



Rakuten Securities to Start Trading on Chi-X Will Utilize Chi-X SOR

November 2, 2017

Chi-X Japan Limited (CXJ) announced today that Rakuten Securities, Inc. (Rakuten Sec.) intends to start trading on CXJ PTS' platforms from December 23, 2017(*).

(* Order acceptance from customers. Trading to be effective from December 25.

CXJ also announced that it will provide its next generation technology Smart Order Routing (SOR) service to Rakuten Sec.

With this technology and service individual investors using Rakuten Sec. may execute their equity trading orders at the best possible price by automatically comparing prices between PTS and the Tokyo Stock Exchange's venues.

Unlike most SORs for individual investors routing only to a broker's own or affiliate PTS, Rakuten Sec. and CXJ are planning to include all of the nation's licensed PTSs as routing destinations. Rakuten Sec.'s customers will then enjoy better execution by what we believe is the true Best Execution Policy referring to all available displayed prices posted in the marketplace(*). While such service has long been common in the United States and other developed countries, in Japan to date it has been provided almost entirely to institutional investors only.

(* Tokyo Stock Exchange is the only exchange that the SOR currently refers to.

Discussion to allow margin trading on PTS are well underway. Looking forward, with such improvements in market structure in Japan we expect even more retail investors may enjoy better execution by utilizing CXJ's SOR service via their participating brokers. CXJ believes that the SOR service will be a valuable tool for securities firms in promoting Fiduciary Duty and Customer-Oriented Business Conduct.

CXJ, as the only broker-neutral, independently owned equity PTS in Japan, will continue to promote best execution for all segments of the market for retail, institutional and foreign investors alike via participating brokerage firms.

**About Chi-X Japan**

The “Chi-X” brand and business was originally created by U.S. broker Instinet. “Chi-X” alternative trading venues were launched in markets throughout the world starting with Europe, and have contributed to promoting healthy competition and development of those markets. Chi-X Japan PTS was launched in 2010. After acquisition in early 2016 by J.C. Flowers & Co., Chi-X Japan is the first and only equity PTS (Proprietary Trading System) not owned by a brokerage firm group.

About Chi-X Asia Pacific Holdings Limited

Owned by funds managed by J.C. Flowers & Co., Chi-X Asia Pacific operates trading venues in Australia and Japan. Chi-Tech, its technology services unit, provides technology for Chi-X marketplaces.

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*Chi-X Japan provides its services to participating brokers. It does not directly service individual investors.