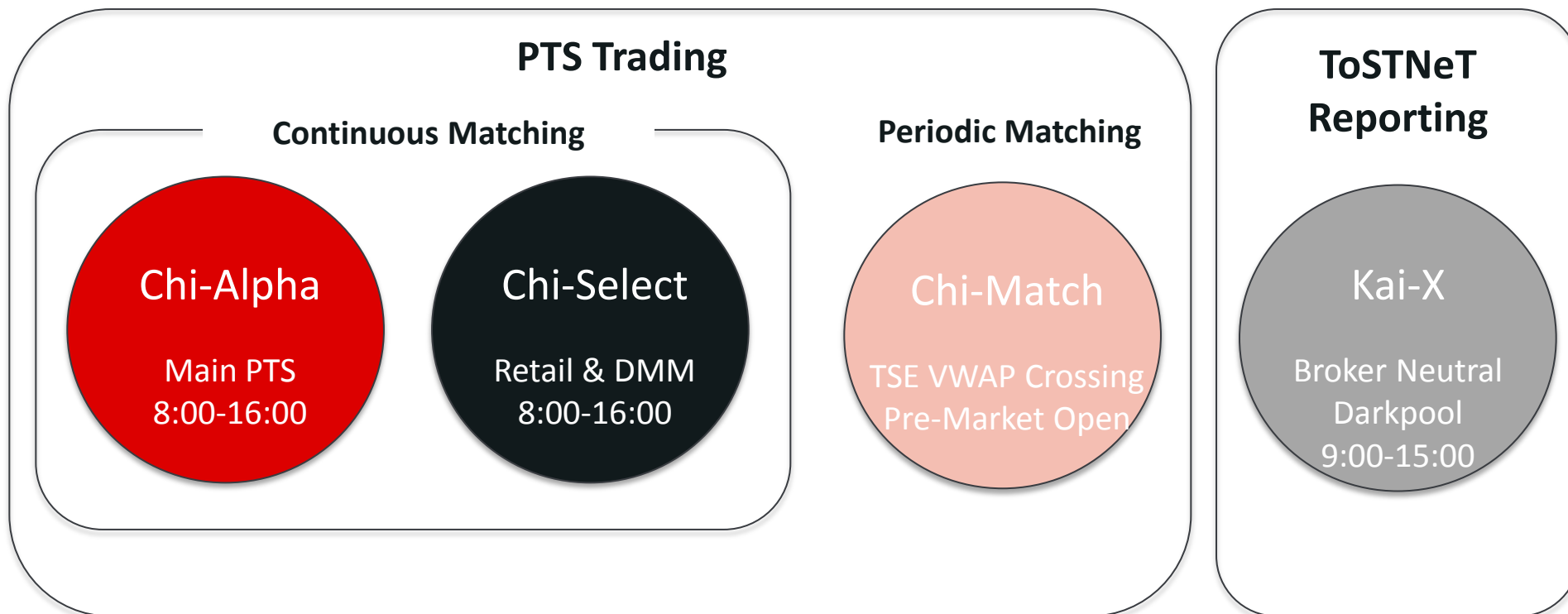


The background of the slide is a black and white photograph of grass blades covered in water droplets. The top half of the image is obscured by a solid red horizontal band. The text is positioned on the left side of this red band.

