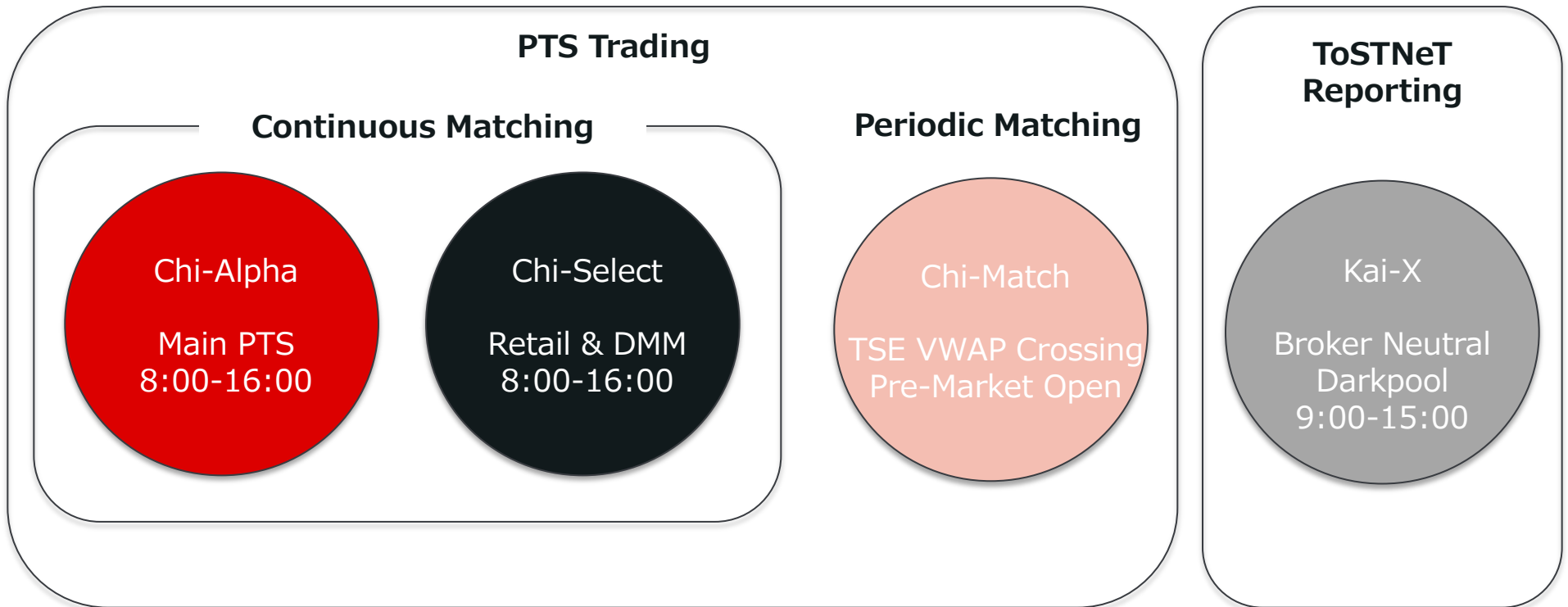


The background of the slide is a black and white photograph of grass blades covered in water droplets. The top half of the image is obscured by a solid red horizontal band. The text is centered within this red band.

CHI-X JAPAN MONTHLY REPORT (JUNE 2019)

