

## **Procedures before Launch of Next Generation System**

**(Tokyo, February 17, 2009)** Tokyo Commodity Exchange, Inc. (TOCOM) has determined the procedures to be followed before the launch of the next generation system at its Board of Directors meeting today.

Based on the results of the currently ongoing mock trading, the Exchange will decide as described below whether the new system can be taken into operation as scheduled on May 7, 2009.

### **1. Decision Procedure**

A decision on the launch will be made by the President & CEO based on the following procedure:

(1) First Decision (March 17--six weeks before the launch)

Based on the test results of the Exchange and Members systems as of the end of February, a first decision will be made as to whether or not the Exchange will maintain the May 7, 2009 launch date. Members and other related parties will be informed of the decision (the decision will also be reported to the Board of Directors meeting in March).

(2) Final Decision (April 7--one month before the launch)

Based on the various test results as of the end of March, a final decision will be made as to whether or not the Exchange will maintain the May 7, 2009 launch date. Members and other related parties will be informed of the decision (the decision will also be reported to the Board of Directors meeting in April).

(3) Discussion Over Member Test Results (April 21)

The Exchange will discuss and decide the appropriate actions to be taken for Members who should report inconclusive final test results by April 17 (see Item 4. below for details)

(4) Go-live Decision (May 4--last preparation day before the launch; this a final check)

The decision to go live will be made after a final check of the go-live preparations. A policy will be set in advance to respond to any problem that may occur at that time (see Item 5. below for details). On the same day, Members and other related parties will be informed of the decision.

## **2. Launch Decision Reports**

For each step of the launch decision procedure, the following reports will be submitted to the President & CEO:

- a) "TOCOM System Test Results": report summarizing the acceptance tests and mock trading results to be compiled by the Exchange.  
\* For the final decision (Item (2) above), reports prepared by the system providers NTT Data (system integrator) and Nasdaq OMX (package vendor), such as the "Quality Assessment Report", will also be submitted.
- b) "Member System Test Results": Members must submit reports by specific deadlines (i.e: February 27, March 27, and April 27).
- c) "Go-live Preparation Results": report to be compiled by the Exchange and NTT Data after the completion of the go-live preparations (Item (4) above).
- d) "Launch Decision (Draft)": to be prepared by the Exchange.

## **3. Launch Decision Criteria**

The decision to maintain the launch on schedule will be made if all the system problems (e.g: malfunctions), which have been detected in mock trading, have been resolved or can be resolved by the launch date, or if said problems are deemed not to interfere with the start of operations.

## **4. Emergency Measures Applicable to Members**

After careful consideration and based on the final test results reported by Members on April 17, the Exchange may notify Members who fall under any of the cases described below, of the application of Emergency Measures, including trade restrictions, as provided for in Article 1.2 of the Market Rules approved by the Board of Directors on February 17, 2009.

- (1) In the case where order placement malfunctions still exist and it is determined that said malfunctions may compromise the safety of the TOCOM system operations (except if it is reported to the Exchange by the migration day, on April 24, that the malfunctions have been resolved and the system is in good order).
- (2) In the case where a Member does not respond appropriately when participating in mock trading and submitting result reports, etc., and no improvement is apparent despite the Exchange's requests.

## **5. Measures to Counter Trouble during Go-live Preparation (April 30 - May 4)**

The Exchange will soon solicit opinions from Members, IT vendors, and other relevant parties on what measures shall be taken if problems should occur during the go-live preparations of the next generation system. After having identified the issues and considered the risks involved, the Exchange will determine an integrated policy and notify the relevant parties by mid-March (the Board of Directors will also be notified).

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