CHI-X JAPAN MONTHLY REPORT

MAY 2018

Markets operated by Chi-X Japan

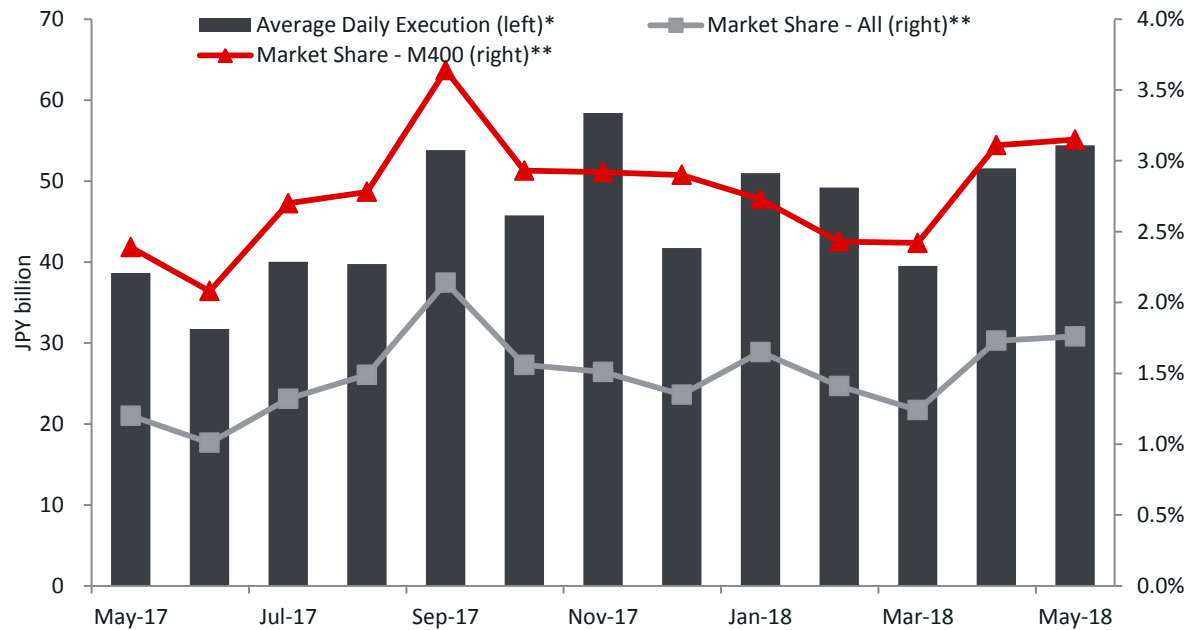


Chi-Alpha & Select

Overview - Chi-Alpha & Chi-Select

- ◆ Chi-Alpha is the largest and longest operating among venues run by Chi-X Japan
- ◆ Chi-Select is catered to retail focused brokers with features allowing them to provide their clients with better best execution
- ◆ Key Features
 - ✓ Continuous matching between 8am to 4pm for stocks listed on TSE
 - ✓ Various order types – Pegged, Post-only, Iceberg, IOC/FOK
 - ✓ Robust, resilient, stable, low latency platform
- ◆ Values
 - ✓ Price Improvement opportunities, esp. Mid/Small Caps
 - ✓ Market making / Order posting opportunities
 - ✓ Faster / higher execution opportunities

Statistics - Chi-Alpha & Chi-Select

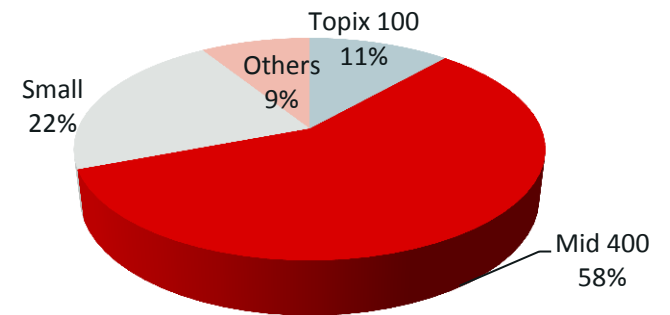


* Chi-Alpha & Chi-Select combined

** Market share of Chi-X's 2 markets among lit markets (TSE, Chi-Alpha, Chi-Select, JNX-J and JNX-X)

*** PI compares the execution price vs. TSE's best bid for sell or best offer for buy at each point of execution and is calculated from the perspective of the Taker of the trade

Execution Value Breakdown by Market Cap



	Average Price Improvement (PI) (bps) ***	Market Share**
TOPIX100	0.5	0.5%
Mid 400	2.7	3.2%
Small	3.0	2.3%
Others	4.5	1.3%
Overall	2.8	1.8%

