



FUTURES INDUSTRY ASSOCIATION JAPAN CHAPTER

"FIA-J 20th Year Anniversary"

May 2008

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CHAIRMAN'S MESSAGE

Japan Futures Markets

As FIA-Japan celebrates our 20th year anniversary, we note that this is also the 20th year anniversary for stock index futures in Japan. The Osaka Securities Exchange created the Nikkei stock index futures contract in 1988, and that same year the Tokyo Stock Exchange began trading the Topix index futures contract. The following year, the Tokyo Financial Exchange was formed (as TIFFE) the first financial futures exchange. These early leaders, along with the JGB futures contract at TSE over 30 years ago, were the pioneers of financial futures in Japan. In the commodity sector, it is well known that futures markets in Japan began over 300 years ago at the Dojima Rice Exchange in Osaka. This was an enviable lead for the Japan futures industry. What happened? Clearly Japan has not kept pace with the global development of futures and options markets. Even the Prime Minister's Cabinet Office has stated that we have failed to develop these markets the way they should be developed in order for Japan to be a global financial center.

But Change is underway!

Developments of new trading platforms and movements to improve the clearinghouse functions have been announced. Both FSA and METI have released working plans for dramatically improving the financial and commodity markets with changing regulation and law. Tocom is now installing a world class trading system that should meet the requirements of international players. TGE has indicated that they too will move in this direction. OSE has announced action plans for their futures and options markets, and TSE has also announced their technology improvement plan for derivatives.

In the meantime the Japan Securities Clearing Corporation released its Improvement Plan for upgrading the clearinghouse procedures and risk management system for TSE cash and derivatives products. These changes will help to bring them closer to global standards (many of the procedures have already been in effect at the other financial futures exchanges in Japan). Recognizing the essential role of the clearinghouse as part of the requirements for improving the commodity industry in Japan, METI formed a study group and Committee to design changes to bring the clearing function up to world standards. FIA-Japan members are participating and we delivered our Interim Report to the Regulators with our recommendations in this regard.

Yes, *Change is underway!* The first steps toward improvement are to have a plan and to start. Now execute!

Regards,
Mitch Fulscher
Chairman, FIA-Japan

Regulatory News

METI / MAFF: Report of Clearinghouse Function

On April 24th, METI and MAFF, who are the regulators on Japanese commodity futures markets, issued a report titled "The measures for the enhancement of clearinghouses function".

The report, which is based on a review of the current "silo structure" separating Exchanges and the existing JCCH (Japanese Commodity Clearing House), proposed the following reforms:

-Improving the corporate governance structure and financial background of JCCH, which includes increasing the clearing fee from the current JPY1 per unit to JPY6 per unit.

-Increasing the clearinghouse's corporate capital to JPY3 billion, after JCCH pays a JPY2 billion tax over 5 years.

-Increasing the clearing members' minimum net capital requirement from the current JPY0.97 billion to JPY2 billion.

The Japanese commodity futures industry basically agrees with the report's recommendations, but some expressed the opinion that the clearinghouse's corporate capital should be increased without JPY2 billion being paid to the tax office, but rather this amount should be returned to the investors, and the interest on deposits made by investors should not be held by JCCH.

Please provide written opinion, comments and suggestions on this report to the office of FIA-J by June 10th. (See back page for contact details).

Activities On Going

Commodity Clearinghouse Task Force – Interim Report Issued

The FIA-Japan Task Force issued an Interim Report with recommendations for improvement in the clearing function for the Japan commodities markets. This report was delivered to METI in connection with their involvement in the study of the clearing function. Our Report contains strong recommendations for improvements in clearing procedures and controls particularly with respect to financial safeguards and risk monitoring.

As reported earlier, we recognize that there are serious shortfalls in the current system. In December, 2007 we formed a special *Clearinghouse Task Force* to examine this situation and to develop recommendations for improvements. The Task Force has considered the function and methods used by clearinghouses in the US and Europe, and has evaluated its application to the Japan commodity markets.

