

PRESS RELEASE

日本取引所グループ プレスリリース



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Osaka Exchange, Inc.

Launch of FTSE China 50 Index Futures

Osaka Exchange, Inc. (hereafter "OSE") is pleased to announce the launch of futures contracts on the FTSE China 50 Index (hereafter "FTSE China 50 Index futures"), which will coincide with the release of the next derivatives trading system (hereafter "Next J-GATE") scheduled for the middle of 2016.

The FTSE China 50 Index is administered by FTSE International Limited and it is composed of 50 H shares, red chips, and P chips selected based on market value and liquidity from among Chinese stocks listed on the Stock Exchange of Hong Kong. With the Chinese economy attracting greater interest, FTSE China 50 Index futures in Japan will serve the growing hedging and investment needs for Chinese stocks by offering JPY-denominated index futures on Hong Kong-listed Chinese stocks, which have high correlation with mainland equity markets.

Together with the recently announced TAIEX futures, the launch of the FTSE China 50 Index futures will bring the total number of foreign equity index futures contracts at OSE to four at the time of activating Next J-GATE.

OSE will announce the launch date for FTSE China 50 Index futures later, along with that for Next J-GATE.

The contract specifications and rules are available for public comment on the JPX website.

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(Reference)

■ Outline of Contract Specifications for FTSE China 50 Index Futures

| Item | Outline |
|-----------------|---|
| Contract Months | 2 nearest serial contract months and 2 nearest quarterly contract months other than the serial contract months (Trading Period - Quarterly contract months: 8 months, Other contract months: 2 months) |
| Trading Hours | Day Session: 8:45 a.m. - 3:15p.m. Night Session: 4:30p.m. - 5:30 a.m. the next day |
| Trading unit | Index Value × JPY 100 (Notional value per lot is approximately JPY 1.6 million as of Oct. 9, 2015) |
| Tick Size | 5 points |

■ Categories of Chinese Stocks

| Category | Outline |
|------------------|--|
| A Shares | Shares of companies incorporated in Mainland China , listed in Mainland China, and traded in Renminbi (Restrictions on investment apply for foreign investors) |
| B Shares | Shares of companies incorporated in Mainland China , listed in Mainland China, and traded in foreign currencies (i.e., USD on Shanghai Stock Exchange and HKD on Shenzhen Stock Exchange) |
| H Shares | Shares of companies incorporated in Mainland China and listed in Hong Kong |
| Red Chips | Shares of companies incorporated outside Mainland China and listed in Hong Kong . At least 30% of the shares are owned by Mainland China state companies (i.e., companies funded by the Chinese central government or local government, etc.), and at least 50 % of its revenue or assets are derived from Mainland China. |
| P Chips | Shares of companies incorporated outside Mainland China and listed in Hong Kong . These companies are controlled by Mainland China individuals, and at least 50 % of its revenue or assets are derived from Mainland China. P chips exclude stocks classified as red chips. |

(*1) The description above is based on the classification by FTSE International Limited (As of Sep. 30, 2015)

(*2) FTSE China 50 Index is calculated based on H shares, red chips, and P chips out of the Chinese stocks described above.

■ OSE Foreign Equity Index Futures Lineup

| Futures | Index Components | Launch Date ^(*) |
|------------------------------------|------------------|----------------------------|
| DJIA Futures | U.S. stocks | May 28, 2012 |
| CNX Nifty Futures | Indian stocks | March 24, 2014 |
| TAIEX Futures | Taiwanese stocks | Mid 2016 (planned) |
| FTSE China 50 Index Futures | Chinese stocks | Mid 2016 (planned) |

(*) Launch schedule for TAIEX futures and FTSE China 50 Index futures.