

Press Release

The Tokyo Commodity Exchange

TOCOM to Offer Co-location Service

To provide greater convenience to TOCOM market participants, The Tokyo Commodity Exchange (hereinafter, "the Exchange") will provide a co-location service, which will coincide with the launch of its next generation system (scheduled on May 7, 2009), that will enable a higher trading speed for members (hereinafter, "Trading Participants"), as well as domestic and foreign investors (including prop houses).

Since this co-location service will offer market participants, including Trading Participants, the ability to install their trading servers on-site with, or closer to, the exchange's system, the transmission speed of trade-related information (i.e: orders, market data, etc.) will increase. In the past several years, major exchanges overseas (Eurex, ICE Futures, CME, Euronext.Liffe, Nasdaq OMX etc.) have already started to offer such service, and in Japan, the Osaka Securities Exchange and the Tokyo Stock Exchange are also planning to offer co-location services.

1. Co-location Service Details

(1) Service Users

"Trading Participants" and "Customers using DMA* (hereinafter, "DMA Users")"

(2) Service Providers (initially, the below two designated providers)

i. KVH Co., Ltd.

ii. NTT Data Corporation

* The data centers of both providers are located in Metropolitan Tokyo and share the same connectivity terms with the Exchange system.

* Each provider will offer installation services, such as server cabinet space and lines.

(3) Conditions of Use

- The Exchange must approve the application made by the Trading Participant (the same shall apply to DMA Users).
- The maximum bandwidth per service user shall be 100 Mbps.
- In case of a DMA User, the Trading Participant with the customer agreement shall be capable to manage risk (or have a risk management system in place), to monitor the trades, positions etc. of said DMA User.

(4) Cost

Service users are required to pay service charges to the Exchange (determined by the Exchange) and service charges to the provider (determined by each provider).

2. Co-location Service Launch Date

The launch date of the next generation system (scheduled on May 7, 2009).

- * Service to foreign participants may be delayed depending on the status of regulations in their home country.
- * Full details on this service and application procedures will be notified to members by the end of September 2008 (tentative).
- * Applications and inquiries will start to be accepted from the beginning of October 2008 (tentative).

*Direct Market Access: a way to directly connect ones trading servers to an exchange system without going through a member's system (including ISV servers) to attain a faster trading speed.

About KVH

KVH was established in Tokyo in 1999 as an Asia-Pacific IT/communications service provider. Through its facility-based optical fiber networks and data centers, KVH offers integrated communications and IT management solutions that include managed services, data networking, Internet access, and voice services to business customers.

KVH has a presence in Tokyo, Yokohama, and Osaka (and through affiliates in Shanghai, Bangalore, and New York), and serves over 1,650 corporate customers in broad industry segments including financial services, manufacturing, pharmaceutical, media, and e-commerce.

More information on KVH can be found at www.kvh.co.jp

About NTT DATA

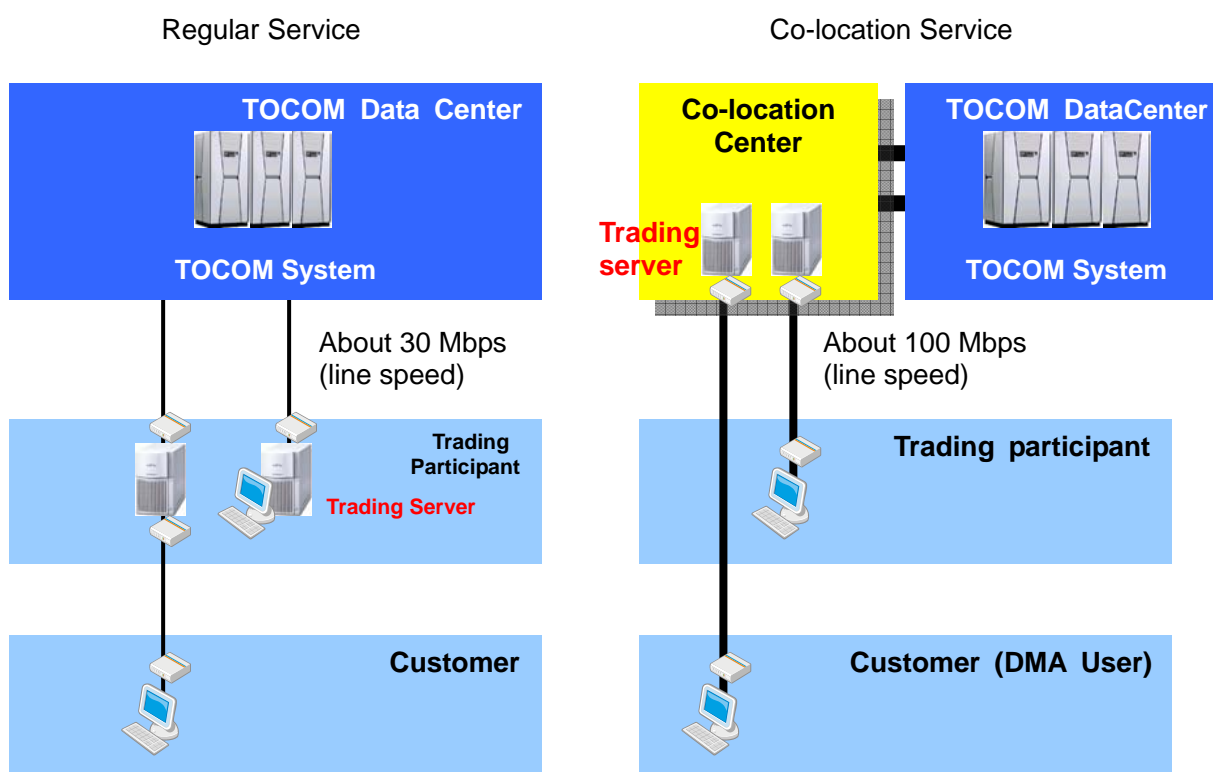
NTT Data is a leader of the system integration in Japan. NTT Data traces its roots back to 1967, to the establishment of the Data Communications Bureau within Nippon Telegraph and Telephone Public Corporation (present-day NTT). The Bureau sustained consistent growth based on system development, building, operation, and maintenance across a broad front, ranging from nation wide systems that formed the cornerstones of society to a multiplicity of corporate network systems.

EXFORT which began offering internet data center services in October of 2000 is based on NTT Data's long experience and knowledge gained from our operation administration services. We can boast of over 200 systems we have experience operating, from small sized systems to large scale financial industry and government/municipal systems with a wide range of customer depth- we offer high quality data center services.

(URL : <http://www.exfort.net/>)

What is a co-location service?

- “Co-location” was first developed from the need of market participants, including Trading Participants, for higher trading speed by reducing the physical distance between the trading servers of said participants and the exchange’s system (routing through multiple lines, networks, etc. causes delays), and corresponds to the installation of the Trading Participants’ trading servers on-site with (or closer to) the exchange’s system (bypassing the member or ISV systems).
- Co-location services have been expanding rapidly in recent years, mainly in the U.S. securities market, where firms, such as prop houses and hedge funds, use automatic, high-frequency trading softwares to trade a multitude of products in large volumes and at a high velocity (e.g: algorithmic trading etc.). Exchange markets worldwide have been required to improve the speed of their systems (e.g: processing speeds within the 1 millisecond range, etc.), and the emphasis is on “how quickly market data can be obtained, and how quickly orders can be placed.”



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The Tokyo Commodity Exchange
www.tocom.or.jp/contact.html