

Action Plan for Enhancement of Competitiveness of the Industrial Futures Markets in Japan

**Efforts in Combination of Convenience and Reliability
Augmentation of Market Liquidity on Assumption of Consignor Protection**

Improvement of Market Convenience Transformation of Industrial Futures Markets into Professional-Oriented Markets

- * Introduction of a new electronic system of the world's highest level (by the end of FY2008)
- * Extension of trading hour
 - Extension of 2 hours by the end of 2007
 - Launch of 24-hour operation in line with the adoption of the new system
- * Relaxation of price limits and open interest limits
- * Adoption of global standard in information disclosure
- * Others
 - Market maker system, flexible commission fee system on exchanges, margin requirement, etc.

Enhancement of Market Reliability

- * Strict practice of laws (inspection and supervision)
- * Enforcement of measures by self-regulatory body
- * Establishment of measures on indirect market participation of the general investors, limitation and reduction of risks
 - Online trading
 - Initiatives to introduce commodity funds
 - Adoption of the loss cut trading
 - Introduction of small-sized commodity trading, etc.

Matters on Operation and Management System

- * Conversion of exchanges into stock company (by the end of FY2008)
- * Deliberation on operation and management system of the broker members

Future Assignments: Follow-up measures ensuring implementation of measures / further discussion on mid-term objectives

Future Challenges: Review on eligibility of clearing participants / deliberation on function of The Japan Commodity Clearing House Co., Ltd. ("JCCH")