Our report contains recommendations in the following areas:

➤ Increase in Financial Requirements and Capital Adequacy

The clearinghouse corporate capital and the clearing members' minimum net capital requirements need to be increased. A focus on "liquid capital" should be instituted as part of the rules. Also improvement is needed in the fundamental structure of the financial guarantee (including the current "silo structure" by Exchange)

➤ Corporate Governance

Improvements are needed in the corporate governance structure of the clearinghouse, its Board of Directors and committees, and management (including conflict of interest considerations). Management and the Board must be empowered to act strongly for the interest of the clearinghouse.

➤ Risk Management

Pre-trade and post-trade risk management system must be established. This will require adequate systems and IT capability at the clearinghouse as well as close inter-cooperation with the exchanges and clearing members. Adequate examination of clearing members must be instituted.

➤ Margining Methodology

Requirement for risk based margining system with real-time information is required. Globally accepted systems, such as SPAN, should be put into place.

➤ Information and Service for Clearing Members

Data, information, timeliness for providing clearing members with adequate information for risk management is essential. This will require significant investments in technology and human resources by the clearinghouse.

Other Strategic Business Considerations

In addition to the above areas, there are several strategic business considerations that need to be addressed.

- ❖ *“For-Profit” model versus “not for profit” utility*
- ❖ *Interest on Margin and Member deposits*
- ❖ *Clearing OTC business*
- ❖ *Role of Clearinghouse as Customer Money Custodian*
- ❖ *Relationship and Support from International Clearinghouses*

The Task Force intends to comment further on these strategic issues in its Final Report.

A copy of the Interim Report can be obtained from our FIA-Japan offices. Please contact Ms. Motoko Ogawa, Executive Secretary.

AGM Report and Reelection of Officers

2008 is our big 20th anniversary and our AGM was held in the evening of April 16. Directors were elected by the Members as proposed (please see the board members 2008 at the end of the newsletter). Also a new dues schedule was approved by members.

Each committee chairman reported on their activities last year. If you are interested in committee activities, please contact Ms. Ogawa, Executive Secretary (see back page for contact details). We welcome your active participation to committee activities.

At the April board meeting following the AGM, the Officers were re-elected by the Directors.



Technology Committee

The following sub-committees have been created. If you wish to join a sub-committee, please contact FIA-J’s Executive Secretary, Motoko Ogawa (see back page for contact details), for each PIC’s contact information.

BACK OFFICE Sub-Committee

Back office sub-committee of the Technology committee would like to focus on some of the challenges that are being faced by people dealing with back office systems in Japan in 2008. With multiple regulatory and system changes to deal with, this will be a practical group aimed at highlighting the challenges, and finding solutions. We welcome your requests and your ideas!"

BUY SIDE Sub-Committee

We have not decided what kind of subjects to be taken up by this subcommittee but we aim to make some proposal about the environment ideal and attractive to buy-side firms. Broad research of best practices and trials to attract buy-side firms to the market, from various points of view, should be necessary. Any kind of suggestion, advice and participation will be welcomed.

DATA FEED Sub-Committee

The Data Feed Sub-Committee is in the process of being formed. The main purpose of this sub-committee will be to understand the issues and problems facing the data feed available for the various Japanese markets. At the same time the sub-committee will function as a place for information sharing and networking. We invite members from the brokers, Information Vendors, ISV’s, exchanges to join the sub-committee.

EGUS Sub-Committee

"EGUS (Electronic Give Up Agreement System) is an initiative launched by FIA in North America and Europe in 2007. It's main function is to support give-up trading by providing instant access to tri-party give-up documentation over the internet. The EGUS Subcommittee's main objective is to promote the use of EGUS in Japan, and to facilitate enhancements specific to the Japanese give up market. We welcome anyone interested in cultivating the give up market here in Japan! Come join!"



Exchange Engine Sub-Committee

The Exchange Engine Sub-Committee aims to bring information about Exchange Engines to Exchange Members, Buy-Side and ISV's. For many, the Exchange Engine is a black box where trades are sent and executions are made. But as we look closer, we find that the exchange engines can act in unique ways and can impact our business. The goal of this sub-committee are 1) Seminars by Exchange Engine vendors and developers to show case their technology/product directly to the Exchange Members, 2) Create documentation about how different exchanges works here in Japan, and 3) Provide network venue to interact interested in the exchange technology.

