

Corporate Profile





Greetings

Waves of democratization have rocked oil producing countries and the unprecedented forces of nature have raged in various places around the world, including Japan. In the meantime, sovereign debt issues and consequent financial unrest in Europe and the United States have triggered a worldwide flight of capital to gold. These incidents increased commodity price volatility, and as the uncertainty grows, futures exchanges are enhancing their role as a reliable social utility.

To meet such social requirements and fulfill its functions, TOCOM has implemented a number of market reforms, one of which is the extension of trading hours to cover much of the U.S. as well as European business day. Our markets, except for rubber, are now open until 4:00 am JST.

As a result of our focus on improving market capabilities and trading rules that are in-line with global standards, as well as other measures, I am confident that the TOCOM market now has an environment attractive to international market participants. However, changes in circumstances surrounding exchanges around the world have become more dynamic. Therefore we are fully committed to innovation and evolving to become the marketplace of choice for trading and risk management to market participants worldwide.

We sincerely ask for your kind support and cooperation.

A handwritten signature in Japanese calligraphy, reading '江崎 格' (Ezaki Tadashi).

Tadashi Ezaki
President & CEO
Tokyo Commodity Exchange, Inc.

Japan's Premier Exchange

Boasting the largest trading volume of any Japanese commodity exchange, TOCOM has been one of Japan's leading commodity exchanges since its establishment in 1951.

TOCOM, successor of the Tokyo Textile Exchange, merged with Tokyo Rubber Exchange and Tokyo Gold Exchange in 1984. This merger resulted in a single exchange handling a diverse set of industry-oriented commodities.

As Japan's leading derivatives exchange and a vital component of Japan's economic infrastructure, TOCOM has worked over the past quarter of a century to expand and modernize the commodity market to meet international standards. TOCOM serves as a forum for the price discovery process and also provides a valuable service to participants who wish to hedge and manage risk.

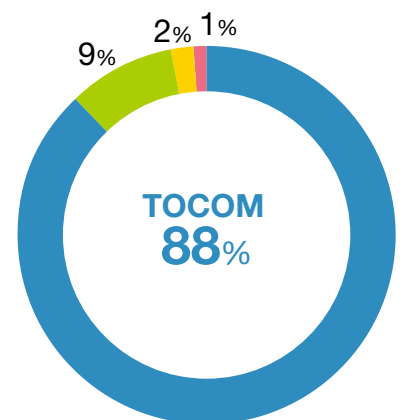
TOCOM is Japan's largest commodity exchange, handling 88% of all commodity futures transactions conducted in Japan in 2010.



TOCOM's Share in Japan's Commodity Futures Trading

- Tokyo Grain Exchange
- Central Japan Commodity Exchange
- Kansai Commodity Exchange

Total Volume: 31 million contracts (2010)



Asia's Leading Commodity Market Attracting Global Market Participants

TOCOM has developed a market environment with an eye on economic globalization. It has built ties with major exchanges around the world and attracts worldwide attention as Asia's leading commodity futures exchange.