Markets operated by Chi-X Japan

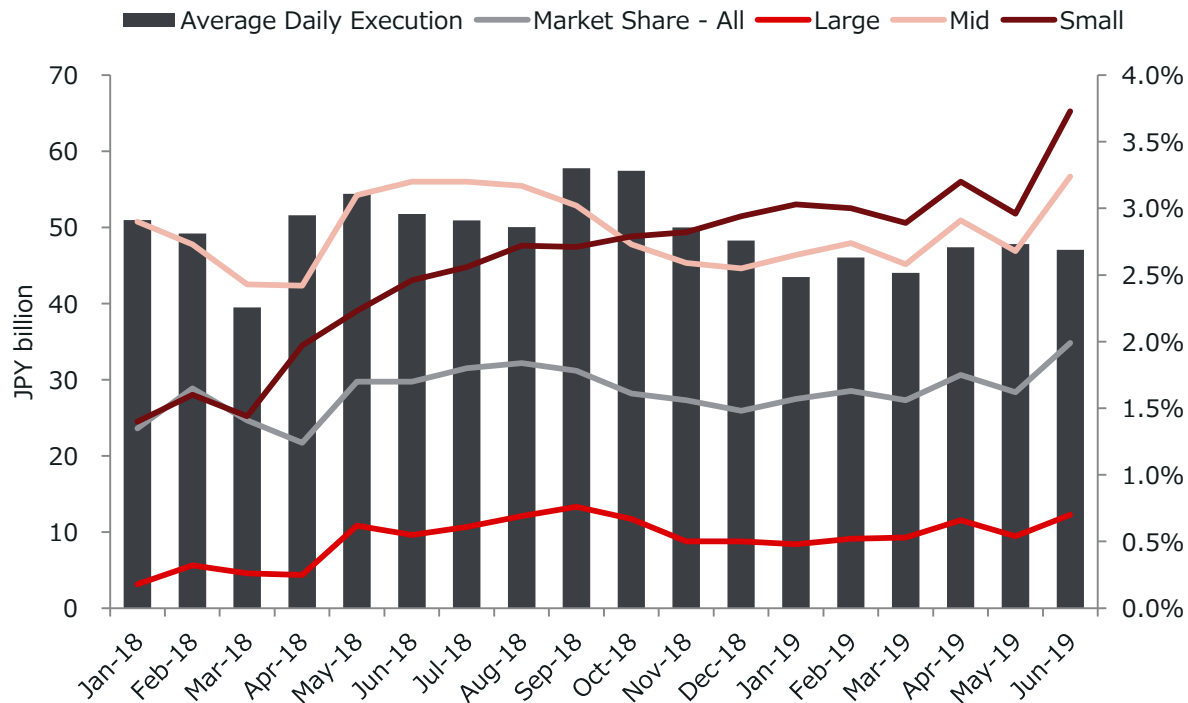


Chi-Alpha & Select

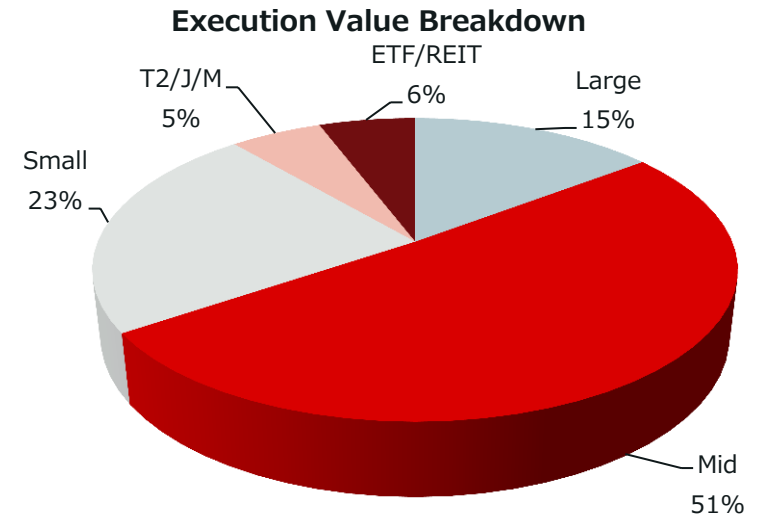
Overview - Chi-Alpha & Chi-Select

- ◆ 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



Market share: Chi-X's 2 markets among lit markets (TSE, Chi-Alpha, Chi-Select, JNX-J, JNX-X)
PI (Price Improvement): it compares the trade price vs. TSE's best bid for sell or best offer for buy at each point of trade and is calculated from the perspective of the Taker of the trade. The average calculation includes trades at TSE price.



	Average PI (bps)	Market Share
Large	0.5	0.7%
Mid	2.7	3.2%
Small	3.9	3.7%
T2/J/M	10.6	1.7%
ETF/REIT	5.4	1.5%
Overall	3.8	2.0%

Statistics - Chi-Alpha & Chi-Select

Average Daily Execution	JPY 47,071,006,106
Monthly Total Value	JPY 941,420,122,123
Monthly Total Volume	685,527,687 Shares

Top Symbols by Execution

		JPY	Market Share
6861	KEYENCE	8,426,434,000	1.9%
9983	FASTRET	7,793,471,200	0.8%
4689	YAHOO J	6,678,701,420	5.0%
9984	SOFTBNKG	6,375,510,500	0.5%
4755	RAKUTEN	6,077,298,960	2.1%
6762	TDK	5,815,996,600	3.2%
7974	NINTEND	5,668,859,800	0.5%
1357	NKDOUBLE	5,597,872,196	1.3%
6963	ROHM	5,457,983,400	4.1%
1570	NIKKEILV	5,457,270,499	0.3%

