

Contingency Plan for Last Trading Day of Futures and Options Trading

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Tokyo Commodity Exchange, Inc.

Japan Securities Clearing Corporation

This contingency plan clarifies the handling of cases where auction trading is halted due to contingencies on the last trading day for futures or options.

I. Basic Policy

1. JGB Futures (Physically Delivered Futures)

The last trading day for JGB futures (physically delivered futures) shall be postponed within a range that will not alter the final settlement date in order to offer an opportunity to off-set positions in consideration of market confusion coinciding with the procurement of cash JGBs or funds for settlement in cases where all final positions are to be settled by physical delivery.

2. Commodity Futures (Physically Delivered Futures)

The last trading day for Commodity futures (physically delivered futures) shall not be postponed in light of circumstances such as where there is limited time under the current operational practices to process the necessary procedures before the physical settlement date, and thus final settlement shall be processed by transitioning to cash settlement.

(Notes)

- For other futures, the last trading day shall not be postponed due to final settlement being conducted by cash settlement, etc.
- For options, the last trading day shall not be postponed due to possibly causing the postponement of the exercise day and unexpected fluctuations in the option value, etc., that may consequently influence the product specifications of options contracts.

II. Plan Details

Items	Measures	Notes
1. Products subject to Postponement of the Last Trading Day	<ul style="list-style-type: none">JGB futures (physically delivered futures)	<ul style="list-style-type: none">The last trading day for futures and options except for JGB futures (physically delivered futures) shall not be postponed.
2. Criteria for Determining Postponement of the Last Trading Day for JGB Futures (physically delivered futures)	<ul style="list-style-type: none">The last trading day shall be postponed when any of the following conditions is met. However, this shall not apply to cases where there are no open positions for the expiring contract month, nor other cases where it is deemed that the postponement of the last trading day, etc. is not necessary in light of protecting investors and/or ensuring the fairness of trading.<ul style="list-style-type: none">(1) In cases where the auction trading of the expiring contract month (excluding strategy trading) was halted by system malfunctions, etc., and trading does not start/resume by 2 p.m.(2) In cases where the orders are not executed at the end of closing auction of the afternoon session for the expiring contract month due to system malfunctions, etc.	<ul style="list-style-type: none">Excluding cases where there is no execution price at the end of closing auction due to the order conditions.
3. Postponement Period for the Last Trading Day for JGB Futures (physically delivered futures)	<ul style="list-style-type: none">In cases of postponement, in principle, the last trading day shall be the business day (to be moved down in order if it falls on a holiday) following the initial last trading day (which is the original last trading day before postponement; hereinafter the same).	<ul style="list-style-type: none">The final settlement date for JGB futures (physically delivered futures) will not be altered.All orders on the auction market for the contract month shall be expired regardless of the validity conditions when the afternoon session of the initial last trading day ends.

(Reference Translation)

Items	Measures	Notes
4. Handling of the Night Session when the Last Trading Day for JGB Futures (physically delivered futures) is Postponed	<ul style="list-style-type: none"> Night session trading of the expired contract month shall not be conducted on or after the initial last trading day even in cases where the last trading day is postponed. 	
5. First Trading Day of the New Contract Month when the Last Trading Day for JGB Futures (physically delivered futures) is Postponed	<ul style="list-style-type: none"> The new contract month will start on the business day following the postponed last trading day. 	<ul style="list-style-type: none"> JGB futures (physically delivered futures) will maintain the 3-contract-month trading system. The new contract month of JGB futures (cash-settled futures) will start simultaneously with JGB futures (physically delivered futures) whose month containing the last trading day is same as the month containing the last trading for JGB futures (cash-settled futures).
6. Handling of the Final Settlement Price Calculation Day for JGB Futures (cash-settled futures)	<ul style="list-style-type: none"> The final settlement price calculation day for JGB futures (cash-settled futures) will be postponed in cases where the last trading day for JGB futures (physically delivered futures) was postponed and there was no execution price for JGB futures (physically delivered futures) on the initial last trading day (excluding the night session). 	<ul style="list-style-type: none"> In principle, the final settlement price after postponement of the final settlement price calculation day shall be the opening price for JGB futures (physically delivered futures) after postponement of its last trading day. Additionally, the final settlement day shall

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Items	Measures	Notes
7. Products Subject to Transitioning to Cash Settlement Without Postponing the Last Trading Day	<ul style="list-style-type: none">Commodity futures (physically delivered futures)	be also postponed to the business day following the day on which the final settlement price for JGB futures (cash-settled futures) is calculated.
8. Criteria for Transitioning to Cash Settlement and Handling of the Final Settlement Price	<ul style="list-style-type: none">In the case where trading in the trading session for the contract month for which the last trading day has arrived (excluding strategy trading) was halted and it has become difficult to resume trading during the day session, cash settlement will be conducted using the settlement price specified by Japan Securities Clearing Corporation as the value for final settlement. However, this shall not apply to cases where there are no open positions for the expiring contract month, nor other cases where it is deemed that such handling is not necessary in light of protecting investors and/or ensuring the fairness of trading.	<ul style="list-style-type: none">In the case of transitioning to cash settlement, the value for final settlement of the cash-settled futures contract month for which the underlying asset is the price of the relevant physically delivered futures shall be, in principle, specified according to the following order of priority.<ul style="list-style-type: none">(1) The first contract price on the last trading day (excluding the night session on the same day) of the physically delivered futures, which is the underlying asset(2) The price specified by OSE

(Reference Translation)

III. Notification to Participants

In cases where the last trading day is to be postponed and cases where the final settlement of unsettled positions for, out of commodity futures, physically delivered futures will be conducted by cash settlement, we will announce the relevant product and its handling to trading and clearing participants in advance.