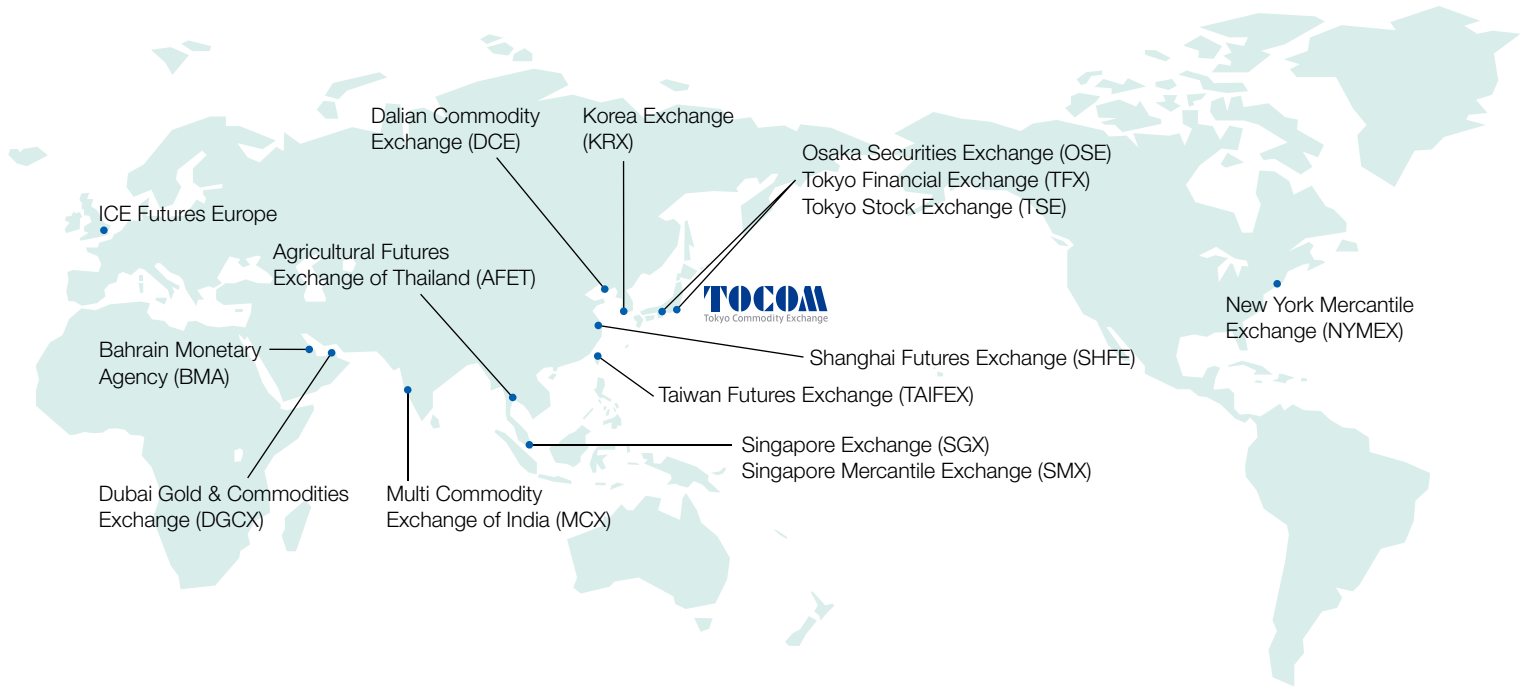
TOCOM has steadily expanded and reinvented its commodity futures market by listing commodities that meet the industry's needs. In terms of trading performance, TOCOM ranks among the world's top exchanges, serving global participants with streamlined market access. In recent years, we have developed ties with overseas exchanges in search of developing innovative products and services, and improved access through the advanced technologies of leading ISVs (independent software vendors).

As a result, overseas participation in TOCOM's market is growing rapidly. We are investing in our market infrastructure to stay a step ahead of the needs of global derivatives market participants.