FIX Sub-Committee

The FIX subcommittee would like to start a good relationship with FIX Protocol Limited("FPL") members and explore the varieties of the Financial Information eXchange("FIX") Protocols on major exchanges. Also we would like to exchange information and explore opportunities of joint collaborations with them. I would like to make this not so formal subcommittee where we can get together in a casual manner. Please feel free to join us.

FRONT OFFICE Sub-Committee

Front office Sub-Committee under the FIA technology committee, to learn and perform a in-depth knowledge study on the e-commerce fundamentals (Market Gateway). Mission of this committee is to gather the information and publish it into a useful material or guide, so to help sales person understand the essence and importance of e-commerce world. As mentioned, the committee not only to make up of sales person but anyone from the futures industry despite the role they are in. Thus, please help us to make this material, you are welcome to join the committee.

REMOTE MEMBERSHIP Sub-Committee

Come and join us to find out what's inside of the newest membership system at exchanges! The subcommittee will conduct a broad research on Remote Membership already in place at exchanges, both domestic & overseas to share best practices. Candidates from exchanges, brokerage firms, IT firms, anyone is welcome!!

WEBSITE Sub-Committee

Have you ever looked at the FIA Japan Chapter website at <https://www.futuresindustry.org/japan> recently? Well, neither have most of our members. Let's find out what needs to be done so that FIAJ members will access our website and be satisfied with its contents. Join the Website subcommittee!



People

Interview with OSE President: Mr. Michio Yoneda

Mr. Michio Yoneda was elected President & CEO of Osaka Securities Exchange Co., Ltd. (OSE) in 2005. He joined OSE in 2000, served as Executive Director from 2003 and as Senior Executive Director from 2004. Prior to these appointments, Mr. Yoneda served as General Manager of the Akita Branch of the Bank of Japan.

Question – Editorial Board: What do you think of the recent developments at OSE?

In recent years, derivatives trading has been increasingly sophisticated and has been speeding up, which requires the exchange to substantially enhance the performance of its platform. In response to such demands, in 2006, OSE replaced its trading platform with a leading-edge one. Along with this and other improvements in its market infrastructure, OSE introduced various new products and rules.

As a result, for fiscal year 2007 (from April 2007 to March 2008), total trading volume of derivatives on OSE reached 120 million units, an increase of 78.5% over the last fiscal year, becoming the first among all derivatives exchanges in Japan to exceed 100 million units. OSE recognizes that the major contributing factor of this successful development is the rapid growth of the Nikkei 225 mini, which was launched in July 2006, as well as the increase in trading volume of OSE's flagship contracts-the Nikkei 225 Futures and Options. In addition, the trading volume in the evening session (16:30 – 19:00 JST), which was introduced in September 2007, has increased steadily. Also, in the cash market, OSE has successfully introduced new products, such as Gold-Link ETFs and Chinese Index-Lined ETFs, which have attracted a lot of attention from investors.

Question – Editorial Board: What are the OSE’s future plans?

The environment surrounding the derivatives market has undergone significant change. When you look at the cooperation and consolidation of exchanges around the world, “derivatives” is a keyword. Competition among the derivatives markets is growing fierce. In February 2008, OSE developed a Midterm Business Plan for 3 years beginning in fiscal year 2008. How we deal with these changes will be a key element in the Plan. In the coming 3 years, OSE is planning to further diversify its listed products. In addition, OSE aims at providing world-standard services, including remote membership and round-the-clock trading.

With these initiatives, we would like to make OSE a leading exchange with a global presence, mainly focusing on derivatives trading as well as cash products and ETFs.

Report of Past Events

FIA-J 20th AGM and Reception

On April 16, we held our 20th Annual General Meeting and reception at the International House in Roppongi. About 50 people from about 40 members attended the AGM. Over 90 people attended the reception that followed. The International House, which was refurbished in 2005, has beautiful Japanese garden and participants enjoyed the beauty of the building and the cherry blossoms. FIA-J wishes to thank the below sponsor for their generous participation.