Top Symbols by Market Share

		JPY	Market Share
3593	HOGYMED	826,086,430	12.4%
1457	DW TPX-1	9,824,948	11.2%
3341	N-CHOZAI	137,978,630	10.3%
5703	NLM HD	1,400,165,190	9.5%
1966	TAKADA	8,893,290	9.5%
2004	SHOWASG	207,220,560	8.7%
3315	NIP-COKE	52,957,940	8.7%
8714	SENSHUIK	342,155,820	8.6%
1459	RK 225DI	2,561,139,649	8.4%
3287	HOSINORR	874,342,010	8.3%

Chi-Alpha & Chi-Select combined

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

Chi-Match

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

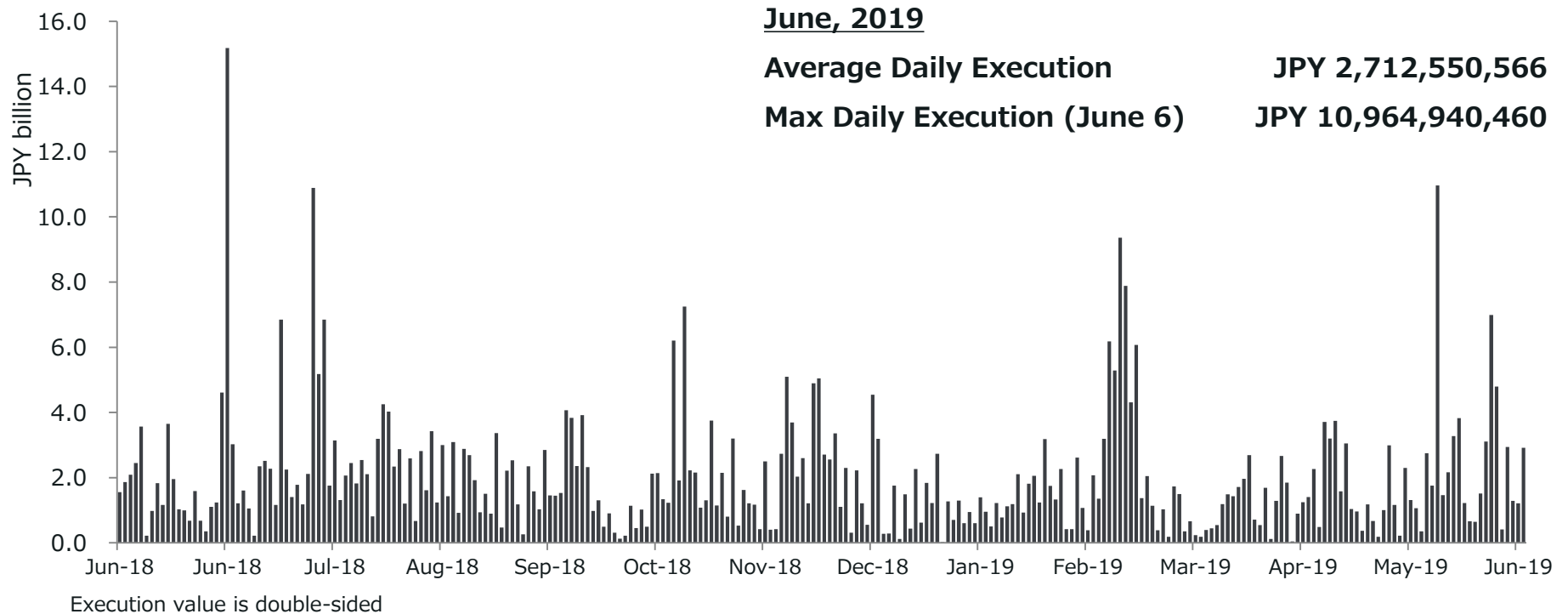
Pre-matching time / Sessions

- 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)

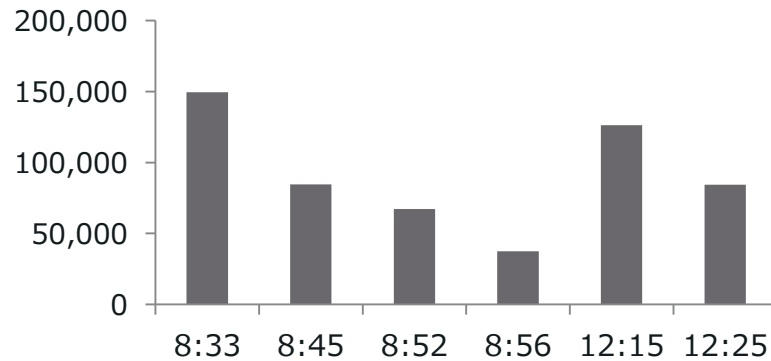
Chi-Match - Execution Value Trend

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



Chi-Match Statistics

Order Lot by Session (Daily Average)