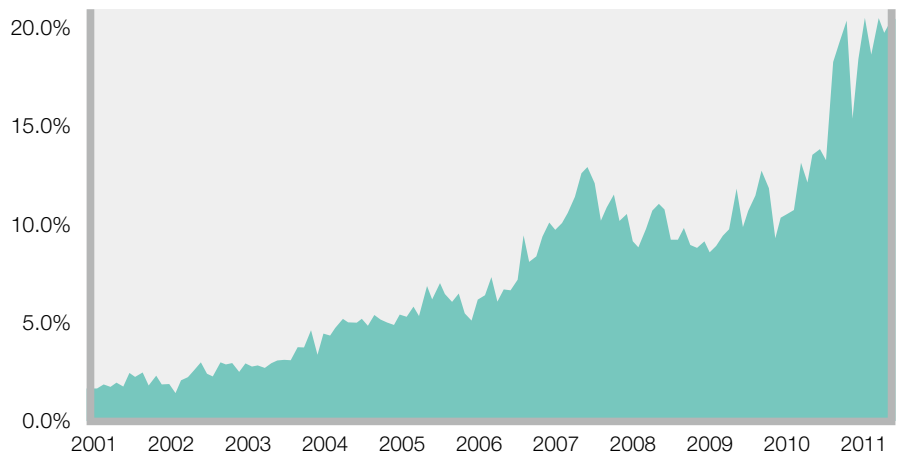


TOCOM's Global Network

To create a more open marketplace, TOCOM is expanding its global network through cooperative agreements with some of the leading commodity and financial exchanges around the world.



Ratio of Foreign Customer Trades at TOCOM



Global Benchmark Commodity Pricing

The commodity futures market is designed to shape fair and transparent prices that fluctuate with political, economic, industrial and other developments. TOCOM lists gold, rubber, crude oil and other globally traded commodities, providing the world with price discovery.

Global commodity markets are divided roughly into the three regions of North America, Europe and Asia, each using different regional benchmarks. The prices formed on the TOCOM Gold, Rubber and Crude Oil markets are considered benchmarks.

Throughout the world, gold is traded around the clock on spot and futures markets, with active arbitrage maintaining a high price correlation. Trading is concentrated in different regional markets according to the time of day, shifting between Tokyo, London and New York. Since TOCOM attracts a high level of liquidity, its Gold price is widely recognized as a benchmark in Asia.

Asia serves as the global center for rubber trading. Among rubber futures contracts listed in several Asian commodity exchanges, TOCOM rubber plays a unique role in providing a reference price for producers, traders and manufacturers in Thailand, Malaysia and Indonesia.

The global oil market consists of the three regions of North America, Europe and Asia. Each of the regions has separate crude oil benchmarks: NYMEX's WTI in North America, ICE's Brent Crude in Europe, and TOCOM's Middle East Crude Oil (average value of Dubai and Oman crude prices) in Asia. The crude oil prices formed by futures markets have a major influence on crude oil transactions worldwide. Fluctuations in the average price of Dubai and Oman crude are followed closely by the rest of the world since it affects crude oil price trends in Asia.

TOCOM not only serves as a primary Asian commodity exchange, but is also developing into an international market linked to those in North America and Europe, and handling many transactions from different regions and time zones.



TOCOM Listed Products

TOCOM lists precious metals, oil and rubber contracts, as well as Nikkei-TOCOM Commodity Index. TOCOM provides a forum for trading futures and options.



Gold Standard

Gold of minimum 99.99% fineness
(1kg / contract)



Gold Options

Options transactions based on gold futures as the underlying asset



Gold Mini

1/10th the size of the Gold Standard contract
(100g / contract)



Silver

Silver of minimum 99.99% fineness
(10kg / contract)



Platinum Standard

Platinum of minimum 99.95% fineness
(500g / contract)



Platinum Mini

1/5th the size of the Platinum Standard contract
(100g / contract)



Palladium

Palladium of minimum 99.95% fineness
(500g / contract)



Crude Oil

Middle East crude oil (the average value of Dubai and Oman which acts as the benchmark price of Middle East crude oil) (50kl / contract)



Gasoline

Regular Gasoline of JIS K2202 Grade 2 with maximum permissible sulfur content of 10ppm
(50kl / contract)



Kerosene

Kerosene of JIS K2203 Grade 1
(50kl / contract)



Gas Oil

Gas Oil of JIS K2204
(50kl / contract)



Chukyo-Gasoline

Regular Gasoline of JIS K2202 Grade 2
(10kl / contract)



Chukyo-Kerosene

Kerosene of JIS K2203 Grade 1
(10kl / contract)



Rubber

Ribbed Smoked Sheet (RSS) No.3
(5tonnes / contract)



TOCOM NEXT

Index Futures Transactions on the Nikkei-TOCOM Commodity Index

Customer Convenience through Innovation

Robust Technology – World-Class Trading Platform

All TOCOM products are traded continuously on an electronic platform. Since its launch in 1991, TOCOM has relentlessly upgraded and increased the capacity of its electronic platform to meet the requirements of global investors and adjust to changing needs.

