

CONNEQTOR started providing direct connection with Broadridge's Xilinx Execution Management System

Tokyo Stock Exchange, Inc. ("TSE") and Broadridge Trading and Connectivity Solutions Japan K. K. ("Broadridge") are pleased to announce the start of providing direct connection between CONNEQTOR, a platform for trading Exchange Traded Funds ("ETFs") provided by TSE, and Xilinx, an execution management system ("EMS") provided by Broadridge from September 21, 2023.

Launch of this direct connection enables asset management companies that are users of Xilinx, such as Sumitomo Mitsui DS Asset Management Co., Ltd., to use CONNEQTOR directly from Xilinx and provides more advanced and efficient management.

1. About the Systems

CONNEQTOR

CONNEQTOR is a Request For Quote (RFQ) platform launched by TSE in February 2021 with the aim of making "ETFs faster and better priced" in Japan. Through this platform, users can trade ETFs flexibly and inexpensively by requesting simultaneous quotes from market makers around the world, including specialized firms in the U.S. market, and trading at the best price among the real-time prices quoted there.

In August 2023, 53.8% of the trading via CONNEQTOR took place within one minute of sending the RFQ¹.

Xilinx

Xilinx is an intuitive and easy to use EMS equipped with industry top class real-time compliance controls and functions for global financial markets. It enables transactions in a variety of asset classes through over 600 counter-parties globally via a multilingual user interface, as well as Transaction Cost Analysis and Smart Broker Allocation/Algo.

Xilinx is highly valued by a wide range of customers, including some of the largest firms in the industry, due to its high system reliability and continuous improvements in customer service.

2. Objective

CONNEQTOR has been used by more than 180 institutional investors, mainly regional financial institutions, and its recent monthly trading value surpassed 200 billion yen.

CONNEQTOR can be introduced as long as an Internet environment is available, in addition, CONNEQTOR has eliminated issues that are often obstacles in implementing a new system, by charging no usage fees except for execution, thereby increasing the number of users, especially regional financial institutions that are introducing electronic trading for the first time. However, CONNEQTOR users need to

¹ Calculated from data on 640 transactions executed out of all RFQs in August 2023, the average time from RFQ transmission was 1 minute and 36 seconds.

manually input orders on a designated screen. We have received requests for improvement from EMS users.

With the launch of this direct connection with Xilinx, order data entered into Xilinx by traders can be directly to CONNEQTOR, enabling traders to execute trades quickly and reliably with market makers around the world on CONNEQTOR. As a result, ETF trading costs will be reduced and the time required for trading will also be shortened, which is expected to contribute to operational efficiency at asset management firms and others.

3. Comment

Comment: Hiroki Kawai, Senior Executive Officer, Tokyo Stock Exchange, Inc.

CONNEQTOR has been developed as a platform to enable investors to trade ETFs “faster and better priced”. We are very pleased to announce the launch of a direct connection with Xilinx, an EMS provided by Broadridge Japan Inc. allowing institutional investors to trade with even greater convenience.

We will continue our efforts to develop a market that is highly convenient market environment that enables to execute smoothly and better price for investors.

Comment: Raymond Tierney, President, Broadridge Trading and Connectivity Solutions

We are thrilled to strengthen our partnership with Tokyo Stock Exchange and jointly deliver our Xilinx platform for trading ETFs using CONNEQTOR.

In today's complex global markets, businesses require solutions that enable automated workflow, capture growth opportunities, integrate seamlessly with internal and external systems, meet regulatory obligations, and streamline operations. Broadridge’s EMS solution empowers firms to navigate these challenges successfully by allowing RFQ functionality that enables institutional investors who want to trade a particular ETF at a particular quantity, etc., to send out a request for a quote to a large number of market makers.

We will continue our efforts to solve the issues faced by institutional investors.

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