



カブドットコム証券株式会社
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<PROVISIONAL TRANSLATION>

*This translation is provisionally prepared and subject to change without notice.

September 30, 2008
kabu.com Securities Co., Ltd
(Code: 8703, TSE 1)

Morgan Stanley Securities will participate in kabu.comPTS
- Morgan Stanley Securities will be the 7th participants (including us). The amounts of executions were over ¥2.3 billion on September 29 2008 and getting the best record from the beginning of kabu.comPTS on September 15 2006. -

- [Japanese](#)
- [PDF](#) 

kabu.com Securities Co., Ltd, a member of MUFG (Mitsubishi UFJ Financial Group), has reached the agreement with Morgan Stanley Securities about their participation to kabu.comPTS. They will be the 7th connected securities to kabu.comPTS. We are sure that their participation, top level securities companies dealing Japanese stocks, will draw liquidity and sophisticated electrical best execution.

The amounts of executions were over ¥2.3 billion on September 29 2008 and getting the best record from the beginning of kabu.comPTS on September 15 2006.

The active system connection with Morgan Stanley

We have discussed with Morgan Stanley Securities about Order Management System (OMS) , trade infrastructure and sophisticated electrical connection.

On the other hand, the members of "kabu.comPTS participant council"(*1) are discussing and testing system connection continuously about the tightening tick size in view of "Paperless Share System", enhancement of DMA (Direct Market Access) circumstances and secure and high quality settlement infrastructures to increase off-exchange function from April 2008.

We are sure that the liquidity of kabu.comPTS will be further increase after Morgan Stanley's system connection.

The timing of Morgan Stanley's participation will be scheduled after November 2008.

*1) The members of "kabu.comPTS participants council"
Credit Suisse Securities (Japan) Ltd / UBS Securities Japan Ltd,
BNP Paribas Securities(Japan) Ltd / Nikko Citigroup Limited
Mitsubishi UFJ Securities/ Bank of Tokyo-Mitsubishi UFJ Ltd

< The outline of Morgan Stanley Securities >

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 35 countries. Morgan Stanley Securities Japan Co. Ltd., is an investment banking and securities subsidiary and is at the center of Morgan Stanley's operations in Japan. For further information about Morgan Stanley in Japan, please visit <http://www.morganstanley.co.jp/>

The comparison of Japanese PTS's service outline *1

PTS Name	License Measure (Price Formation Method)	Trading Hours	Execution Date	Settlement Date	Ticks	Participants
kabu.comPTS	Auction method (Same method as S.E.) *2	8:20-23:59	Trade date(T)	T+3 *3	Up to 1/10 of S.E.	Morgan Stanley (after November 2008), Credit Suisse, UBS, BNP Paribas, Nikko Citigroup, Mitsubishi UFJ Sec.
			Same method as S.E.			
Japannext PTS	Limit order matching method	(1)19:00-23:59 (2)24:30-26:00	Trade date(T)	(1)T+4 (2)T+3	Same method as S.E.	SBI,Goldman Sachs, ORIX, Click, Rakuten
Monex Nighter	Market price method	17 : 30-23 : 59	Following day of T	T+3	N/A	Marusan, etc.
			T+4 in substance			
Daiwa PTS	Market maker method	18 : 00-23 : 59	Trade date(T)	T+4	No designation	Daiwa SMBC
Matsui Sec.	Market price method	(1)9:00-11:00 (2)12:30-15:00	Trade date(T)	T+0	Same method as S.E.	N/A

*1 Please see the details of each PTS's web site.

*2 The auction method was authorized, similar to exchanges, by law which was partially revised at April 2005. There are four other methods in domestic PTS.

*3 T+3 settlement date means 4 business days calculated from the trade date (T).

