

Outline of Specifications for Nikkei 225 micro Futures

As of June 17, 2022
Osaka Exchange, Inc

Item	Details	Remarks
<p>I. Outline of Trading</p> <p>1. Underlying Index</p> <p>2. Method of Trading</p> <p style="padding-left: 20px;">a. Trading Sessions and Trading Hours</p> <p style="padding-left: 20px;">b. Trading Method</p> <p>3. Contract Months</p>	<ul style="list-style-type: none"> • The underlying index is the Nikkei Stock Average (Nikkei 225). • Trading on the regular market will be divided into a day session and a night session and their trading hours will be as follows. <ul style="list-style-type: none"> (1) Day Session <ul style="list-style-type: none"> Opening auction: 8:45 a.m. Regular session (Zaraba): 8:45 a.m. - 3:10 p.m. Closing auction: 3:15 p.m. (2) Night Session <ul style="list-style-type: none"> Opening auction: 4:30 p.m. Regular session (Zaraba): 4:30 p.m. to 5:55 a.m. the next day Closing auction: 6:00 a.m. the next day • Nikkei 225 micro Futures trading will be conducted by individual auction through the trading system. • 4 contract months will be set, consisting of the 2 nearest contract months out of March, June, September and December (hereinafter referred to as "specified 	<ul style="list-style-type: none"> • In these Specifications, said index futures will be referred to as "Nikkei 225 micro Futures." • The same applies to index futures such as Nikkei 225 Futures (Large Contracts) (hereinafter referred to as "other index futures"). • A non-cancellation period will be applied to the opening auction and closing auction (excluding the day session). • The trading system will be J-GATE 3.0. • The trading period for specified contract months is 6 months, and

Item	Details	Remarks
<p>4. Contract Unit and Rules on Bids and Offers, etc.</p> <p>a. Contract Unit</p> <p>b. Bids and Offers</p> <p>c. Tick Size</p> <p>d. Price Limits</p>	<p>contract months") and the 2 nearest contract months other than the specified contract months.</p> <ul style="list-style-type: none"> • The last trading day will be the trading day which ends on the business day preceding the second Friday of each contract month (if the second Friday is a non-business day, it shall be the business day preceding the last business day before the second Friday.). • Trading in a new contract month will start from the day session of the business day immediately following the last trading day of the nearest contract month. <p>• One contract unit will be JPY 10 multiplied by the price of the Nikkei 225.</p> <p>• Market Orders and Limit Orders will be available with conditions for validity period and executed volume determined by OSE.</p> <p>• The tick size will be JPY 5.</p> <p>• Bids and offers may not be made at prices exceeding the price limit range defined by OSE.</p> <p>• The price limit range will be within the prices calculated by multiplying the reference price for price limits (as a general rule, the settlement price on the</p>	<p>the trading period for other contract months is 3 months.</p> <ul style="list-style-type: none"> • Flexible futures trading will not be available. <p>• Conditions for validity period and executed volume will be the same as for other index futures.</p> <p>• If the figure obtained by multiplying the price limit downwards from the reference price contains a fraction less than</p>

Item	Details	Remarks
<p>5. Suspension of Trading and Temporary Trading Halts</p> <p>a. Suspension of Trading</p> <p>b. Temporary Trading Halts (Circuit Breaker)</p>	<p>previous trading day) by 8% up and down.</p> <ul style="list-style-type: none"> • When a Circuit Breaker is triggered, the upper or lower price limit range will be expanded to the price calculated by multiplying the reference price for price limits by 12% (1st expansion) and 16% (2nd expansion). • OSE may suspend trading in the following situations: <ul style="list-style-type: none"> (1) In cases where OSE deems that trading conditions are irregular; (2) In cases where OSE deems it inappropriate to continue trading in terms of trading supervision; (3) In cases where OSE deems it difficult to continue trading through the trading system due to a trading system malfunction, etc.; • In the event that a trade is executed at the upper or lower limit of the price limit range for the central contract month of Nikkei 225 Futures (Large Contracts), trade will be suspended (via a Circuit Breaker) for Nikkei 225 Futures (Large Contracts). In conjunction with this, as an index futures contract with the same underlying index, trading on all contract months for Nikkei 225 micro Futures will be suspended for at least 10 minutes. • In line with this suspension, the upper (lower) price limits will be expanded for 	<p>one tick size at the relevant price, this will be rounded up, and if the figure obtained by multiplying the price limit upwards from the reference price contains a fraction less than one tick size at the relevant price, this will be rounded down.</p> <ul style="list-style-type: none"> • These rules are the same as for other index futures. • These are the same rules as for Nikkei 225 mini.