Execution Ratio (Trade Lot/Order Lot)

By Session		By Market Cap	
8:33	6.5%	Large	8.8%
8:45	3.9%	Mid	5.6%
8:52	2.6%	Small	3.8%
8:56	0.2%	TSE2/J/M	1.2%
12:15	6.0%	ETF/REIT	3.4%
12:25	8.6%		

Average Order Size & Trade Size



Kai-X

chi-x

Overview - Kai-X

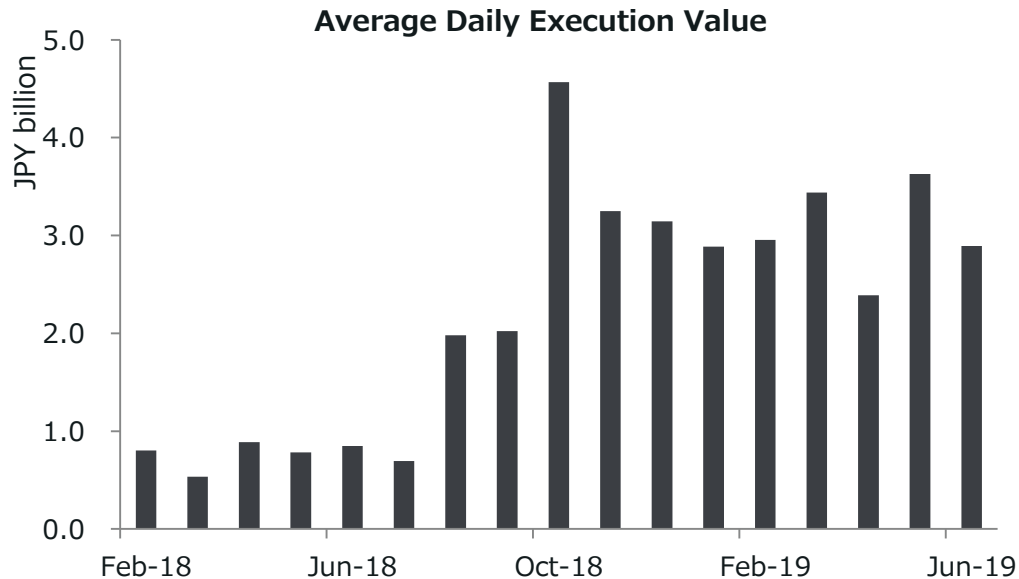
- ◆ Kai-X is a **broker neutral ToSTNet cross system** where participating brokers bring together non-displayed orders and anonymously cross.
- ◆ It enables brokers to source **additional liquidity from others without disclosing their order flows**. It also serves as “outsourcing” of dark pool for brokers who wish to reduce system development and maintenance cost.
- ◆ The same trading hours as that of TSE.
- ◆ Crossing at a better than TSE price (especially **Mid-point of TSE spread**) is pursued.
- ◆ It is designed to **equalize the latency** gap among participants.
- ◆ MEQ (**Minimum Execution Quantity; single counter party**) and **Self-Cross Prevention** (among the same brokers; among the same institutional investors) available.

