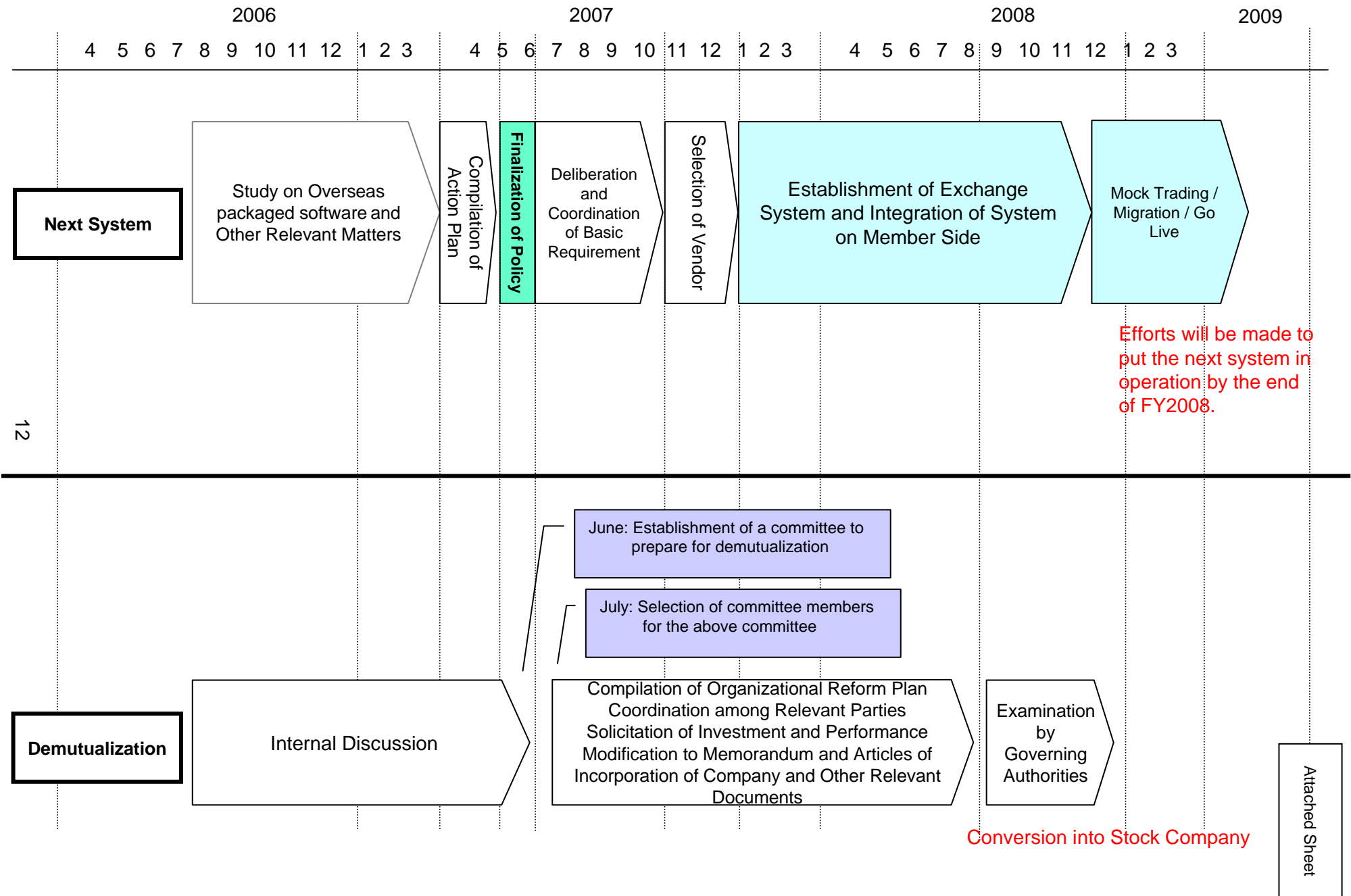


# Schedule on Introduction of the Next System and Demutualization



# Major Issues for Deliberation on the Next System

The next system shall be based on the software package in principle and the existing trading practices, and rules shall be in conformity with the prevalent global standards as much as possible (customization shall be kept minimal). For this end, the following issues shall be verified and coordination among the members shall be made based on the overseas packaged software.

Category	No.	Task	International Level (Standard Function of Overseas packaged software)	The Tokyo Commodity Exchange	
				Current Status	Target / Challenge of Next System
Performance	1	Response Time	App. 50 ms - Some exchanges aim to reach 1 ms	App. 1 sec (current) Upgrade to 500 ms (by July 2007)	Global Standard*
	2	Dissemination of Market Price Information	Real Time	Every 3 sec (current) Upgrade to every 1 sec (by July 2007)	To be shifted to real time operation
Trading Function	1	Matching Process	Full Automation	Semi Automation (Matching, etc. Partially manual)	International Level* (Standard Functions of Packaged Software)
	2	Spread / Arbitrage Trading	Yes (Diverse and sophisticated arbitrage trading is available)	None	
	3	Night Time Trading (24 Hours)	Yes *Following day clearing	No (Extendable until 17:30) * No following day clearing available	
	4	Circuit Breaker Function	Yes (Multiple setting of price limits is available)	No (Subject to price limits, available price range for contract, warning point, etc.)	
	5	Market Maker Function	Yes	None	
	6	Order Type / Order Condition (Market Order)	No warranty of entire volume contract in overseas market order	Warranty provided for entire volume contract in market order	To be integrated into the global standard as much as possible
	7	Ranking Rule / Allocation	- Price and time priority - Allocation done for each order	Priority on price and time in principle however unique system is adopted for simultaneous order at opening of session and processing at time of reaching the price limits	
	8	Management of Order / Contract / Position	By member or by consignor / dealer	By member only	
	9	<i>Baibai Shinkoku</i> (Trading Report)	None (amendment of each individual trade is available)	Yes ( <i>Baibai Shinkoku</i> )	
	10	Special Trade	None	Yes (Special trade upon reaching the price limits / at the time of disorder)	
	11	Information Disclosure – I (Anonymity)	Anonymous in principle	Partial disclosure available (Trading volume / outstanding position by member, etc.)	
	12	Information Disclosure – II (fairness) - Information Gap between Members and Consignors	No information disparity	Partial information disparity (Access to board screen / dissemination of pre-opening price)	
	13	Screen / Report	English	Japanese	
Market Monitoring	1	Market Monitoring	Available upon introduction of uniquely developed packaged Software	packaged Software introduced and in operation (SMARTS)	Strengthened / Continued

\* Upgraded packaged software will enable maintenance of performance of global standard and function of international level.