Statistics - Chi-Alpha & Chi-Select

Monthly Total Value **JPY1,142,917,423,765**

Monthly Total Volume **724,743,110**

Top Symbols by Execution

		JPY	Market Share
8698	MONEX G	18,420,762,300	1.4%
6502	TOSHIBA	11,770,217,900	4.9%
9501	TEPCOHD	9,763,309,080	2.4%
4689	YAHOO J	8,412,877,320	3.9%
5301	TOKAICA	7,701,744,730	1.5%
4004	SHOWDEN	7,014,601,930	3.0%
4751	CYBER A	6,142,353,600	3.0%
2768	SOJITZ	6,047,259,910	4.0%
4005	SMICHEM	5,879,625,100	3.5%
6506	YASKAWA	5,781,834,750	2.7%

Top Symbols by Market Share

		JPY	Market Share
8976	DAIWAOF	1,401,523,220	8.5%
3296	NP REIT	619,437,730	8.5%
3226	ACCOMMO	678,799,820	7.1%
3279	API	1,220,106,960	6.9%
3471	MITSUILP	350,299,340	6.7%
8951	NBF	3,639,234,070	6.7%
8836	RISE	6,463,030	6.6%
8964	FRONRE	535,787,260	6.5%
9635	MUSASIK	523,140	6.5%
2327	NSSOL	908,164,960	6.5%

* Chi-Alpha & Chi-Select combined

** Market share of Chi-X's 2 markets among lit markets (TSE, Chi-X, SBI JNX); Chi-X Japan's estimate

Chi-Match

chi-x

Overview – Chi-Match

- ◆ Chi-Match allows participants to find counterparties to trade at TSE's VWAP before the market open, hence **offload the trading risk in the continuous matching hours.**
- ◆ How does it work?

Order acceptance (from 8 to each pre-matching time)

