

Outline for Three-month Euroyen Futures

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Revised January 4 2024

Tokyo Financial Exchange Inc.

Items	Description	Remarks
I . Trading		
1 . Definition	<ul style="list-style-type: none"> • Three-month Euroyen Futures is a market derivatives contract, which quotes index indicated by 100 minus the figure of interest rate per annum of 90-day Yen deposits calculated on a 360-day year basis that is announced by JBA TIBOR Administration(JBATA). 	
2 . Contract month		
(1) Listed Contract Month	<ul style="list-style-type: none"> • 22 contract months, each final settlement date being the business day immediately following the business day on which there occurs the day session of the last trading day. 	<ul style="list-style-type: none"> • As for Last Trading Day, refer to I .2.(4).
(2) Period	<ul style="list-style-type: none"> • The period of 5 years shall be applied to the contract months for which their respective final settlement dates fall in any of March, June, September and December (quarterly month), and the period of 3 months shall be applied to the contract months other than the “quarterly months” (serial month). 	<ul style="list-style-type: none"> • Nearest two serial months contracts will be listed.
(3) First Trading Day	<ul style="list-style-type: none"> • The first trading day of each contract month is the first business day following the last trading day of contract month which is first to reach its settlement day. The trading will begin from the day session of the first business day. 	<ul style="list-style-type: none"> • A trading day shall be a period commencing on the opening of the evening session that starts after the day session on the business day immediately preceding a specific business day and ending on the close of the day session that starts on such specific business day.

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(4) Last Trading Day	<ul style="list-style-type: none"> The last trading day shall be (1) the trading day, the day session of which occurs on the second business day (not counting Japanese bank holidays) immediately preceding the third Wednesday of March, June, September or December in the case of the quarterly month, and (2) the trading day, the day session of which occurs on the second business day (not counting Japanese bank holidays) immediately preceding the third Wednesday of January, February, April, May, July, August, October or November in the case of the serial months. 	
3 . Matching Algorithm	<ul style="list-style-type: none"> The matching of the trades is based on the auction method. 	<ul style="list-style-type: none"> The auction method means the trade shall be executed on an individual auction basis.
4 . Trading Hours	<ul style="list-style-type: none"> Day session : 8:45-15:30 (no trade-matching between 11:30-12:30 on each trading day and 11:00-15:30 on the last trading day of a contract month which reaches the last trading day.) Evening session : 15:30-20:00 (no trade-matching on the last trading day of the contract month which reaches the last trading day.) 	<ul style="list-style-type: none"> There is a pre-open session(session only for quote acceptance; no matching), which is 15 minutes prior to market open of the day session. TFX may change trading hours on a temporary basis when it finds necessary.
5 . Trading Unit, etc		
(1) Trading Unit	<ul style="list-style-type: none"> 100,000,000 yen 	
(2) Bid/Offer	<ul style="list-style-type: none"> Order types are Limit Order and Market Order. Bid/Offer is quoted to the third decimal place (indicated by an integral multiple of 5/1000). Minimum fluctuation is 0.005 (0.005 = 1,250 yen). 	<ul style="list-style-type: none"> During the Pre-open period, a Market order shall always be submitted with “On-Open” modifier. TFX may reject to receive any bid or offer when TFX finds necessary for maintaining a fair market, a stability of trading system, or other situations TFX finds appropriate. Maximum order volume Trading Member can submit in a single order is 99,999 lots.

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II. Margin	<ul style="list-style-type: none"> • The amount of margin requirement for customer trades and member’s proprietary trade are calculated using SPAN®. • The margin for Euroyen Futures using SPAN® may be reduced by netting of risk arising from other Interest Rate contracts on TFX. 	<ul style="list-style-type: none"> • SPAN® used herein is a registered trademark of Chicago Mercantile Exchange Inc. and used herein under license. Chicago Mercantile Exchange Inc. assumes no liability in connection with the use of SPAN® by any person or entity.
III. Mark-to-Market 1. Mark-to-Market 2. Daily Settlement Price	<ul style="list-style-type: none"> • The cash amount of the mark-to-market is calculated based on the daily settlement price on each trading day, and such amount is exchanged between TFX and Clearing Members on the next trading day. • Mark-to-market between Non-Clearing Members and Clearing Members are to follow the method used between Clearing Members and TFX. • The daily settlement price is the volume-weighted average of the contract prices and traded volumes (excluding the contracts executed by strategy trades) executed by auction method during a specific time period. 	<ul style="list-style-type: none"> • The mark-to-market amount is the amount calculated comparing the daily settlement price and the matched price for trades made on that day, and the amount calculated comparing the daily settlement price of the day and the previous day’s daily settlement price for open interest. • The “Indicative Period” shall be a specific period determined by the Exchange from time to time as necessary, which shall fall within the period from the opening of the relevant trading day’s evening session to the close of the same trading day’s day session. • In case there is no contract price for a contract month during the Indicative Period, or, in case the Exchange deems the Daily Settlement Price calculated as aforesaid to be inappropriate, the Exchange shall determine another figure deemed appropriate by the Exchange as the Daily Settlement Price.

