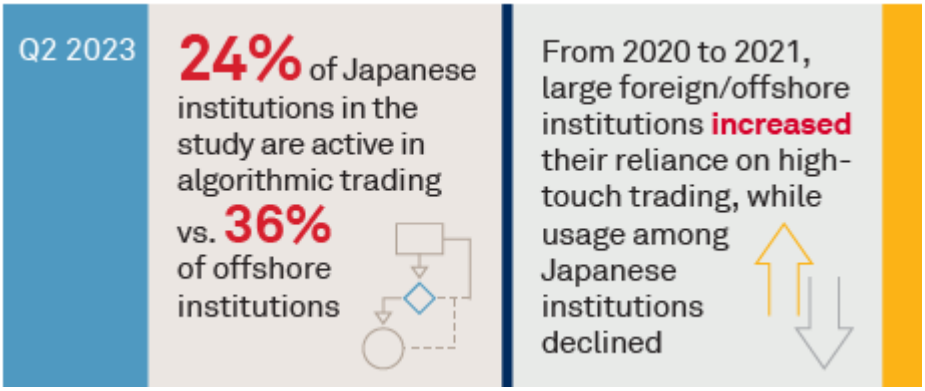
Japanese Equity Trading, a Business of Segregated Niches

Broker Relationships, Commission Allocations and Electronic Execution

April 11, 2023

Executive Summary:



In 2022, inflation, rising interest rates and other macroeconomic headwinds replaced pandemic disruptions as the key challenges facing institutional investors in Japanese equity markets.

Many of the changes that domestic and foreign institutions were forced to make to their trading operations during the COVID-19 crisis receded last year, allowing investors to return to their regular trading practices and strategies. However, some of the changes implemented during that volatile period continue to affect how institutions trade Japanese equities today.

Methodology:

From January through April 2022, Coalition Greenwich interviewed 76 buy-side equity traders across Asia-Pacific. The study was conducted over the phone, online and in-person. Respondents answered a series of qualitative and quantitative questions about the brokers they use and their business practices in the Japanese cash equity space.

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greenwich.com ContactUs@greenwich.com Ph +1203.625.5038