- Order Type: Full-day VWAP / PM VWAP / AM VWAP

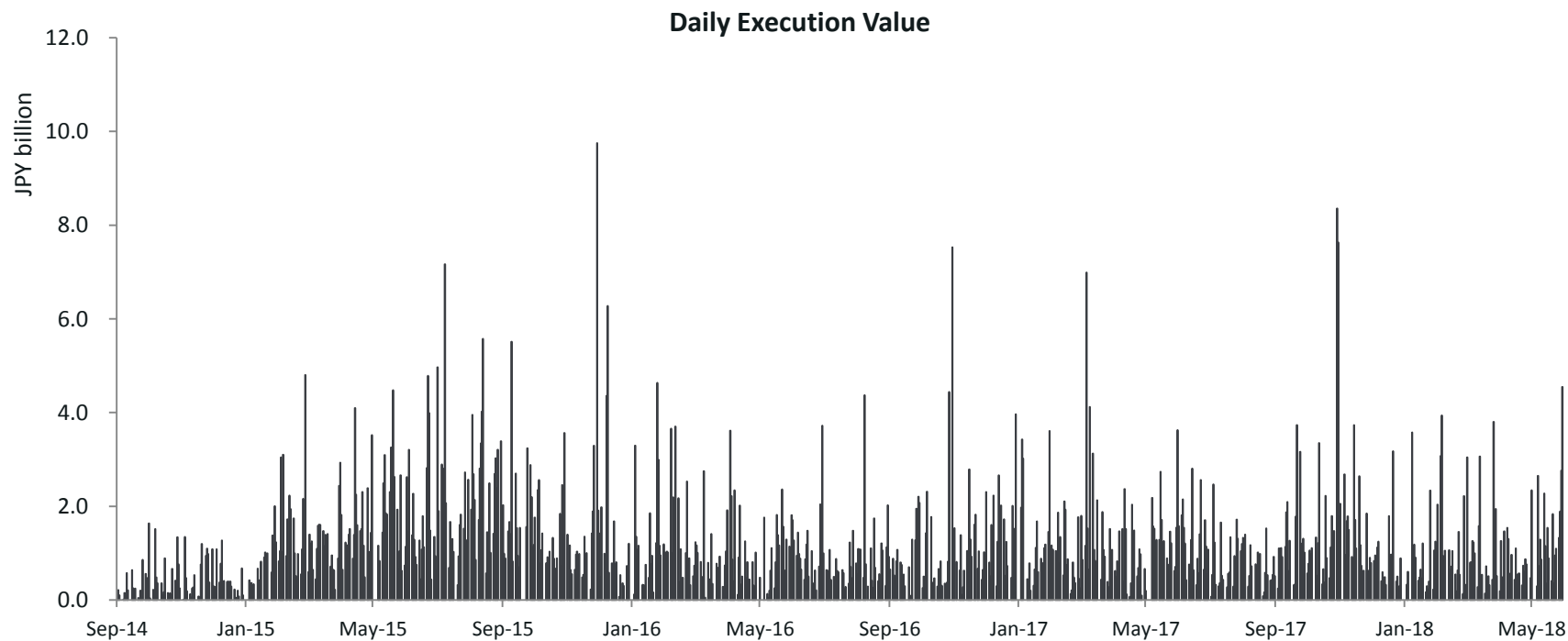
Pre-matching time / Sessions

- Full-day VWAP : 8:33, 8:45, 8:52, 8:56
- PM VWAP : 12:15, 12:25
- AM VWAP : 8:45, 8:52

Trade execution (after market close)