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3 . Cash Settlement Variation	<ul style="list-style-type: none"> • For settlement relating mark-to-market between Clearing Members and TFX, Clearing Members to pay due to cash settlement variation must pay the amount to TFX by 11AM of the next business day; receive of cash settlement variation receive the amount from TFX after 2PM of the next business day. • Cash settlement variation for mark-to-market between Non-Clearing Members and Clearing Members are to perform the equal process according to the mark-to-market between Clearing Members and TFX. 	
IV . Open Interest and Settlement 1 . Open Interest 2 . Offset Trades 3 . Final Settlement (1) Final Settlement Price (2) Cash Settlement of Final Settlement	<ul style="list-style-type: none"> • Unsettled positions by the execution of orders are recognized as open interest. • When a Trading Member makes a purchase contract (hereinafter called “Repurchase”) in order to close out a short position or makes a sale contract (hereinafter called “Resale”) in order to close out a long position , that Member is to notify TFX of the classification of Resale or Repurchase and its volume by 5PM of the business day (by 4PM as to the last trading day of a contract month). TFX will reduce the notified quantity from the Member’s open interest (in the case of a Non-Clearing Member, the open interest of its designated Clearing Member) for settlement. • For each contract month, open interest not offset by the last trading day will be processed by final settlement using a determined cash settlement value (“final settlement price” hereinafter) for settlement. • The final settlement price is 100 minus the figure of interest rate per annum of 90-day Yen deposits calculated on a 360-day year basis that is announced by JBATA on the last trading day rounded to the 3rd decimal place. • For trades matched on the last trading day, when there is a difference between the final settlement price and the matched price of the trade; and for open interest, when there is a difference between the final settlement price and the previous day’s settlement price, the Clearing Member is to pay to (or receive from) TFX the amount difference on the last settlement day. • The method of final settlement between Non-Clearing Members and Clearing Members are to follow the method used between Clearing Members and TFX. 	<ul style="list-style-type: none"> • There are 2 ways to notify offset trades: <ul style="list-style-type: none"> (1) Individual notification (make separate notifications for each trade) (2) Bulk notification (make collective notifications by contract month and proprietary/customer account) • The final settlement price is announced at 2pm in principle.

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4 . Settlement between Trading Member and Customer	<ul style="list-style-type: none"> • The cash amount to be settled between Trading Members and their customers are as follows: <ul style="list-style-type: none"> (1) Settlement by Offset <ul style="list-style-type: none"> The cash amount calculated from the difference between the matched price of sales contracts or the matched price of purchase contracts. (2) Final Settlement Price <ul style="list-style-type: none"> The cash amount calculated from the difference between the final settlement price and the matched price of long or short position. • When a customer's settlement results in overall loss, the cash amount of such loss is to be paid by the Customer to the Trading Member within the timeframe specified below. <ul style="list-style-type: none"> (1) Settlement by Offset <ul style="list-style-type: none"> Date and time specified by the Trading Member which falls before the second business day which the day session the offset trade was executed belongs. (2) Final Settlement <ul style="list-style-type: none"> Date and time specified by the Trading Member which falls before the business day subsequent to the Final Settlement Day of each contract month. 	
V. Per-contract Exchange fee	<ul style="list-style-type: none"> • Per-contract Exchange Fee is 100yen in principle. 	<ul style="list-style-type: none"> • Consumption tax, etc. is charged in addition.
VI. Brokerage Commission	<ul style="list-style-type: none"> • The amount and method of payment of brokerage commission from a customer to a Trading Member due to trade brokerage shall be executed according to what has been decided beforehand between the corresponding Member and the corresponding customer. 	
VI. Others 1 . Strategy Trades	<ul style="list-style-type: none"> • Pack, Bundle, and Calendar Spread are allowed for Three-month Euroyen Futures as strategy trade. 	<ul style="list-style-type: none"> • Strategy trade is a trade whereby the multiple sale contracts and/or purchase contract are all simultaneously executed, each type of combination of the multiple contracts being separately specified by TFX. • Pack: A transaction in which a series of four consecutive quarterly contract months of the

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<p>2 . Block Trades</p> <p>3 . Give-up Trades</p>	<ul style="list-style-type: none"> • Trading Members who want to execute a block trade shall make an application to TFX during trading hours excluding the 15 minutes prior to close of the day session, close of the evening session and between 11:30-12:30. • Minimum volume for an application of a block trade is 1 contract. • Give-up trades are available for Euroyen Futures. 	<p>same volume are sold (purchased). The nearest quarterly contract month of each transaction shall be either the 5th, 9th, 13th or 17th contract month.</p> <ul style="list-style-type: none"> • Bundle: A transaction in which four, eight, twelve, sixteen, or twenty consecutive quarterly contract months of the same volume are sold (purchased). • Calendar Spread: Sell (Purchase) one contract for a near month, and purchase(sell) one contract for a far month. • How to calculate Pack and Bundle price: The trade price shall be an average of differentials in price of each contract month from the prior day's settlement price. • How to calculate Calendar Spread price : The traded price of the contract for the near month, <i>minus</i> the traded price of the contract for the far month. • Block trades are, with prior application to TFX, having buy and sell orders of the same contract month simultaneously executed outside competitive auction. • Give-up trades are having a Trading Member other than the Executing Member (Member who executed the trade) clear the same traders. • Take-up is means that Trading Member undertake clearing of Euroyen futures.

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