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<PROVISIONAL TRANSLATION>

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

July 2, 2010

kabu.com Securities Co., Ltd

kabu.comPTS Obtains Authorization Regarding Japan Securities Clearing Corporation

- Improvement of settlement infrastructure equivalent to the stock exchange.
Enhancement of VWAP trading, and change in trading hours for auction trading -

[Japanese](#)

[PDF](#) 

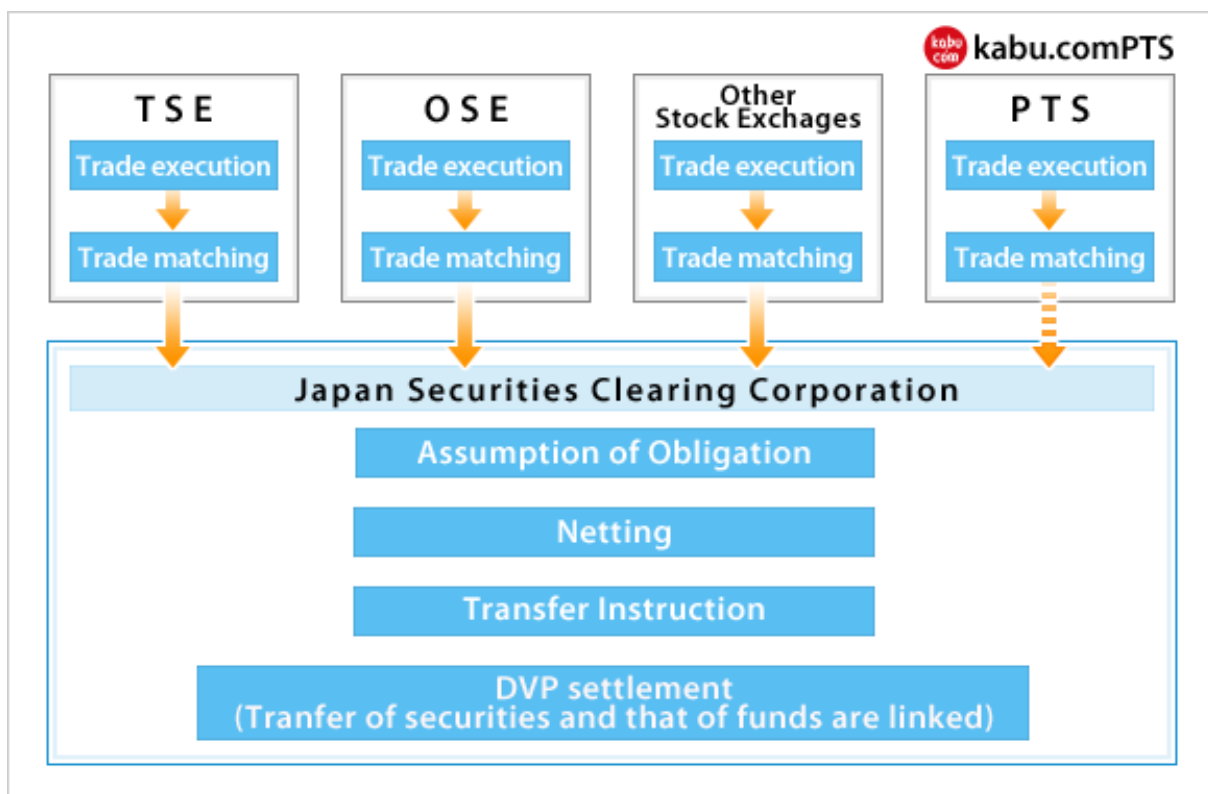
kabu.com Securities Co., Ltd. has obtained authorization from FSA to settle PTS trades via [Japan Securities Clearing Corporation \(JSCC\)](#), following the change in the revision of JSCC.