TOCOM introduced its current trading platform, CLICK provided by NASDAQ OMX Group, in 2009 to cater to the need of the international trading community through world-class performance.

System Specifications:

[System Performance]

- Order processing latency: Below 10 milliseconds (average)

[Functions]

- Fully-automated matching process
- Standard combination orders
- Circuit breakers

Additionally, proximity service is available. We expect to bring new trading opportunities to customers around the world with the flexibility, functionality and security required for transacting in today's commodity futures markets.



TOCOM – Open For Business... Everywhere

In September 2010, TOCOM's night session was extended for the Precious Metals, Oil and Index markets (Rubber closes at 7:00p.m. JST). Market overlap has facilitated arbitrage trading and provides more liquidity when reacting to global economic events.

	17	18	19	20	21	22	23	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Tokyo	Night Session 5 pm - 4 am						Extended Hours						Day Session 9 am - 3:30 pm											
	16	17	18	19	20	21	22	23	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Singapore/ Hong Kong	4 pm - 3 am											8 am - 2:30 pm												
	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	0	1	2	3	4	5	6	7	8
London*	9 am - 8 pm											1 am - 7:30 am												
	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	0	1	2	3
New York*	4 am - 3 pm											8 pm - 2:30 am												

* Daylight saving time

Commitment to Establishing Reliable, Convenient and Competitive Markets

Beyond technological advancements, TOCOM is committed to advancing its market environment, and to establishing a reliable, customer-focused and competitive market. We continue to closely communicate with market participants to improve our marketplace.

2009	Market Maker Program Position Limits Increase for Investment Trusts Proprietary Trading Firms Eligible for Membership Remote Trade Membership
2010	Block Trading New Listings: TOCOM NEXT, Gas Oil Market, Chukyo-Oil Market
2011	Tokyo Grain Exchange Products Migration on TOCOM Platform Error Trade Policy

Trading on the TOCOM Market

The Exchange can be accessed through any one of TOCOM's Broker Members. If the Broker Member works with an ISV, truly seamless trading operations can be achieved. You may also choose to trade with a Futures Commission Merchant (FCM) that places orders through a TOCOM Broker Member. Another way to participate is to obtain TOCOM membership. Below are the five categories of TOCOM membership:

1. Broker Members:

Accredited with a Futures Commission Merchant (FCM) license, eligible to conduct both proprietary trading and brokerage business with direct access to the TOCOM market.

2. Trade Members:

Eligible to conduct proprietary trading only with direct access to the TOCOM market.

3. Affiliate Members:

Eligible to conduct proprietary trading only with access through Broker Members to the TOCOM market.

4. Associate Members:

Eligible to conduct proprietary trading only with access through Broker Members to the TOCOM market. Only foreign firms can apply for Associate Membership.

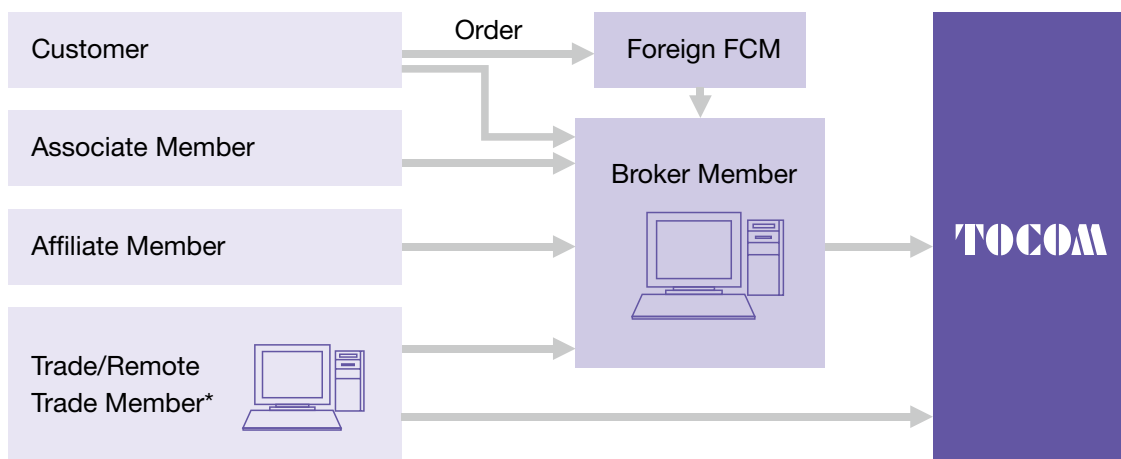
5. Remote Trade Members:

