

JPM-X Japan Disclosure

Effective date: 1 September 2021

JPMorgan Securities Japan Co., Ltd.

JPMorgan Securities Japan Co., Ltd. operates a liquidity pool in Japan for TSE equity market securities through its crossing service (JPM-X). The JPM-X service operates under the 'internal system' definition of Article 70-II-7 under Cabinet Office Ordinance on Financial Instruments Business Operators. This overview is prepared to provide details relating to the operations of JPM-X. Clients can contact their J.P. Morgan representative for further information on external liquidity pools and matching and other information relating to them.

| Category | Details |
|------------------------|--|
| Participant Summary | <p>JPM-X participants (professional investors only under Japanese regulations) are assigned to tiers, at J.P. Morgan's sole discretion. For Japan JPM-X the tiers are:</p> <ul style="list-style-type: none"> • Institutional clients • Broker-Dealer Flow (Aggregator) • Electronic liquidity providers • JPM Principal Activity |
| Participation Criteria | <p>Clients can access JPM-X through various algorithmic and smart order routing (SOR) execution services as well as send orders specifically for participation in JPM-X (Directed Orders).</p> <p>Clients may choose to opt out of interacting with one or more tiers. In addition, J.P. Morgan may further limit the tiers with which an order interacts in efforts to enhance execution performance of JPM-X; accordingly, a client may be prevented from interacting with a tier with which the client has not opted-out of interacting.</p> <p>Clients' on-boarding requests are reviewed at J.P. Morgan's sole discretion.</p> |
| Order Types | <p>JPM-X accepts limit orders and market orders, including pegged orders. JPM-X also supports DAY and IOC time in force values.</p> |
| Matching mechanism | <p>JPM-X continuously looks for crossing opportunities at or within the Primary Best Bid and Offer (PBBO) price. The PBBO in Japan references the TSE. Additionally, orders sent to JPM-X prior to the AM or PM Open Auction, and without a peg instruction, will be eligible to cross at the Open price.</p> <p>The JPM-X match price is determined based on the prevailing PBBO within JPM-X at the time of the match. JPM-X subsequently submits the results to ToSTNeT for official execution at the previously identified price. From time to time the prevailing PBBO may fluctuate between the JPM-X match and ToSTNeT execution. In these scenarios the price established during the JPM-X match will prevail. JPM-X is not operated primarily for the purpose of providing price improvement on individual executions, and each participant of JPM-X is deemed to understand and agree to this.</p> |

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| | As an additional note, we will not intentionally execute any orders from clients at unfavorable trading terms and JPM-X has dependencies on services provided by the TSE, including those for market data dissemination and ToSTNeT acknowledgement or executions. |
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