

Notes on Referencing TORF

April 21, 2021
QUICK Benchmarks Inc.

The official TORF (Tokyo Term Risk Free Rate) is published through various information vendors (QUICK Corp., Refinitiv Japan K.K., Bloomberg Finance L.P., Nikkei Inc., etc.).

QUICK Benchmarks Inc. (hereinafter "QBS") will distribute the official rates to QUICK, which will in turn distribute them to other information vendors. Normally, TORF is not posted on this website. For this reason, when using TORF, please refer to the rates posted by each of the information vendors above.

TORF is a registered trademark of QUICK. If you only wish to view TORF, you can use the terminal service of each information vendor.

If you wish to use TORF for financial contracts, etc., a license agreement may be required depending on the usage. For more information about the license agreement, please contact QUICK.

Due to severe damages of the relevant facilities, electricity outage and other similar events, excessive market stress, decrease in the number of reporting brokers, etc., there is a possibility that the calculation and publication of TORF is conducted not in usual process, or that the rates may be revised after the publication. This may have an impact on those contracts referring to TORF by affecting a debtor-creditor relationship of the parties to the contracts which depends on TORF, or by affecting the market value of financial instruments.

Note: QUICK Benchmarks, Inc. (QBS) will calculate and publish TORF at 17:00 JST as usual if there are rates reported by two or more reporting brokers by 16:15 JST.

In cases, contrary to QBS's intentions, where calculation and publication of TORF are difficult due to severe damages of the relevant facilities, electricity outage and other similar events, excessive market stress, decrease in the number of reporting brokers, etc., QBS may take measures such as changing the calculation system, changing the publication time, changing the publication method (publication on the QBS website), or temporarily suspending publication in accordance with the "TORF Operational Rules" and the "Contingency Plan for TORF Calculation and Publication." As a result, there may be an impact on those contracts referring to TORF by affecting a debtor-creditor relationship of

the parties to the contracts which depends on TORF, or by affecting the market value of financial instruments.

In the event of a temporary suspension of publication, QBS will endeavor to publish the previous day's TORF rate as the current day's TORF rate. However, in the event that a temporary suspension of publication is declared and publication itself is not possible, the previous day's TORF rate shall be treated as the current day's TORF rate.

For details, please refer to the "TORF Operational Rules" and the "Contingency Plan for TORF Calculation and Publication."

In the event that a change occurs in the Japan unsecured call market or the Japan derivatives market, there is a possibility that the definitions and/or calculation methodology of TORF will be reviewed to ensure its fairness as a benchmark as well as to better reflect actual market conditions; or that the TORF publication will be suspended. This may have an impact on those contracts referring to TORF by affecting a debtor-creditor relationship of the parties to the contracts which depends on TORF, or by affecting the market value of financial instruments.

QBS shall not be responsible for any impact on individual contracts referring to TORF that will, or may be caused by, the revision of TORF after publication, or by the review of its definitions or calculation methods.

QBS shall not be responsible for any consequences (including damages caused by incorrect information for any reason) resulting from the use of the rates (TORF) posted by the above information vendors, or from the delay or failure to post the rates.

QBS recommends that the parties to a contract referring to TORF take advance measures in light of the points to be considered when using TORF based on the "Notes on Referencing TORF" as described above.

Such measures may include agreeing to include the fallback provision in the contract between those parties with regard to the arrangement in the case of the TORF's revision after publication or the alternative measures in the case of the suspension of the TORF publication.

With regard to the above, by the view or the use of the rates, it is deemed that the contents of these reminders have been understood and agreed upon.

In principle, TORF shall be released through the respective information vendors. However, in the event that TORF cannot be published through the information vendors due to disaster or other reasons, they shall be posted on the QBS website.