The difference between kabu.comPTS and the other Japanese PTS

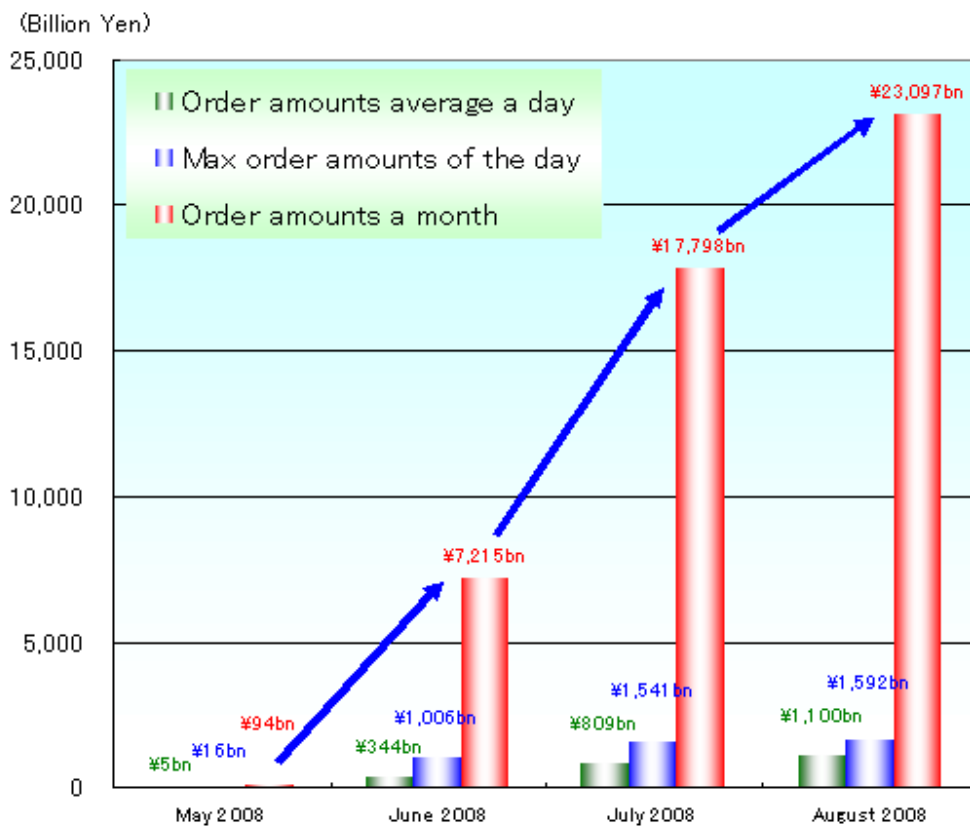
kabu.comPTS is the only platform using an auction method, which was newly added to the license standards at 2005, in Japan. It's same as stock exchanges and highest required license standards. In view of best execution, orders through kabu.comPTS execute at the best price similar to stock exchanges. In terms of execution date and settlement date, we set the same as stock exchange (the other PTS are not) which is convenient for investors to participate in. We started to inform kabu.comPTS's stock prices and quotes timely via Thomson Reuters Japan from May 2008. Therefore, we prepare DMA (Direct Market Access) circumstances for internal and external institutional investors. (Right side figure is "Fukuita PTS (Multi board PTS)" which is information tool for our individual investors: It shows quotes of stock exchange and kabu.comPTS on the same screen.)

トヨタ自動車 (7203)				
東京1部			PTS	
現値	4,760	[14:13]	現値	4,760 [14:02]
前日	4,750		基準	4,750
	+10	+0.21%		+10 +0.21%
出来	5,462,900		出来	5,100
始値	4,800	[09:01]	始値	4,800 [09:01]
高値	4,840	[09:55]	高値	4,800 [09:01]
安値	4,750	[12:33]	安値	4,760 [14:02]

売		気配	買	
取引所	PTS		PTS	取引所
	127,800	4,810		
	150,800	4,800		
	144,600	4,790		
	156,000	4,780		
		4,773		
	17,600	4,770		
		4,760	17,400	186,500
		4,757	8,800	
		4,750		201,500
		4,747	17,600	

PTS買付 買付 売却 更新

kabu.comPTS trade situation in the previous 4 months. Algorithmic trading became active earnestly after the establishment of an advanced electric connection to kabu.comPTS participant Council securities companies from June 2008. In spite of recession of sock exchanges in August, our trades are increased steadily. The graph below indicates that the amount of orders for kabu.comPTS are increasing every month and they recorded the high score in this month (Order amounts a month were \23 trillion, Max order amounts of the day were \1.6 trillion, Order amounts average a day were \1.1 trillion).



We will have several new trading participants, domestic and foreign securities companies, in near future.

We are preparing to set system circumstances to connect some main foreign securities companies. And we will invite other participants to enhance further liquidity.