Located outside of Japan, eligible to conduct proprietary trading only with direct access to the TOCOM market*

* Pending approval from the foreign regulator to provide DMA to firms in its jurisdiction.



Accessing TOCOM



* A Remote Trade Member must have a clearing agreement with a JCOH Clearing Participant.



Reliability Is Our Priority

Market Surveillance

Rigorous market surveillance is vital to secure a sound market and a credible price formation in a rapidly evolving electronic trading scene. TOCOM strives to eliminate fraudulent trades and prevent market abuses, such as price manipulation, through consistent oversight of market conditions and member firm transactions. TOCOM also oversees the compliance of members with the law and exchange rules.

For this purpose, TOCOM carries out real-time market surveillance. In addition to traditional supervision by experienced exchange staff, we employ a sophisticated electronic market monitoring system to detect suspicious transactions based on records of trades, orders and cancelled orders. This allows for an advanced trading surveillance on a real time basis. Employing both monitoring and electronic technology, we scrutinize unusual orders and trade behavior to track down abusive or dubious trades.

Self-Regulation

The Commodity Derivatives Act (CDA) of Japan requires commodity exchanges to properly conduct self-regulatory activities in order to ensure the fairness of transactions on commodity markets and to protect customers.

The Exchange has, pursuant to the provisions of the CDA, established a Self-regulatory Committee to ensure proper governance from the perspective of an organization operating both as an exchange with a public mission and a profit-seeking corporation and to properly conduct self-regulatory activities. Self-regulatory activities include “examination of the qualification of Members,” “examination of trades,” “investigation of the status of compliance by Members with laws and regulations and the rules of the Exchange,” and “sanctions and other dispositions against Members.”