The two PTS platforms provided by kabu.com, one being the only platform in Japan using the auction method as TSE and the other using the VWAP method, will improve operational efficiency, settlement infrastructure, and reduce settlement risk between participating firms.

Following this institutional revision of JSCC, the closing time of kabu.comPTS auction trading will be shortened to 16:30. As for VWAP trading, orders can now be made via EMS (Execution Management System) to get into its stride.

■Improvement of PTS Settlement Infrastructure

By the institutional revision of JSCC, improved efficiency of net clearing between TSE and PTS, reduction of counterparty risk to secure safe settlements, and advancement of settlement infrastructure can be expected. Trades on kabu.comPTS are scheduled to be settled via JSCC starting from July 20, 2010. With the launch of TSE's new generation platform (arrowhead) from January 4, 2010, it is anticipated that the system speed and its credibility will reach to the world standard level, along with the progress in its usage and liquidity. With this foundation of the settlement infrastructure of JSCC, kabu.comPTS will be a complementary alternative venue for stock exchanges, using the same auction method as TSE, offering a smaller tick range and automatic best execution order for private investors.



■ Change in Closing Time for Auction Trading

In correspondence to this settlement via JSCC, the closing time for kabu.comPTS auction trading will be shortened to 16:30 instead of 23:59 starting from July 16, 2010 (Friday). Thus, trading hours will be for day time only.

	Until July 15 (Thursday)	From July 16 (Friday)
Auction Trading Hours	8:20 ~ 23:59	8:20 ~ 16:30

■ VWAP Orders Now Available via Bloomberg EMSX

kabu.comPTS started to support Bloomberg EMSX (Execution Management System) for VWAP trading from June, 2010, and is the first PTS of an online brokerage firm to provide this system. Securities companies with a Bloomberg terminal, and have made the contract between kabu.comPTS as a participating firm, can start VWAP trading without additional development costs nor infrastructure, such as connecting a released line and so forth (*). The trading amount is relatively large on VWAP trades however, with the foundation of secure settlements via JSCC, the increase of participating firms and improvement of liquidity is expected.

<About Bloomberg EMSX>

Bloomberg EMSX is a trading tool within the Bloomberg terminal that enables trading with multiple securities companies including kabu.com via FIX order routing network. New orders, cancellations, amendments, and matched transactions can be confirmed by selecting kabu.comPTS-VWAP as the executing market (select "KABU" for the Broker, and "VWAP" for the Strategy). List of orders on an Excel spreadsheet can be uploaded to EMSX also.

(*) Configuration for ordering authorization is required in order to start using Bloomberg EMSX, besides the trading agreement with kabu.com.

Quick Buttons	Buy 5,000 TOYOTA MOTOR CORP (JPY) MKT DAY KABU							EMSX Add Order
nonts default	YOICHI ISHIKAWA			KABU.COM SECURITIES CO., LTD (392...				
	Last	Change	Bid	Ask	High	Low	Volume	VWAP
	3,305		3,300	3,305	3,365	3,290	10207200 y	0
	<input type="checkbox"/> Montage							
	Side	Quantity	Ticker	Type	Limit	TIF	Broker	
	BUY	5,000	7203 JT Equit	MKT		DAY	KABU	
	HandInst	CashQ JPY	Account	Instructions				Strategy
	DOT	16,525,000						VWAP
	<input checked="" type="checkbox"/> Broker Fields							
	Min Qty:		2,000					
	<input type="checkbox"/> Additional Fields							
			Add		Route		Manual	
							Close	

<Outline of kabu.comPTS-VWAP>

Issues	All issues listed on 1st section of TSE and OSE
Trading Hours	8 : 00-8 : 50 (Orders accepted: 7 : 30-8 : 50)
Order Method	Orders are made electronically by specifying the issue, sell/buy, quantity of stocks.
Matching Method	Trades are continuously matched with the principles of time priority, and the price shall be based on the day's VWAP price at the primary stock exchange.
Participants	Securities companies with contract with kabu.comPTS.