Six-month Euroyen LIBOR Futures

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Six-month Euroyen LIBOR futures contract is an agreement to sell or buy a specific volume of the predetermined rate of Euroyen six-month deposits commencing on a specific date in the future. In fixing the future interest rate for yen fund transactions, Six-month Euroyen LIBOR futures provide an effective tool for hedging fluctuations in short term yen interest rates.

Six-month Euroyen LIBOR Futures Contract Specification

Underlying Asset	Six-month Euroyen LIBOR*1 (BBA)
Trading Unit	¥100,000,000
Quotation	100 minus rate of interest
Minimum Tick Size & Value	0.0025・¥1,250 (¥100,000,000 × 0.0025% × 180/360)
Contract Months	20 quarterly months (Mar, Jun, Sep, Dec, extending out 5 years) and the 2 nearest serial months*2
Last Trading Day*3	2 London business days prior to the 3rd Wednesday (If it falls on a Japanese bank holiday, "Last Trading Day" shall mean the business day immediately preceding such day.)
Final Settlement Day	The second business day after the last trading day
Final Settlement	Cash settlement
First Trading Day of New Contract Month	The second business day after the last trading day
Settlement Method	100 minus the British Bankers' Association survey of Six-month Euroyen LIBOR on the last trading day. Final settlement price will be rounded to four decimal places.
Matching Algorithm	Competitive auction (electronic trading system)
Price Range Limitation	None
Margining System	SPAN® margining
Block Trade	Available (Minimum Volume : 250 contracts)

＊1 BBA LIBOR stands for British Bankers' Association London Interbank Offered Rate. LIBOR is based on inter-bank deposit rates offered by 16 contributor banks (for Yen) at about 11:00 am each business day. It is compiled by eliminating the four highest and four lowest quotes submitted and then averaging the rest.

＊2 Serial months shall mean months that are not in the March quarterly cycle. i.e. as of April 1st, serial months shall be April and May, as of May 1st, it will be May and July, and as of June 1st, it will be July and August.

＊3 Trades matched during the evening session on the last trading day are treated as the following business day's trades.

Trading Hours

Trading Hours (JST)	8:30 ～ 8:45	Pre-open period
	8:45 ～ 11:30	Day session
	11:30 ～ 12:30	Restricted period
	12:30 ～ 15:30	Day session
	15:30 ～ 20:00	Evening session*

＊ During British summertime, there is no trade-matching between 19:00-20:00 on the last trading day of the expiration month.

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Key Features

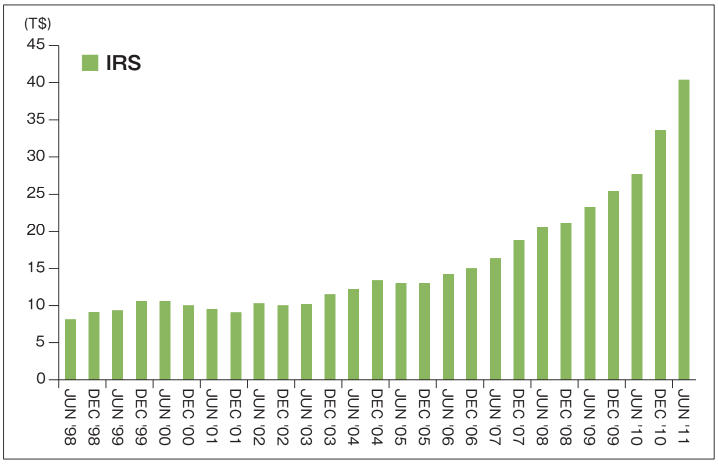
◆ Hedging Tool for Yen Interest Rate Swap Transactions

Referencing Six-month Japanese Yen LIBOR, one of the primary benchmarks for yen interest rate transactions, Six-month Euroyen LIBOR futures (Euroyen LIBOR futures) are expected to be traded as a hedge and alternative trading tool for the over-the-counter (OTC) Swap market.

◆ Improved Convenience for Investors

Euroyen LIBOR futures help to mitigate counterparty credit risk and to reduce the operational burden associated with OTC transactions such as yen denominated FRAs (Forward Rate Agreements).

<IRS Market Growth>



(Source: BOJ)

◆ Providing New Trading Opportunities

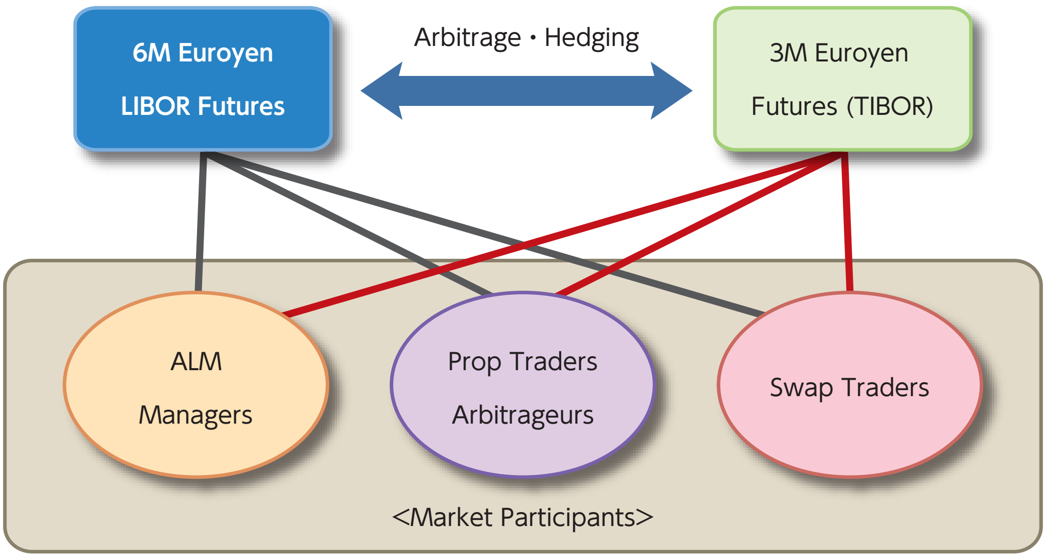
Euroyen LIBOR futures will provide a variety of trading opportunities including;

-Arbitrage against other TFX STIR (Short Term Interest Rate) futures products, i.e. Three-month TIBOR Euroyen futures.

-Speculating on changes in short-term interest rates.

◆ Market Making Scheme

A market making scheme will be introduced in order to provide two-way liquidity to the market.



Interest rate futures, etc. financial futures transactions that involve and amount larger than the amount of margins that a customer is required to deposit for the transactions may cause a loss larger than the amount of margins, due to factors such as the fluctuation of interest rates. In commencing interest rate futures, etc. financial futures transactions, you should read a guide to financial futures transactions thoroughly and understand what is explained in it.

TFX TOKYO FINANCIAL EXCHANGE

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