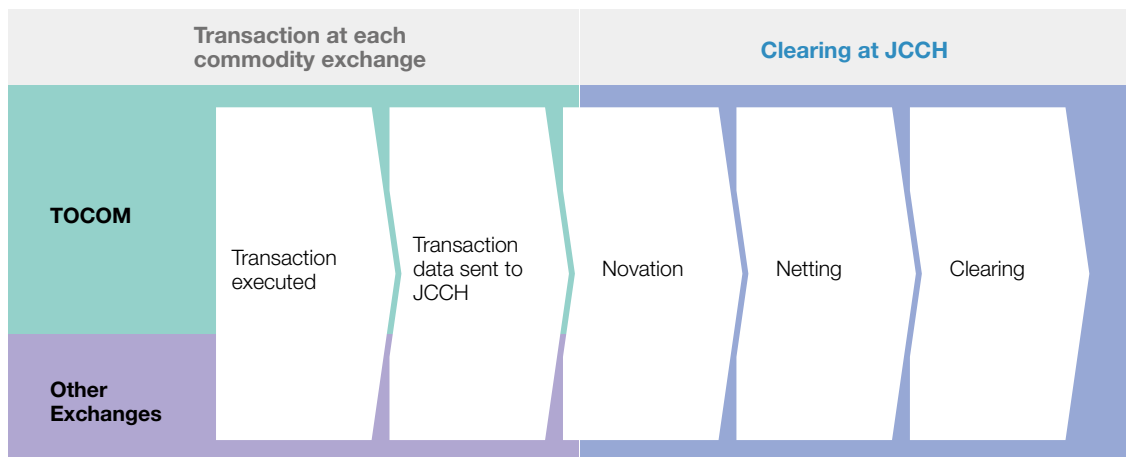
Risk Management

The Japan Commodity Clearing House (JCCH), was established in May 2005 as an independent clearing house that integrates the clearing operations of all Japanese commodity exchanges, including TOCOM, and it is the sole counterparty for all settlements.

With JCCH acting as the counterparty to all transactions, the risk of counterparty default to all market participants is minimized and market integrity is enhanced. Under this central clearing model, JCCH also provides for efficient management of clearing funds and the streamlining of back office operations for all clearing participants.

In January 2011, JCCH adopted SPAN[®] (Standard Portfolio Analysis of Risk) Margining system, which permits market participants to offset risks between correlated positions, and enhances margining efficiency. SPAN[®] is widely utilized for portfolio risk assessment by a number of exchanges, clearing organizations as well as end-users such as FCMs and brokerage firms worldwide. Its adoption contributes to enhancing the stability of Japan's commodity markets.

Clearing Process



TOCOM Overview

Corporate Profile

(as of September 2011)

Corporate Name	Tokyo Commodity Exchange, Inc. (TOCOM)
Office Location	10-7 Nihonbashi Horidomecho, 1-chome, Chuo-ku, Tokyo 103-0012 Japan Phone: +81-3-3661-9191 (Switchboard)
Foundation	February, 1951 (Date of the foundation of the Tokyo Textile Exchange, which merged with the Tokyo Rubber Exchange and the Tokyo Gold Exchange to become the Tokyo Commodity Exchange)
Principal Business Objectives	To open and operate commodity markets necessary for dealing in futures of the commodities listed on the markets based on the Commodity Derivatives Act
Stock Capitalization	1.989 Billion yen
Number of Employee	71

Corporate History

1951	February	Tokyo Textile Exchange founded in Nihonbashi Horidome-cho, Chuo-ku, Tokyo
1952	December	Tokyo Rubber Exchange founded
1982	February	Tokyo Gold Exchange founded
1984	November	Tokyo Textile Exchange merged with the Tokyo Rubber Exchange and the Tokyo Gold Exchange into the Tokyo Commodity Exchange (TOCOM)
1991	April	Continuous trading on electronic platform started
1992	August	Palladium listed
1997	April	Aluminum listed (listing discontinued in October 2010)
1999	July	Oil market launched, gasoline and kerosene listed
2001	September	Crude oil listed
2003	January	2nd generation electronic trading platform introduced
	June	In-house clearing house established T + 1 (one day after transaction) settlement introduced
	July	Connection to ISVs started for facilitating the order placement from overseas
	September	Gas oil listed (listing discontinued between February 2006 and April 2010)
2004	May	Gold options launched
	December	Auction trading floor abolished
2005	May	Revised Commodity Exchange Act enforced Japan Commodity Clearing House Co., Ltd. (JCCH) commenced operations
	September	EFP transaction introduced in rubber, precious metals and aluminum markets
2006	July	Daily publication of TOCOM Index started
2007	July	Gold Mini launched
2008	November	Platinum Mini launched
	December	Demutualized from non-profit membership organization to for-profit stock company
2009	May	New trading system launched based on Nasdaq OMX's trading platform Night session (17:00-23:00 JST for all products except Rubber, 17:00-19:00 for Rubber) started
2010	March	Nikkei-TOCOM Commodity Index futures launched
	September	Trading hours extended until 4:00 JST for all products except Rubber
2011	January	SPAN® introduced at JCCH Commodity Derivatives Act enforced Tokyo Grain Exchange products migrated to TOCOM trading platform

Tokyo Commodity Exchange, Inc.

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