Sponsor of the event:



Boca Raton Conference



At the FIA Boca08, held on March 12-15, one of the InformationXchange sessions focused on “Developing Japan’s Financial Center.” Mr. Fulscher chaired this session, which was well attended, and the panelists were Mr. Kurosu from METI, Mr. Seki from TOCOM, Mr. Ito from TFX and Mr. Adachi from TSE (from right to left on photo rights). FIA-J Director, Mr. Mogi, also represented Japan at the FIA Asia panel.



FIA-J together with Newedge, OSE, TFX and TOCOM also hosted a sushi bar at the welcoming reception (photo left: Mr. Ryoichi Seki, Vice President – International Affairs Section, TOCOM, enjoying the Sushi Bar after his presentation at the Japan session).

ICE Annual Cocktail Party

On 23 April, 2008, ICE held its annual cocktail party at Burgidala French Restaurant in Roppongi. With over 150 people from the industry attending, the event was a resounding success.

David Goone, ICE Chief Strategy Officer, flew in from Chicago for the event. He mingled and networked with clients and supporters from the futures industry, sharing ideas and listening to stories of Japan’s dynamic commodities market.

In 2007, ICE purchased the New York Board of Trade and its related sugar, coffee, cocoa and cotton contacts. With the large agricultural trading community in Japan, ICE was pleased to see the healthy turnout of agricultural traders showing their support of ICEs growth and development in the region.

Japan’s energy industry, continual strong supporters of ICE and its regional growth, was out in force. Every facet of the industry was in attendance from traders to sales to support staff.

This was one event not to be missed!

ICE wishes to thank everyone for their continual support.



FOW Derivatives World London 2008

On April 8th and 9th, FOW Derivatives World London 2008 was held at the Old Billingsgate Market, London. The total number of exhibitors at the event was 44, which is the same as the previous year; from Japan, TOCOM, TGE, TFX and TSE exhibited their products to encourage visitors to utilize the Japanese derivatives markets. The sessions covering risk-management and internal control received a great deal of attention from the participants. Especially the live interview with Nick Leeson, an ex-Bearings trader, has attracted a large audience.

Future Events

FIA-Asia Tokyo Conference 2008

We are moving forward in planning the FIA-Asia Conference to be held in Tokyo September 17-19. This major event will be held at the Westin Hotel and we expect more than 300 participants from the Asian and global futures markets. This is Tokyo's chance to demonstrate its commitment to establish itself as the Asian Financial Center.

Event and other sponsorships are already taken by the following FIA-J members for this important event:

Host Exchanges and Gold sponsors: Newedge Asia, OSE, TFX, TOCOM, TSE.

Gala reception: TFX and TOCOM

Exchange leaders' & Regulators' Dinner: TFX

Luncheon on Sep 18: Newedge Asia

Delegate bags: JCFIA

An exhibition hall is provided, and in addition to the above Host exchanges and Gold sponsors, the following booth exhibitors so far include:

GL Trade, TGE, Multiwave, C-com, Patsystems

The US CFTC is supporting this event and has offered to work with the Japan regulators in organizing the Asian Regulators' Conference as a part of this event.

FIA/FOA Host Inaugural International Derivatives Expo

The Futures Industry Association and the Futures and Options Association are hosting the first International Derivatives Expo, June 10-11, 2008 at The Brewery in London. IDX will include more than 50 exhibits, 30+ sessions and workshops, and many networking opportunities.

Sessions are grouped in several tracks including technology, markets, and commodities, as well as a series of workshops. Highlights include a keynote speech by ICAP Group Chief Executive Michael Spencer, and a panel discussion with exchange executives Hugh Freedberg, NYSE Euronext; Phupinder Gill, CME Group; Andreas Preuss, Eurex; and Jeffrey Sprecher, IntercontinentalExchange (invited).

IDX is supported by its Member Partners who have pledged their support and participation. Attending the conference will be senior executives from all sectors of these Partner firms: Bank of America; Barclays Capital; Bear Stearns; Citigroup Global Markets; Credit Suisse; Deutsche Bank; Goldman Sachs International; HSBC Bank PLC; JPMorgan; Marex Financial Limited; MF Global; Morgan Stanley; Newedge; RBS; R.J. O'Brien; and UBS Securities LLC, among others. Also attending will be senior representatives from the London trading community, prime brokerage firms, clearing firms, proprietary trading firms, executing brokers, exchanges, and technology vendors from around the world.

