

Key Information Document – Commodity Futures Short

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product Covered by this Document	Commodity futures short
PRIIP Manufacturer	Tokyo Commodity Exchange, Inc. ("TOCOM")
• Website	https://www.tocom.or.jp/index.html
• Telephone Number	+81- 50-3361-1529
• Competent Authority	Ministry of Economy, Trade and Industry
Date of Production	July 27, 2020

Alert: You are about to purchase a product that is not simple and may be difficult to understand.

What is this Product?

Type

Futures Transaction under Article 2, Paragraph 3, Item 1 or Item 2 of the Commodity Derivatives Transaction Act.

Objectives

- A commodity futures transaction is (a) a transaction comprising a purchase and sale in which the parties promise to deliver and take delivery of an underlying commodity and its value at a fixed time in the future ("physically-delivered futures transaction") and (b) a transaction, with respect to prices of an underlying commodity, comprising the parties' promises to pay and receive an amount of money calculated based on the difference between the numerical value of an underlying upon which the parties agree in advance and the actual numerical value of the underlying at a fixed time in the future ("cash-settled futures transaction"). The buyer ("long position") is (a) a party who receives an underlying commodity or (b) a party who receives the amount of money when the actual value exceeds the agreed value, while the seller ("short position") is (a) a party who delivers an underlying commodity or (b) a party who receives the amount of money when the actual value is lower than the agreed value.
- The transactions are conducted in accordance with the classification of contract months which respectively have the last trading day. The long/short position can be closed by transactions on the opposite side ("resale/repurchase") until the last trading day, given that liquidity is sufficient. The position for which resale/repurchase is not made until the last trading day shall be settled (a) by delivery ("delivery settlement") for physically-delivered futures transactions or (b) by using a final settlement price ("final settlement") for cash-settled futures transactions.
- When the transaction is effected to open a position, no initial payment is made between the buyer and the seller. Margin is required for collateral. The gross profit or loss of the buyer is as follows: (a) in case of settlement by repurchase, the amount obtained by multiplying the difference between the selling price and the repurchase price by the trading unit; and (b) in case of delivery or final settlement, the amount obtained by multiplying the difference between the selling price and the delivery or final settlement price by the trading unit. The seller realizes a gross profit if the repurchase price, the delivery or final settlement price is lower than the selling price and a gross loss if it is higher than the repurchase price.
- The price of commodity futures is determined according to the balance of supply and demand for the transactions. However, it is considered to be affected by certain factors such as the value of the underlying, interest rates and remaining time until the maturity. A delivery or final settlement price corresponds to the actual value of the underlying at the maturity. Its values adopted and/or calculation methods for the price are specified by the individual product.
- TOCOM may take the regulatory measures such as trading halt and changes in the number of contract months,

trading periods and last trading days under its rules. In addition, TOCOM may delist the individual products according to the prescribed procedures.

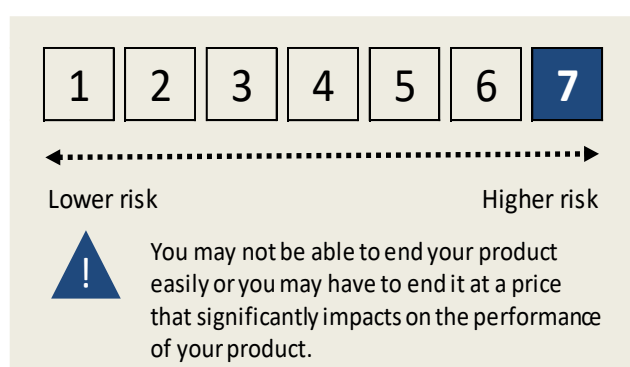
- The underlying for commodity futures includes, but is not limited to energy products.

Intended Retail Investor

TOCOM is an operator of commodity markets prescribed in the Commodity Derivatives Transaction Act. It does not specify the type of retail investors to whom this product is intended to be marketed except for the electricity products which are limited for trading by corporate investors.

What are the risks and what could I get in return?