Kai-X Execution Snapshot

Average Daily Execution **JPY 2,892,402,313**

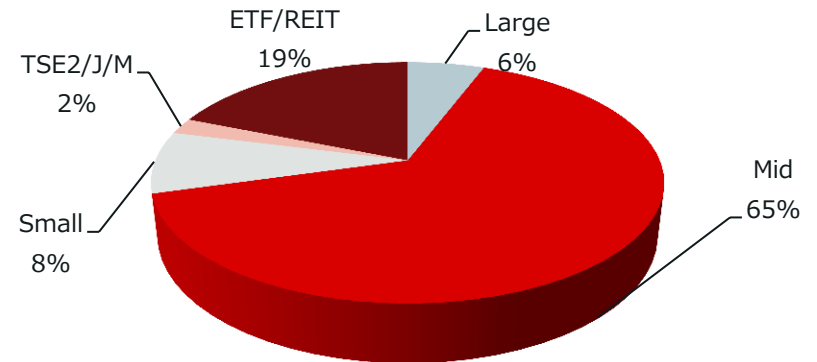
Average Trade Size **1.5 Lot**

% of Mid-point Trade **94.5%**



* Execution value is double-sided

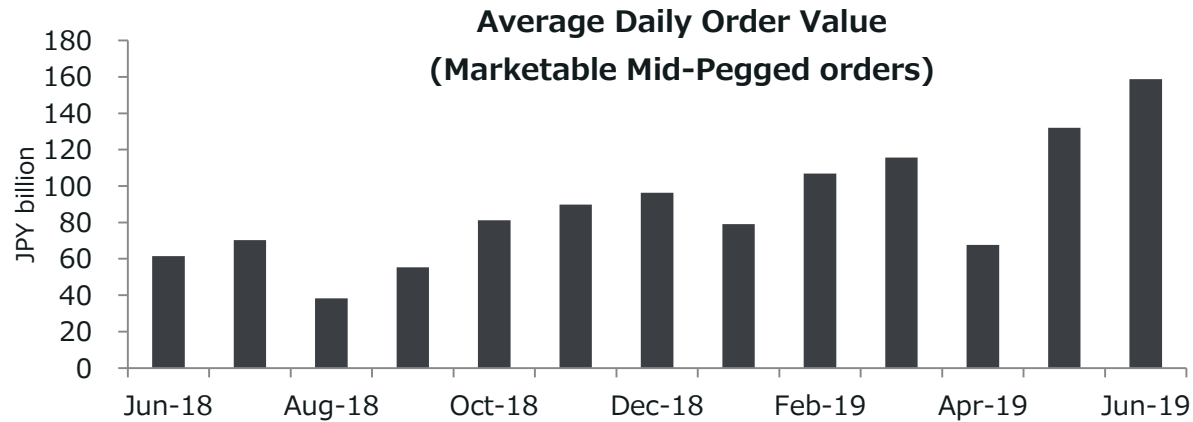
Execution Value Breakdown



	Avg PI (bps)	Avg PI (spread)	Avg Order Resting Time (s)
Large	1.7	48.6%	143
Mid	4.6	49.4%	69
Small	8.9	49.1%	131
TSE 2/J/M	16.2	43.2%	203
ETF/REIT	4.1	49.7%	100
Overall	5.4	49.1%	96

PI compares the trade price vs. TSE's best bid for sell or best offer for buy at each point of trade and is calculated from the perspective of the Taker of the trade. The average calculation includes trades at TSE price.

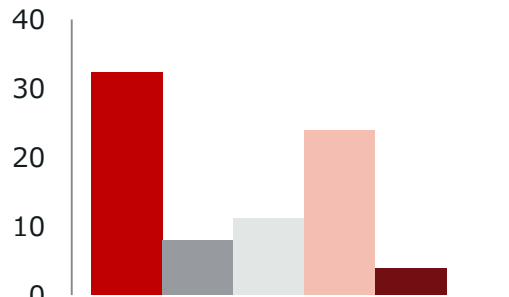
Kai-X Order Snapshot



Top Symbols by Avg Order Lot Size (Large)

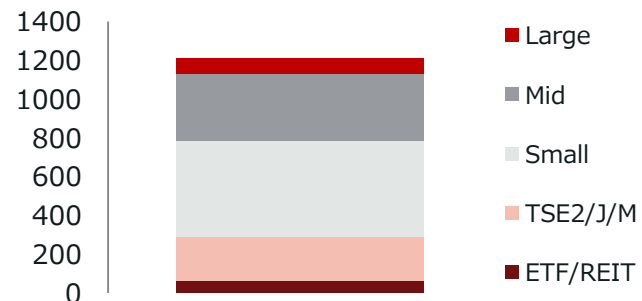
2502	ASAHIGHD	298
9202	ANA	178
8601	DAIWASG	157
7267	HONDA	145
8113	UNICHAM	130
4503	ASTELLAS	126
8795	T&DHD	106
6988	NTTODEN	70
6971	KYOCERA	70
8411	MIZUHO	67

Average Order Size (Lot)



* Order size is weighted by resting time

Average Daily Active Symbol Count



Top Symbols by Avg Order Lot Size (Mid)

8129	TOHOHD	144
8729	SONY FH	125
6448	BRTH.IN	123
4151	KYOWAKRN	100
4732	USS	97
1944	KINDEN	78
6005	MIURA	59
8586	HIT-CAP	41
4689	YAHOO J	38
5333	NGK INS	36

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