

Hirose Tusyo Inc.

Using the cloud to improve scalability of FX systems and achieve top execution speeds of 1msec – the fastest in the industry

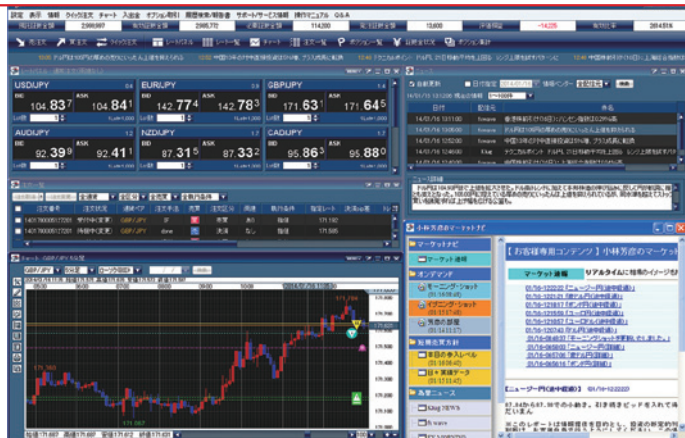
LION FX is Hirose Tusyo's FX (foreign exchange trading) service that has been receiving widespread acclaim from its users. The systems of the service were rebuilt with IJ's ASP FX platform IJ Raptor Service and now offer a high degree of scalability that is able to flexibly support increasing numbers of accounts and transactions, and achieve the industry's fastest execution speeds, with a top system performance of 1msec at an average of 4msec. The company also used IJ cloud services to build local infrastructure for services in the United Kingdom, raising customer satisfaction and enhancing their business.

Issues

- To further accelerate execution speed
- To guarantee scalability to support increasing numbers of accounts and transactions
- To secure infrastructure in the United Kingdom that can guarantee high-quality operations

Results

- Achieved the industry's fastest execution speed with a top system performance of 1msec at an average of 4msec and contributed to increased customer satisfaction
- Used the cloud/ASP to create a platform which allows the system to scale flexibly at the optimum cost
- Provided a system able to maintain operation of a server located in the United Kingdom at a Japanese-level of quality, and enhanced international business



Issues before implementation

Improving scalability and execution speed to keep up with expanding business

Hirose Tusyo has developed its business with FX services at the heart of its operations. Due to benefits such as the industry's lowest U.S. dollar-yen spread and commission-free 1,000 unit transactions, the company's flagship FX service, LION FX, receives great accolades from its users, and was ranked No. 1 in the 2014 Oricon customer satisfaction rankings in the FX category.

In the past, systems of the service had been operated by another vendor. However, as the number of users and number of transactions increased yearly, the scalability problem emerged.

"Quality of system performance, such as a guarantee of fast execution speeds even at times of high trading volumes, is directly connected to customer satisfaction and trust in our company. However, our existing system was already reaching its limits in terms of performance and it was difficult to cope with increasing numbers of users and transactions. Substantial amount of costs were required for a performance upgrade, including replacing servers and databases," Hirose Tusyo's Takahiro Kinugawa reflects.

Among these performance issues, the company was particularly focused on execution speed. "Although our actual execution speed was at a sufficient level, in order to improve the quality of our services and customer satisfaction, we wanted to accelerate it to a level that our competitors would be unable to surpass," Kinugawa continues.

In the meantime, as part of its overseas expansion, the company had established Hirose Financial UK Ltd., a wholly owned subsidiary in the United Kingdom to provide local services such as binary option service LION BO. Infrastructure became an

User Profile

Hirose Tusyo Inc.

Head office: MG Building, 1-3-19 Shinmachi, Nishi-ku, Osaka

Established: 2004

Capital: ¥420,795,000

Hirose Tusyo provides LION FX and other FX services. Brandishing a mantra to instantly reflect the voice of the customer, the company is constantly involved in improving its services in all aspects, including conducting monthly customer surveys and informing users of more favorable trading rates.

<http://hirose-fx.co.jp/>



issue when building the system.

“According to the financial regulations in U.K, trading systems are to be established locally. This is why we were seeking for infrastructure that was able to achieve the level of service quality we wanted within the United Kingdom,” says Kinugawa.

The deciding factor

Providing a one-stop system with integrated infrastructure

Hirose Tusyo chose IIJ's solutions to solve their challenges, and adopted ASP FX platform, IIJ Raptor Service, for its LION FX system. The company then combined customizable cloud services, IIJ GIO Component Service and IIJ Wide Area Network Service, to replace its infrastructure.