The program, registration, and sponsorship information are available online at www.idw.org.uk.

Exchange News

C-Com:

Central Japan Commodity Exchange Approved as Specified Exchange in Malaysia

The Security Commission of Malaysia approved the Central Japan Commodity Exchange (C-Com) as a Specified Exchange and all of its futures contracts as an approved class of futures contracts on May 6. As a result of this designation, derivatives brokers in Malaysia are now permitted to trade futures contracts in the C-COM markets without any restrictions.



The acquisition of the Specified Exchange status in Malaysia will offer investors in Malaysia great opportunities to manage their exposure with and take advantage of all C-Com products including Gasoline, Kerosene and Rubber related futures. At the same time it will give C-Com a good chance to expand its business into Malaysia.

OSE:

Establishment of Exchange FX Margin Market

OSE decided to establish an Exchange FX Margin Market, scheduled for March 2009. Both direct quote foreign exchange rates, such as US Dollar/ Japanese Yen, and cross currency foreign exchange rates, such as Euro/ US Dollar are planned to be introduced. OSE will determine currency pairs to be listed before trading commences. The main feature of the OSE's FX Trading is that trading is to be conducted in an order book at auction, as it is with the existing stock trading. Also, OSE will appoint market makers, and require them to display buy and sell orders continuously.

For more details, please visit: http://www.ose.or.jp/e/profile/pr_data/pr_080422_2.pdf

OSE to Launch Co-location Service

As the first Japanese exchange, OSE will introduce a co-location service, scheduled for fall 2008.

With the collocation service, the participants' servers will be placed within the OSE data center or at a place close to the OSE data center to connect to the OSE platform, which will lead to an improvement in access and lower latency.

Extension of Trading Hours for Evening Session

For Stock Index Futures and Options, such as Nikkei 225 Futures (including Nikkei 225 mini) and Options, OSE introduced an evening session last year. In order to further improve convenience for investors, OSE will extend the trading hours of the evening session until 8:00 p.m., instead of 7:00 p.m., in October 2008. OSE may consider further extending trading hours based on trading activities and market needs.

For more details, please visit: http://www.ose.or.jp/e/profile/pr_data/pr_080422.pdf

TFX:

TFX Introduces New, High-Performance System

Tokyo Financial Exchange (TFX) introduced a new version of "LIFFE CONNECT™" system on April 28, 2008. This enabled TFX to provide a faster execution (within milliseconds) and improve the processing capacity of orders (6 million orders a day).

TGE:

New TGE Senior Executive Vice President elected

Mr. Shoji Yamano was elected as the Senior Executive Vice President of the Tokyo Grain Exchange at the 65th Annual General Meeting of Members on May 28, 2008. The other senior executive vice presidents are Mr. Kazuichi Higa and Mr. Hidetoshi Hamada. Mr. Masanori Hayashi has stepped down from his position.

TOCOM:

Please visit our website for complete details at www.tocom.or.jp

Next Generation System (NGS) – Update

Following the completion of defining the system requirements and to ensure a smooth transition to a new system, the Board of Directors decided to go live with the NGS on May 7th, 2009, about a month later than the original target date. At the time of the introduction of the NGS, the closing time will be set at 23:00 and will be further extended, within about six months, until 7:00 the next morning, virtually introducing around-the-clock trading.

Other NGS requirements adopted by the Board include: a) replacing the TOCOM standard for Market Order with the international standard for Market Order; b) offering spread trading; c) abolishing the current price limit and introducing circuit breakers; d) extending the sessions for the first and last trading days of the year from the current half-day trading days to sessions closing at 15:30.

Yearly Review of TOCOM Index and Addition of Sub Indexes

The weight percentage applicable to the calculation of the TOCOM Index on and after June 1st, 2008 have been revised (please visit our website for details). In addition to the TOCOM Index and the TOCOM Sub Index published since July 2006, TOCOM will publish a "Precious Metals Index" (Gold, Silver, Platinum and Palladium) and an "Oil Index" (Gasoline, Kerosene and Crude Oil), along with Sub Indexes by single commodity, starting in June 2008. The Exchange is also proceeding with its study to list the TOCOM Index and Sub Indexes as soon as possible after the launch of the next generation system.

