

TOCOM Determines that Next Generation System Will Go Live on Schedule

(Tokyo, April 7, 2009) Tokyo Commodity Exchange, Inc (“TOCOM” or the “Exchange”), Japan’s largest and Asia’s prominent commodity exchange, conducted the final procedures before launch of the Next Generation System (NGS) today and determined that it is feasible to proceed with the transition procedure as scheduled. The examination has been conducted based on the “Procedures before Launch of Next Generation System”, which was approved at the board of directors meeting on February 17 2009. The Exchange’s President and CEO, Masaaki Nangaku, made the decision after reviewing the “TOCOM System Test Results (as of April 4)” and the “Testing Status of Members System” (see below 2).

1. TOCOM System Test Results

At the beginning of the mock trading sessions on February 9, there were 17 defects, 13 of which were resolved thereafter. With additional two defects there were 6 defects at the first decision procedure before launch on March 14. One of these defects, which occurred after the clearing server failure¹, took place only on February 13, and never again thereafter, so it was set aside as “on hold until reoccurrence”.

The causes for five of the above defects were identified by March 30. The Exchange confirmed that these defects could be resolved by patch program provided by Nasdaq OMX. The program has been released in the mock trading environment and is now operating normally.

1. TOCOM’s Next Generation System consists of trading server and clearing server, both of which have a dual structure (“active” and “stand-by” servers) against server failure. This defect was found with the clearing server. When the active server has a hardware failure, it’s automatically cut off and switched to the stand-by server. The defect, which occurs after switching to the stand-by server, is an erroneous broadcast transmitted to the Member systems stating that the circuit breaker (CB) has been triggered, even though the conditions for a CB trigger were not met.

During the System Failure Testing on April 4, the defect put “on hold until reoccurrence” actually reoccurred. The Exchange now has a clear understanding on conditions causing the defect, and will resolve the defect before the end of mock trading.

Therefore when this remaining defect gets resolved, all the defects that have occurred to date, including the ones left at the beginning of the mock trading, will be resolved altogether.

NTT Data Corporation and Nasdaq OMX have reported to TOCOM on April 2 that there is no problem in system quality for the NGS to go live.

2. Testing Status of Member System

Mock trading, which started on February 9, 2009, will go into the final phase.

It is extremely important that Members receive sufficient supports and assistance from the IT vendors including ISVs, which provide front-end systems, and outsourcing vendors, which provide back-end systems because they play a bigger role in Members' development efforts following the migration to the NGS. The IT vendors are providing their systems to Members successively while continuously improving their quality and stability.

During mock trading, mostly testing of front-end systems was implemented. Out of 53 Members, 13 participated in the first day of mock trading on February 9, and the number of participants increased steadily to 50 as of April 4. The remaining 3 Members plan to participate in mock trading after circumstantial difficulties are eliminated.

According to a survey result dated March 27, some Members are scheduled to have back-end systems and internet trading systems for customers installed in mid-April. It is expected that these will be better quality and more stable systems thanks to the prior testing implemented by other Members who have already received the same system.

From this time forward, all Members are expected to acquaint themselves with the functions and rules of the NGS by using the system in mock trading. Additionally, it is hoped that they will be ready to build a full-scale operation structure through practice and training. Broker Members, in particular, must provide accurate information to their customers about the new trading rules and other important issues on the NGS.

3. TOCOM's Actions

TOCOM will endeavor to ensure the stability of the NGS. At the same time, TOCOM will do everything possible to support the relevant parties, including Members, by taking

the following actions, so that the Exchange will be fully prepared for the smooth launch of the NGS on May 7, 2009.

- (1) Extend mock trading days (already added April 27 and 28).
- (2) Continue to survey the status of Members' system testing.
- (3) Support IT vendors testing individually.
- (4) For Members, conduct individual explanations and promptly provide information.
- (5) Respond to individual inquiries, etc.

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