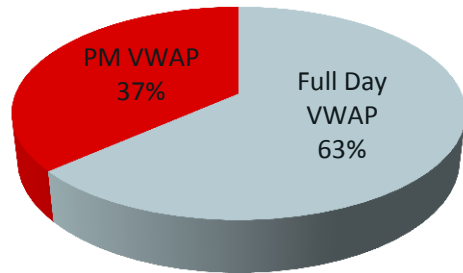
Chi-Match Execution Trend

- ◆ Spikes on major index rebalance days (MSCI, TOPIX, N225) and SQ days

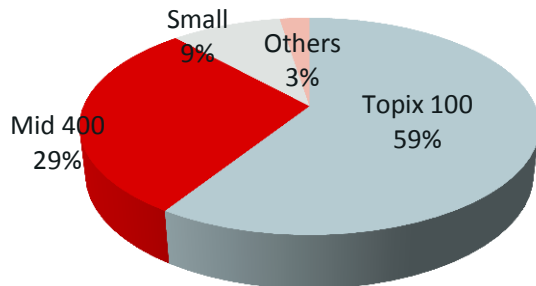


Chi-Match Execution Snapshot

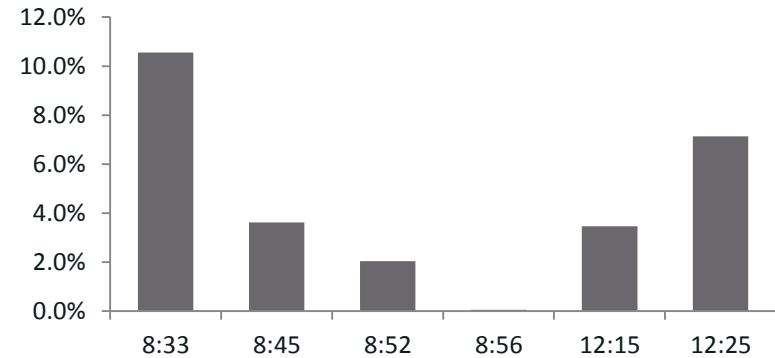
Execution Value Breakdown by VWAP Type



Execution Value Breakdown by Index



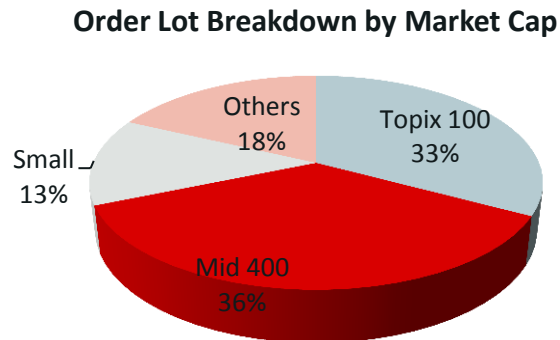
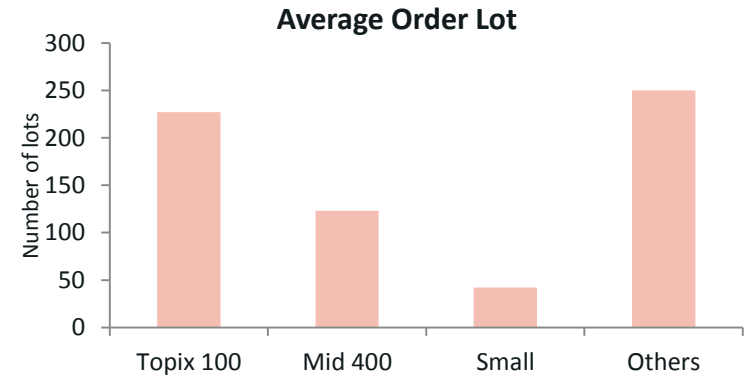
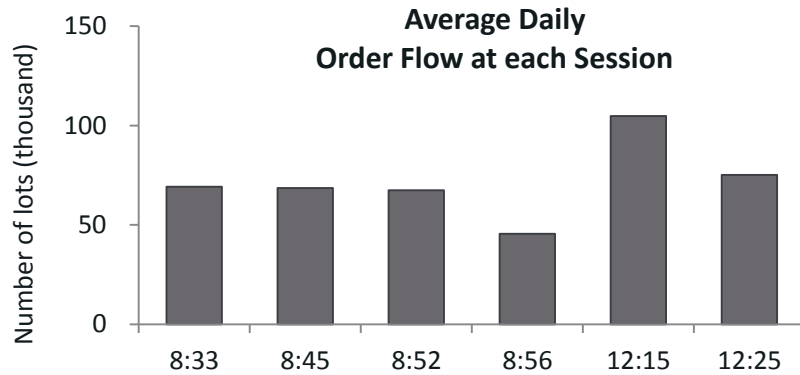
Execution Ratio (Trade lot/Order lot)
at each Session



Top Symbols by Execution Value (JPY)

7203	TOYOTA	1,995,118,833
6503	MELCO	820,379,645
6758	SONY	734,723,636
2914	JT	689,874,593
4502	TAKEDAP	604,910,507
8316	SMFG	575,510,383
9437	DOCOMO	574,479,252
8058	MITBISI	497,027,701
4503	ASTELLAS	420,488,115
9020	JR EAST	417,314,370

Chi-Match Order Snapshot



* Base price is used to calculate order value

Kai-X

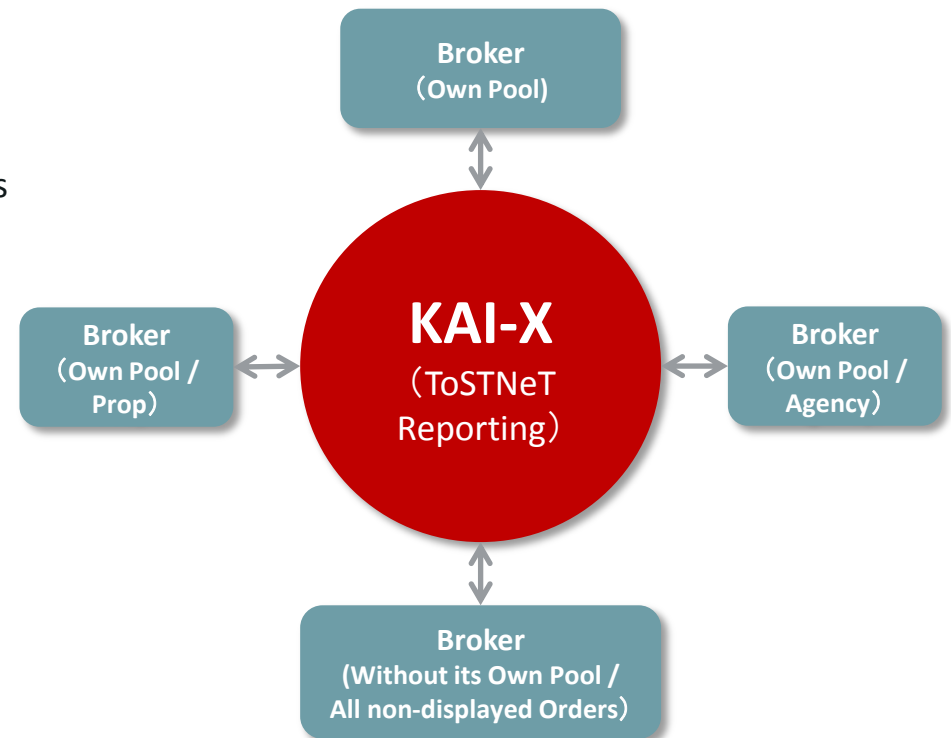
chi-x

Overview - Kai-X

- ◆ Kai-X is a **matching system for participant brokers' non-displayed orders**
- ◆ It enables brokers to source **additional liquidity from others without disclosing their order flows**. It also serves as **"outsourcing" of dark pool** for brokers who wish to reduce system development and maintenance cost

