

Daiwa Securities Capital Markets Implements Intelligent Wave's Market Data Distribution System

Intelligent Wave Inc.
Tokyo, March 8, 2010
URL: <http://www.iwi.co.jp/>

On March 8, Intelligent Wave Inc. (Head Office: Chuo-ku, Tokyo; Representative Director & President: Yoshiyuki Yamamoto; hereinafter "Intelligent Wave") announced that its Market Data Distribution System had been implemented by Daiwa Securities Capital Markets Co. Ltd. (Head Office: Chiyoda-ku, Tokyo; President: Shin Yoshidome; hereinafter "Daiwa Securities Capital Markets") to serve as the market data acquisition and distribution platform in its new dealing/trading system.

A wholesale securities firm, Daiwa Securities Capital Markets is one of the largest investment banks in Japan and leads the securities market.

The firm had been planning to overhaul their system, and one of the challenges the firm faced was to deliver more processing capacity for the dealing/trading system to cope with the rollout of the Tokyo Stock Exchange's new next-generation system. After considering a number of candidates, Intelligent Wave's Market Data Distribution System was selected for its greater performance in market data acquisition and distribution, based on the following advantages:

1. High performance capability (high throughput¹, low latency²)

The increased variety and sophistication in the different types of transactions—like algorithmic trading—that is emerging alongside advances in highly developed financial technologies is expected to push up market trade volume. Market Data Distribution System was developed based on the concept of high throughput and low latency in order to meet the growing demand for high-speed processing of market information. It can process market data coming in at intervals of micro-seconds without any delay.

2. Reliability of the product architecture

The product architecture adopts parallel processing aimed at achieving high-speed processing of feed data as well as high availability. Overhead processing and other hindering factors are completely eliminated. This allows for the development of a powerful platform for acquiring and distributing market data.

3. Design concept based on modular components

Feed Handler³ and I-Cache⁴ both have modularized process logic components, with an architecture that allows the communication platform to be selected from choices including communication middleware such as Latency Busters Messaging (LBM) from the U.S.-based 29West and the RIX messaging middleware. This concept of modularized design enables high interoperability with communication middleware used in existing systems, making implementation of the system less expensive.

4. Flexible integration service

Market Data Distribution System does not end with the provision of the system, but comes with integration services to have the system respond flexibly to individual functional demands and build the optimal platform for obtaining and distributing market data, making it possible to develop a system with all the required functionalities.

Koji Murasato, General Manager, Information Technology Dept of Daiwa Securities Capital Markets, said of the adoption of Market Data Distribution System:

In the steadily globalizing financial market, the Japanese stock exchanges are accelerating



strategic investment in IT, such as enhancing their infrastructure or introducing applications based on the latest cutting-edge technologies, in order to secure their competitive edge.

As symbolized by algorithmic trading, which has emerged in concert with advances in highly developed financial technologies, the forms of financial transactions are continuously evolving. Our firm recognizes the growing importance of information technology in keeping up with this evolution. The ability to promptly and accurately process market information delivered by the micro-second and make it available to the dealing/trading environment has now become a critical source of competitive strength in the market.

Therefore, increasing the speed and level of sophistication of the platform we use to obtain and distribute market data is one of the challenges that must be met. The role to be played by Intelligent Wave's Market Data Distribution System is significant, and we hold Intelligent Wave in high regard as our system integration partner in this field.

Intelligent Wave Representative Director & President Yoshiyuki Yamamoto said, “We are very grateful to Daiwa Securities Capital Markets for selecting our product to enhance the processing capabilities of their dealing/trading system. Daiwa Securities Capital Markets requires high reliability and we are determined to provide quality system development and support to contribute to their operations.”

About Market Data Distribution System

Specializing in retail banking online systems, Intelligent Wave has been involved in building systems for over 15 years. Market Data Distribution System was developed based on know-how accumulated over this time. In order to respond to the recent trend in the securities market for ever-higher speeds in buy/sell transactions and in providing market information, Intelligent Wave has been working to have market data distribution system modules deliver higher processing speed. It has developed and is offering to the market a suite of market data distribution products that can handle high-speed, large-volume data in low-latency processing. More information on these products is available at: <http://www.iwi.co.jp/product/>

About Intelligent Wave Inc.

Intelligent Wave Inc. offers systems solution, card business, and security systems products. The company utilizes high-speed online network processing technologies developed over the years in the development and the offer of a wide range of solutions, including Market Data Distribution System, for the securities and other financial sectors. More information on the company is available at: <http://www.iwi.co.jp/>

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Please note the company/product names and websites are correct as of the date of this news release.

Please note that ™ and ® marks have been omitted from this news release.

Glossary of terms





¹ Throughput	The amount of processing or data transmission that can be done per unit of time. One of the ways of measuring transmission or processing performance.
² Latency	Lag time in processing a unit of data transmission. Here, it refers to the lag time, or loss time, until market information is updated with the securities transactions made.
³ Feed Handler	External interface segment that accepts market data provided by securities exchanges or service providers. This product can process huge amounts of market transaction data at high speed and with low latency.
⁴ I-Cache	This product stores in memory the latest data coming in at high-speed from Feed Handler and other systems, and carries out high-speed distribution upon receiving requests from the business applications.