Risk Indicator



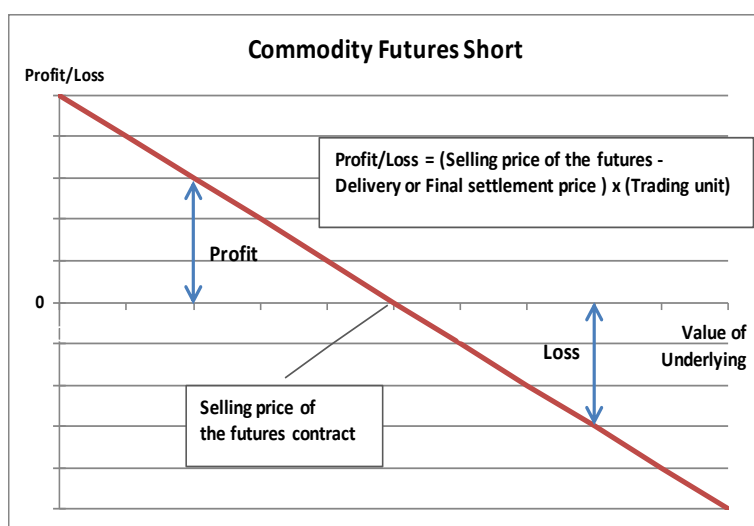
The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get

depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

In some circumstances you may be required to make payments to pay for losses. **The total loss you may incur may be significant.** This product does not include any protection from future market performance so you could incur significant loss.

Performance Scenarios



This graph illustrates how your investment could perform. You can compare them with the pay-off graphs of other derivatives.

The graph presented gives a range of possible outcomes and is not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop. For each value of the underlying, the graph shows what the profit or loss of the product would be. The horizontal axis shows the various possible prices of the underlying value on the expiry date and the vertical axis shows the profit or loss.

Selling this product (opening a short position) holds that you think the underlying price will decrease. Your maximum loss is unlimited and the amount of loss increases as the underlying price rises. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The scenarios indicated in the graph illustrate a range of possible returns for this product at maturity.

What happens if TOCOM is unable to pay out?

TOCOM is an operator of commodity markets prescribed on the Commodity Derivatives Transaction Act. It does not act as counterparty to any market participant with regard to any transaction traded on TOCOM. Any transaction traded on TOCOM is centrally cleared by Japan Securities Clearing Corporation ("JSCC"), which is a designated clearing house of TOCOM.

What are the costs?

Costs over Time and Composition of Costs

TOCOM charges trading fees to its trading participants. The following table shows the basis of calculation for trading fees and the trading fee rates. The trading fee rates indicated below are the fee rates or the range of fee rates which apply to individual products under this product category.

Product Category	Basis of Calculation	Trading Fee Rate
Standard Futures except for the products below	Trading Volume	JPY 59
Chukyo Oil		JPY 20
Platts Dubai Crude Oil		JPY 74
Baseload Electricity		JPY146
Peakload Electricity		JPY49
LNG (Platts JKM)		JPY 41

Note that JSCC charges clearing fees to its clearing participants.

The details can be found in the fee schedule posted on our websites:

<https://www.tocom.or.jp/profile/member/sanka.html>

<https://www.jpx.co.jp/jscc/en/cash/futures/fee/derivativesfee.html>

There are no recurring costs for this product charged by TOCOM and JSCC.

The person selling you or advising you about this product may charge you other costs other costs including recurring cost. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

How long should I hold it and can I take my money out early?

TOCOM does not prescribe recommended and minimum required holding period for this product. The position can be closed by resale/repurchase until the last trading day, given that liquidity is sufficient. The position for which resale/repurchase is not made until the last trading day shall be settled by delivery or by using a final settlement price. Trading fees and clearing fees for transactions are charged to the relevant trading participant and clearing participant respectively when closing the position by resale/repurchase. On the other hand, clearing fees for delivery or final settlement are charged to the relevant trading participant and clearing participant in case of delivery or final settlement.

How can I complain?

In case of complaints about this product and the conduct of TOCOM as PRIIP manufacturer, please contact TOCOM by e-mail (tocom-priipkid@jpx.co.jp) or in writing (2-1, Nihombashi-kabuto-cho, Chuo-ku, Tokyo 103-0026, Japan). In case of complaints about the conduct of the person advising on, or selling, the product, please contact the person directly.

Other relevant information

Contract specifications of the individual products can be found in our website:

<https://www.tocom.or.jp/products/index.html>