Market Modifications

In the Silver market, since May 1st, 2008, the position limit applicable to customers differs between commercials and non-commercials, with a position limit for commercials five times greater than the previous one, and the position limit applicable to members are set at the same level for all members at a total amount three times greater than the previous maximum total position limit.

In the Rubber, Platinum and Palladium markets, the position limit applicable to customers and members will be modified on and after June 2nd, 2008, including the expansion of total customer position limit in the Platinum and Palladium markets.

Others

"Feng Shui-Tokyo?"

Imagine looking down at the wide horizon of the Tokyo skyline from the beautiful Tokyo bay, when passing through the Sumida river and Yaesu Main Street into the Imperial Palace: it is breath taking. However, the dynamic flow of wind from the Tokyo bay did not manage to pass through to the Imperial Palace smoothly for many years. Regrettably, the heart of the Tokyo transportation railway system, the Tokyo station building, sits exactly in front of the Yaesu main street, blocking the wind flow into the Imperial Palace, and channeling it into other parts of Tokyo.

The re-development of the Tokyo Station area was approved by the government a few years back, to beautify the whole area and to allow dynamic wind flow from the bayside area to the city. The first step is the demolition of the old station building. Then further plans call for the construction of a brand new low-rise building by 2013 to join 2 new high-rise buildings, which were built on both end of the Tokyo station recently, forming a U-shape which will allow a fresh sea breeze to pass through without blockage. This revitalized Tokyo station will create a picturesque new scenery of the modern Tokyo architecture, while allowing the flow of wind from the Tokyo bay into the Imperial Palace via Yaesu main street and the Marunouchi area. The wind will be further channeled into Shinjuku, Roppongi, Aoyama, etc. Besides, meteorological experts said that this will also bring down the surrounding temperature by one to two degrees (Celsius!), which is good news for all.

No blockage, smooth flow of sea breeze into the city centre will make everyone happy and joyful. It will be indeed an amazing change. You may recall the great study of Chinese Feng Shui, which says that the smooth flow of wind changes life and fate. In essence, let's wish that it brings prosperity and good luck to all of Tokyo and its surroundings.

NFPF approved as an associate member by FIA-W

FIA Washington approved National Futures Protection Fund (NFPF), an organization which provides customer funds protection for Japan's commodity futures markets, as an associate member on March 12.

NFPF, founded in April 2005, provides its own pay-off system (up to 10,000,000 Yen per person) in case an FCM goes bankrupt and cannot fully meet its financial obligation to customers. In Japan, commodity brokers are obligated to become a member of NFPF and, therefore, it is considered as a "last resort" for commodity futures traders.

The reason why NFPF wanted to apply for FIA membership is directly linked to the strong eagerness of the Japanese government to make its financial markets a financial center for the region. Accession to FIA membership is already a success in itself since NFPF can no longer remain unconcerned with customer protection issues related to traders abroad.

Mr. Shoji Miyamoto, Vice Chairman of NFPF, expects that by becoming an associate member of FIA, NFPF will be able to collect updated information on customer protection from various sources world wide, and also plans to provide more NFPF information and open up to the world.



New Members

FIA-J is very pleased to welcome our newest members, Daiwa, Equinix, Penson Asia and Liffe.

Daiwa Securities SMBC

Formed through a strategic joint venture between Daiwa Securities Group Inc. and Sumitomo Mitsui Financial Group, Inc., Daiwa Securities SMBC Co. Ltd. uses its expertise to assist companies in dealing with these challenges. In doing so, we have steadily built a solid performance record in a wide range of financial services, including the development and sale of a comprehensive range of equities, fixed income, derivatives, and other financial products; initial public offerings (IPOs) and other finance; mergers and acquisitions (M&A) and other advisory services; structured finance; and principal finance. Our company began a mid-term management plan in April 2006 in which we strive to become "Japan's Best Investment Bank with a first class reputation internationally." We put our high degree of professionalism, leading-edge financial technologies and know-how to work for our clients by offering them high quality products and services that serve their needs, thereby boosting the trust they place in Daiwa Securities SMBC.

Equinix Japan K.K.

