



Case Study: kabu.com Securities

Disaster Recovery through Virtualization

Business Value

- Virtualized, automated disaster recovery
- High availability
- Reliability
- Security
- Simplicity

Executive Summary

kabu.com Securities Co., Ltd. has launched Japan's first Proprietary Trading System (PTS). Because the PTS manages significant customer assets and processes dynamic transactions, business continuity is essential. The firm has deployed a virtualized, decentralized disaster recovery strategy enabled by the Egenera® BladeFrame® system.

Japan's First Proprietary Trading System

kabu.com Securities—with a legacy of providing convenient, user-centric services such as “Stop Order” and “Double Orders” ahead of the competition—has launched Japan's first Proprietary Trading System.

With a PTS, a securities company processes customers' buy/sell orders over its own network and systems independently of the stock exchange markets, enabling discretion over such variables as trading hours and closing conditions. For example, kabu.com Securities' PTS allows customers to trade online from 7:30 p.m. to 11:00 p.m., after the markets close.

To establish a PTS in Japan, a securities firm must receive approval from the Prime Minister. In July 2006, kabu.com Securities obtained the country's first authorization for a PTS, which it launched in September of that year. kabu.com Securities is also the only firm in Japan to develop and operate all trading and back-office systems in-house, which it considers a competitive advantage.

Japan's first PTS is running at kabu.com Securities on the Egenera BladeFrame system.

Business Continuity Planning (BCP) Is Crucial for PTS

Because the PTS manages significant customer assets and processes dynamic transactions such as trade closings, high reliability and security are essential. Poor performance or outages due to system failure or lack of processing capacity are unacceptable.

For kabu.com Securities, the answer is a robust Business Continuity Plan based on a virtualized, decentralized disaster recovery strategy enabled by the Egenera BladeFrame.

With the BladeFrame, server and network configurations are stored as XML data. Synchronizing two systems requires nothing more than transmitting this data from a primary to a backup site. Alternatively, according to kabu.com Securities, their previous legacy architecture forced system administrators to manually perform updates at both locations whenever server or network configurations changed. If even the slightest mistake was made, the backup system would not operate.

“We're confident that our rock-solid Business Continuity Plan executed on the Egenera BladeFrame system will keep our business up and running even in the face of disaster.”

Yoshinobu Abe
Head of Information Technology
kabu.com Securities

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"If disaster recovery processes are complex, such complexity can cause another error," explains Yoshinobu Abe, Head of Information Technology at [kabu.com](http://www.kabu.com) Securities. "Under extreme circumstances, such as system failure, it is more difficult to work on complex tasks without a single mistake. From this experience, we knew that disaster recovery had to be as simple as possible."

Today, [kabu.com](http://www.kabu.com) runs the production instance of its PTS on a primary BladeFrame in Fukuoka and maintains a disaster recovery BladeFrame in Tokyo. Since the Fukuoka system is remotely managed from Tokyo, the two Egenera platforms can be synchronized on demand. In the event of a disaster, server operations are transferred automatically.

According to Tatsuo Amano, Chief of System Group 1, Information Technology, [kabu.com](http://www.kabu.com) Securities, "To validate our disaster recovery strategy, we examined both datacenter architecture and staff roles during a six-month test cycle. In terms of failover, system performance, manageability and capacity, the BladeFrame proved more than adequate for our requirements."

Going forward, the BladeFrame will contribute to other areas where [kabu.com](http://www.kabu.com) Securities has a need for emergency measures. "As we roll out our Business Continuity Plan to more systems and applications, we will choose the BladeFrame as our processing platform," says Mr. Abe.

He concludes: "Systems have gone down at the Tokyo Stock Exchange, disrupting trading. But that's not going to happen at [kabu.com](http://www.kabu.com) Securities. We're confident that our rock-solid BCP executed on the Egenera BladeFrame system will keep our business up and running even in the face of disaster."

About [kabu.com](http://www.kabu.com) Securities Co., Ltd. (www.kabu.com)

[kabu.com](http://www.kabu.com) Securities Co., Ltd. is an online-only securities brokerage of Mitsubishi UFJ Financial Group, Inc. Providing highly unique services such as Japan's first "Instant Account Opening/Same-Day Trade Opening," [kabu.com](http://www.kabu.com) Securities manages approximately 400 thousand accounts and over 1 trillion yen in deposit assets. [kabu.com](http://www.kabu.com) Securities has the following concepts: "Risk Mitigation Trading" and "In-house development and operation of systems and call centers" by fully utilizing its information technology. Under such concepts, [kabu.com](http://www.kabu.com) Securities, Japan's only online securities company backed by mega-financial holdings, mixes the benefits of online and conventional banking to provide highly convenient and original services.



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