Item	Details	Remarks													
<p>c. Immediately Executable Price Range (Dynamic Circuit Breaker)</p>	<p>all contract months.</p> <ul style="list-style-type: none"> • The Dynamic Circuit Breaker (DCB) will be applied to each contract month in the auction market as follows. <ul style="list-style-type: none"> a. When a trade is to be executed beyond the price range determined by OSE from the DCB reference price (hereinafter referred to as the "DCB price range"), trade will be temporarily suspended for a certain period of time. b. The DCB reference price, DCB price range and length of temporary trading halt for each relevant session are as follows: <table border="1" data-bbox="577 756 1525 1150"> <thead> <tr> <th data-bbox="577 756 824 855">Session</th> <th data-bbox="824 756 1048 855">DCB Reference Price</th> <th data-bbox="1048 756 1279 855">DCB Price Range</th> <th data-bbox="1279 756 1525 855">Temporary Trading Halt</th> </tr> </thead> <tbody> <tr> <td data-bbox="577 855 824 903">Opening auction</td> <td data-bbox="824 855 1048 1150" rowspan="3">Last price</td> <td data-bbox="1048 855 1279 903">±3.0%</td> <td data-bbox="1279 855 1525 954" rowspan="2">30 seconds</td> </tr> <tr> <td data-bbox="577 903 824 954">Regular session</td> <td data-bbox="1048 903 1279 954">±0.8%</td> </tr> <tr> <td data-bbox="577 954 824 1150">Closing auction</td> <td data-bbox="1048 954 1279 1150">±1.5%</td> <td data-bbox="1279 954 1525 1150">— (trades only executed within price range)</td> </tr> </tbody> </table>	Session	DCB Reference Price	DCB Price Range	Temporary Trading Halt	Opening auction	Last price	±3.0%	30 seconds	Regular session	±0.8%	Closing auction	±1.5%	— (trades only executed within price range)	
Session	DCB Reference Price	DCB Price Range	Temporary Trading Halt												
Opening auction	Last price	±3.0%	30 seconds												
Regular session		±0.8%													
Closing auction		±1.5%	— (trades only executed within price range)												
<p>6. Strategy Trading</p>	<ul style="list-style-type: none"> • Strategy Trading will be available for Nikkei 225 micro Futures in accordance with OSE rules. • The tick size for Strategy Trading will be JPY 1. 	<ul style="list-style-type: none"> • Only calendar spread trading will be available. • For other aspects, the same rules as for other index futures will apply. 													

Item	Details	Remarks
7. J-NET Trading	<ul style="list-style-type: none"> For the time being, J-NET trading will not be available. 	<ul style="list-style-type: none"> Trading participants will be notified in advance when Nikkei 225 micro Futures become eligible for J-NET trading.
II. Clearing and Settlement	<ul style="list-style-type: none"> Clearing and settlement of Nikkei 225 micro Futures will be conducted in accordance with the method prescribed by Japan Securities Clearing Corporation (JSCC). 	<ul style="list-style-type: none"> The same rules as for other index futures will apply. The final settlement price is calculated based on the opening prices of each component issue underlying the contract on the day following the day on which the last trading day ends.
III. Other 1. Trading Fees 2. Market Maker Scheme 3. Holiday Trading 4. Disclosure of Information	<ul style="list-style-type: none"> The trading fee will be determined at a later date. A Market Maker Scheme will be introduced in order to complement market liquidity. Nikkei 225 micro Futures will be eligible for derivatives holiday trading. 	<ul style="list-style-type: none"> Details will be communicated to trading participants later. Handling under the trading rules for holiday trading will be the same as for other index futures.

Item	Details	Remarks
a. Market Information	<ul style="list-style-type: none"> Market information, namely opening/high/low/closing price data, trading volume, and open interest will be published separately from other index futures. 	<ul style="list-style-type: none"> This is the same as for other index futures.
b. Transaction Information by Investor Type	<ul style="list-style-type: none"> Buy and sell trading volume and trading value by investor type will be disclosed separately from other index futures. 	<ul style="list-style-type: none"> This is the same as for other index futures.
IV. Launch Date	<ul style="list-style-type: none"> OSE will launch Nikkei 225 micro Futures in the second quarter of 2023 (planned). 	