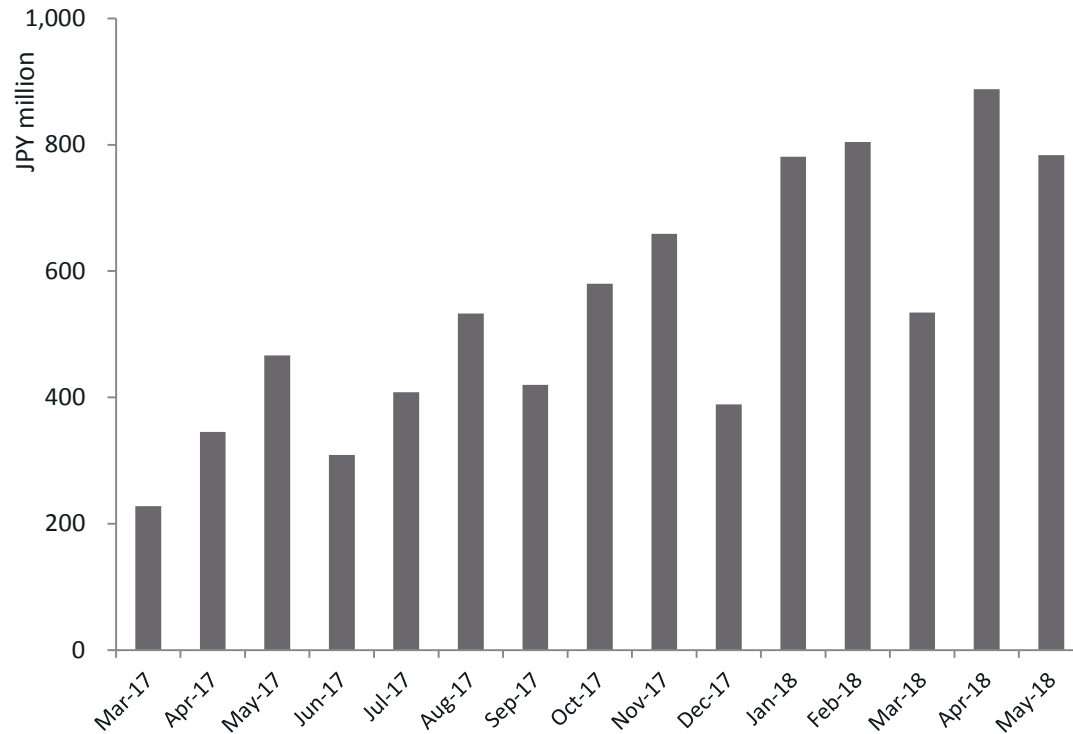
Key Features

- Within TSE BBO matching
 - ✓ TSE BBO's mid; near side; far side
 - ✓ High/Low limit price can be set
 - ✓ Day/IOC/FOK
- Matching priority: "Price" → "Broker" → "Time"
- Minimum Execution Quantities (MEQ) is available
- FIX access only
- Risk control features
 - ✓ Outside TSE high & low trade prevention
 - ✓ Self trade prevention (optional)