Equinix is the leading global provider of network-neutral data center and interconnection services, offering premium colocation, traffic exchange and outsourced IT infrastructure solutions. Global financial firms look to Equinix for world-class reliability and network diversity. Equinix data centers serve as critical, core hubs for exchanges and trading platforms worldwide. With 39 data centers located in 18 strategic markets across North America, Europe and Asia-Pacific, Equinix enables customers to reliably operate their mission-critical infrastructure on a global basis. Our focus on service delivery and operational excellence means that Equinix delivers the highest level of uptime and fast order turnaround. Our carrier neutral market position has attracted over 300 network service providers into Equinix facilities. Our financial customers are able to select from the richest selection of low latency, high bandwidth network offerings in the market. (Nasdaq: EQIX)

More information is available at: www.equinix.com or drop us an email: financial@equinix.com

Penson Asia Limited

As the last comer to the group of subsidiaries under Penson Worldwide (listed in Nasdaq under PNSN) that collectively executes and clears listed products globally, Penson Asia opened its door in Hong Kong in February, 2007. Along with satisfying the initial intention of handling and responding to Asian customers, Penson Asia has spent extensive time since its establishment to learn to be a good neighbor in the region. As customer support will always be Penson Asia's first priority, our intention stays firm in continuing our efforts to thrive as a good neighbor in Asia. It is our desire to do our part for the betterment of the Japanese and Asian markets.

NYSE Euronext, Liffe

Liffe is the leading international derivatives business of the NYSE Euronext Group, the transatlantic exchange formed in 2007. We operate high-tech, regulated markets in Amsterdam, Brussels, Lisbon, London and Paris where every day approximately two trillion euros worth of derivatives business is traded by customers from around the world. We offer our customers a broad choice of derivatives products on short-term interest rates, single stocks, indices, swaps, government bonds, commodities and currencies - all available to trade via our state-of-the-art electronic trading platform - LIFFE CONNECT®. As well as innovative products we also work with our customers to develop pioneering services, like the award-winning Bclear, helping them to do business more efficiently and effectively. To find out how Liffe can help your business, visit www.nyx.com/liffe

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The FIA-Japan Chapter was organized in 1989 as a nonprofit organization by foreign and Japanese futures industry participants. It is the only organization in Japan of its type with a membership drawn from the entire cross section of the futures industry. There are about 60 members representing all of the corporate sectors participating in the futures and options industry in Japan.

Board of Directors and Officers

Mitch Fulscher, Chairman	Financial Consultant
Shozo Ohta, President	Tokyo Financial Exchange Inc. (TFX)
Yasuo Mogi, Vice President	Newedge Japan Inc.
Takanori Kosaka, Secretary	HSBC Securities (Japan) Limited
Junko Ueno, Treasurer	Newedge Japan Inc.

Other Board Members

Teruyuki Fujino	Bear Stearns (Japan), Ltd.
Fumihiko Kimura	Central Japan Commodity Exchange (C-COM)
Yoshio Kuno	CME Group, Tokyo Office
Naoaki Kurumada	Dot Commodity, Inc.
Mitch Fulscher	FIAJ
Michael Ross	GL Trade Japan K.K.
Takanori Kosaka	HSBC Securities (Japan) Limited
Osamu Akita	Japan Commodity Futures Industry Association
Shinjiro Mizuno	Kanetsu Shoji Co., Ltd.
Scott Shenk	Merrill Lynch Japan Securities Co., Ltd.
Yasuo Mogi	Newedge Japan Inc.
Hideki Noda	ORIX Investment Corporation
Mikio Hinoide	Osaka Securities Exchange Co., Ltd. (OSE)
Duncan Symmons	Patsystems Japan K.K.
Julien Le Noble	Newedge Japan Inc.
Hiroyuki Takai	Sumitomo Corporation
Mikio Kawamura	Tama University
Mitsuhiro Onosato	The Tokyo Commodity Exchange (TOCOM)
Masanori Hayashi	The Tokyo Grain Exchange (TGE)
Shozo Ohta	Tokyo Financial Exchange Inc. (TFX)
Junnosuke Inoue	Unicom Group Holdings, Inc
Koichiro Ohashi	White & Case LLP

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