“The performance and functions of IIJ Raptor Service, along with the fact that IIJ itself owned and operated the infrastructure, were very attractive to us. The service has potential for a high degree of scalability, including the ability to add resources in a timely manner. In-house operation was also a point in favor of the services,” says Kinugawa.

Kinugawa also points to the proven results of IIJ Raptor Service, which operates stable FX services in more than 10 companies, 24 hours a day, 365 days a year, as yet another reason for the adoption. It was not only IIJ's cloud services that encouraged the adoption – its comprehensive quality as a solution for financial systems, such as support of ISMS and reception of an SSAE16 Type 2 Report as an FX service, was also a major factor.

As infrastructure for its UK services, the company adopted IIJ GIO EU Service, a cloud service which provides the European market with server environments of a quality as high as those in Japan. “Having staff in Japan who can operate servers located in a data center in England gave us great peace of mind,” says Kinugawa.

He also values the one-stop nature of the solution, from infrastructure to applications, domestically and overseas. “We



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particularly appreciate the differences when a system failure occurs. Up until now, it had always taken a large amount of time to isolate the failure and deal with it. IIJ's fast, unified support is extremely helpful,” continues Kinugawa.

Results of implementation

Achieving high-level flexibility and improving execution speed by an average of 9x

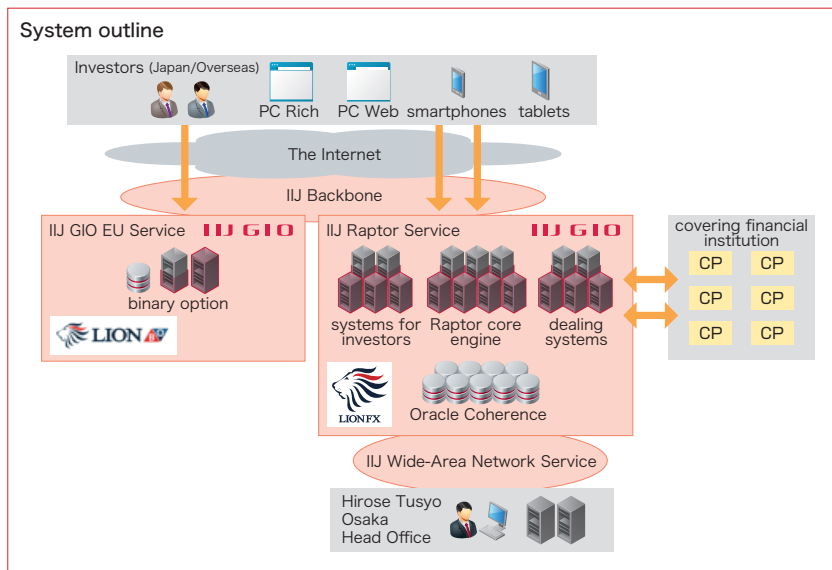
The LION FX service was released in December 2013. The IIJ solutions included in the service contributed to solving a variety of the previous challenges.

“With the ASP FX platform and cloud infrastructure, it became possible to flexibly add resources in accordance with the number of accounts and transactions. Furthermore, because we only needed to add resources as they were required, costs were kept to a minimum,” says Kinugawa, emphasizing the scalability of the system.

In terms of performance, IIJ Raptor Service's latest architecture adopted Oracle Coherence to realize substantial improvements in execution speed.

“We were able to reduce execution speed from 35msec to 4msec on average, approximately 9 times less. This was the fastest execution speed in the industry and contributed to further improved customer satisfaction,” says Kinugawa.

IIJ GIO EU Service provided the infrastructure that Hirose Tusyo was seeking for its UK services. “We are now able to operate and maintain infrastructure in the United Kingdom at a Japanese level of quality. This will be a major strength in terms of expanding our services overseas,” says Kinugawa. Hirose Tusyo will now make efforts to further optimize its FX system. “We are aiming for an execution speed of less than 10msec, and we want to improve the quality of our services and take customer satisfaction to levels that have never been seen before,” says the company's Ai Ishihara, regarding some of the company's plans. The adoption has also enhanced business in a number of respects; the system for the United Kingdom was rebuilt with IIJ Raptor Service, and Hirose Tusyo is undertaking ways to improve revenue from dealing while continuing to receive the support and consultancy of IIJ.



Service and Solution

- IIJ Raptor Service
- IIJ GIO Component Service
- IIJ GIO EU Service
- IIJ Wide-Area Network Service

• This article is based on an interview conducted in April 2014. The data, names of organizations, and job titles contained in the article are those at the time of the interview.
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