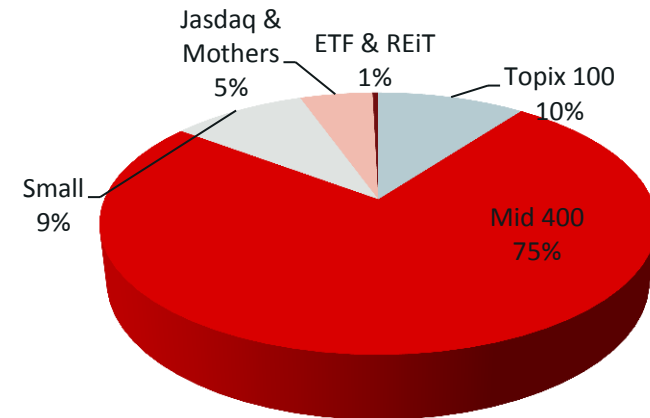


Kai-X Execution Snapshot

Average Daily Execution Value



Execution Value Breakdown by Market Cap



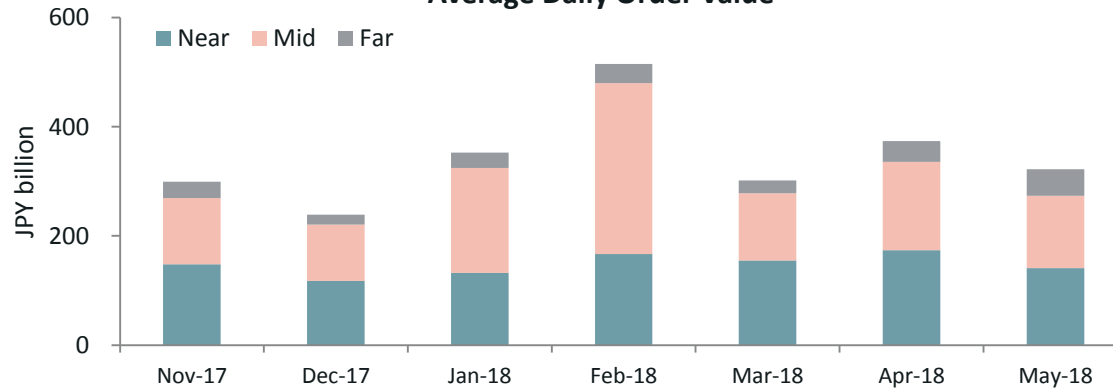
Average PI (bps)*

TOPIX100	1.4
M400	5.6
Small	7.4
JASDAQ & Mothers	27.7
ETF & REITS	2.5
Overall	8.0

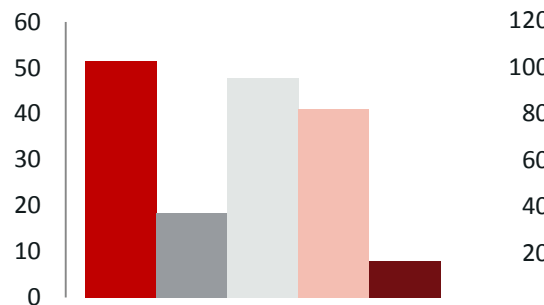
* PI compares the execution price vs. TSE's best bid for sell or best offer for buy at each point of execution and is calculated from the perspective of the Taker of the trade

Kai-X Order Snapshot

Average Daily Order Value

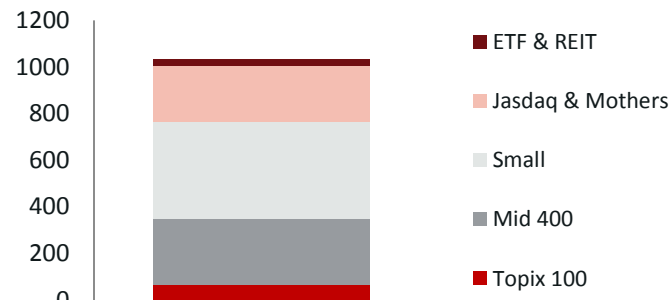


Average Order Lot Size



* Order size is weighted by resting time

Average Daily Active Symbols



Top Symbols by Order Lot Size (TOPIX100)

8795	T&DHD	1140
8604	NOMRAHD	1061
5411	JFE HD	155
2802	AJINMTO	126
5020	JXTG	96
8766	TOKIOMAR	96
6326	KUBOTA	87
6954	FANUC	86
8306	MUFG	61
6758	SONY	54

Top Symbols by Order Lot Size (Mid400)

1721	COMSYS	329
1951	KYOWAEX	295
6465	HOSIZAKI	85
4689	YAHOO J	82
1944	KINDEN	80
5714	DOWA	68
3088	MA-KIYO	59
6457	GLORY	50
3626	TIS	45
8252	MARUI G	44

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