Outline of Specifications for Options on JGB Futures

As of August 1, 2025

Osaka Exchange, Inc.

Item	Details	Remarks
I. Outline of Trading 1. Products Available for Trading	− Options on 10-year JGB Futures (Put/Call)	
2. Trading Sessions (1) Trading Sessions and Hours	− Morning session ➢ Opening auction: 8:45 a.m. ➢ Regular session: 8:45 a.m.- 11:00 a.m. ➢ Closing auction: 11:02 a.m. − Afternoon session ➢ Opening auction: 12:30 p.m. ➢ Regular session: 12:30 p.m.- 3:00 p.m. ➢ Closing auction: 3:02 p.m. − Night session ➢ Opening auction: 3:30 p.m. ➢ Regular session: 3:30 p.m. to 5:55 a.m. the next day ➢ Closing auction: 6:00 a.m. the next day	− Osaka Exchange, Inc. (OSE) may temporarily change trading hours when necessary.
(2) Venue of Trading Sessions	− Trading shall be conducted through the trading system.	
3. Contracts and Number Thereof	− Options on JGB futures trading shall be conducted by dividing it into contracts whose last trading day is the trading day that ends on the last business day of the month prior to the contract month. ➢ Two contracts in the March quarterly cycle whose last trading days end on the last business day of the month prior to the contract month (hereinafter referred to as "quarterly contracts") shall be available for trading. The trading period of quarterly contracts shall be six months. Trading of a new quarterly contract shall start from the morning session of the trading day after the last trading day of the most recently expired quarterly contract. ➢ The trading period of non-quarterly contracts shall be two months. Trading of a particular non-quarterly contract shall start from the morning session of the first business day of the month before the month that includes the last trading day of said non-quarterly contract.	− For options on JGB futures, a trading day is defined as one cycle from 3:25 p.m. to 3:15 p.m. the next business day. − OSE may change the number, trading period, initial trading day, and last trading day of contracts when necessary.
4. Underlying Futures Contract	− The underlying futures contract for an option on JGB futures shall be the JGB futures contract whose delivery day comes the soonest after the last trading day of the	

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	options contract.	
5. Setting of Exercise Prices		
(1) Initial Setting of Exercise Price Intervals	− The initial exercise price interval for options contracts on JGB futures shall be JPY 0.25 per JPY 100 in face value of the underlying standardized JGB of the JGB futures contract that results from exercising the option. This exercise price interval is set between prices that are integral multiples of JPY 0.25.	− OSE may change exercise price intervals when necessary.
(2) Initial Setting of Exercise Prices	− A total of 41 initial exercise prices shall be set for options contracts on JGB futures. They shall consist of the exercise price that is closest to the settlement price of the underlying JGB futures contract one business day before the initial trading day of the options contract, the 20 exercise prices above said exercise price, and the 20 exercise prices below said exercise price.	− OSE may change the number of exercise prices when necessary.
(3) Additional Setting of Exercise Prices	− Additional exercise prices shall be set at JPY 0.25 intervals so that there are at least 20 consecutive exercise prices above and 20 consecutive exercise prices below the exercise price that is the closest to the settlement price of the underlying JGB futures contract on the previous business day. − If the day on which the additional setting is to be made falls on or after 20th of the month that includes the last trading day, OSE may choose not to make the additional setting.	− When necessary, OSE may change the exercise prices and the number of exercise prices that it sets.
(4) Setting of Exercise Prices Based on an Application from a Trading Participant	− To the extent deemed appropriate, OSE may set new exercise prices based on an application from a trading participant. − Exercise prices based on applications shall be set on the next business day or the business day after the next business day following the application date. (hereinafter referred to as the "setting date").	− Options on JGB futures with exercise prices based on applications may be traded starting in the day session and in J-NET trading on the setting date.
6. Trading Method	− Trading shall be conducted by individual auction.	
7. Orders and Price Limits		
(1) Orders	− Trading participants may submit market orders and limit orders. − Orders (bids and offers) must be made with one of the conditions for validity period or execution volume listed below. a. Good for Day (GFD) A condition that causes orders made during a particular morning or afternoon session to expire at the end of said afternoon session and those made during a particular night session to expire at the end of	− Conditions for validity period may not be specified for market orders.

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	said night session. b. Good Till Date/Good Till Cancel (GTD/GTC) A condition under which orders are valid until the end of the afternoon session on the last day (or one business day earlier if the last day is a non-business day) of a period specified by the trading participant within a period separately specified by OSE (GTD) or until the order is cancelled (GTC). c. Fill and Kill (FAK) A condition which, if an entire order cannot be filled immediately, causes the amount that can be filled immediately to be filled, and the rest to be cancelled. d. Fill or Kill (FOK) A condition which, if an entire order cannot be filled immediately, causes it to be cancelled. – Validity of orders shall be in accordance with the above conditions.	– A trading participant may not make orders with the Fill or Kill condition in the opening auction or the closing auction.
(2) Tick Size	– Tick sizes shall be JPY 0.01 per JPY 100 in face value of the underlying standardized JGB of the JGB futures contract that results from exercising the option.	
(3) Price Limits	– Orders may not exceed the designated price fluctuation range. – The lower limit of the price fluctuation range shall be obtained by subtracting the price limit from the reference price, and the upper limit shall be obtained by adding the price limit to the reference price. – The price limit shall be JPY 2.10. – When the Static Circuit Breaker is triggered, the upper and lower price limits on orders shall be expanded to the prices obtained by adding and subtracting JPY 3 to and from the reference price. – OSE may change the price limits on orders if necessary.	– As a general rule, the reference price shall be the settlement price (i.e., the price specified by Japan Securities Clearing Corporation (JSCC) as the settlement price; the same shall apply hereinafter) on the previous trading day.
8. Temporary Trading Halts (1) Static Circuit Breaker (SCB)	– When OSE has temporarily halted the trading of a JGB future, it shall also temporarily halt the trading (including strategy trading and J-NET trading) of options on JGB futures with the same underlier as the JGB future for the same duration as the JGB future. (This is hereinafter referred to as the "Static Circuit Breaker (SCB).") – When trading is temporarily halted for the reason mentioned above, the price limits on orders for options on JGB futures shall be expanded as specified by OSE. – For details on other related matters, please refer to the	

<table>
<tr><th>Item</th><th>Details</th><th>Remarks</th></tr>
<tr><td></td><td>"Static Circuit Breaker Rules" document.</td><td></td></tr>
<tr><td>(2) Immediately Executable Price Range (Dynamic Circuit Breaker)</td><td>
− When a trade for an options contract on JGB futures is to be executed outside the designated price fluctuation range around a designated reference price, OSE shall temporarily halt trading (including strategy trading) for said contract for an appropriate period. (This is called the Dynamic Circuit Breaker (DCB), and the designated reference price is called the "DCB Reference Price".)

− The price fluctuation range (hereinafter referred to as "DCB Price Range") and DCB Reference Price for each product shall be as follows.

<table>
<tr><th rowspan="2">DCB Reference Price</th><th colspan="3">DCB Price Range</th></tr>
<tr><th>Opening Auction</th><th>Regular Session</th><th>Closing Auction</th></tr>
<tr><td>BBO mid-price
or
Last Price</td><td>±JPY 0.3</td><td>±JPY 0.1</td><td>±JPY 0.15</td></tr>
</table>
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− The "appropriate period" shall be 30 seconds, as a general rule.

− When OSE deems it appropriate in light of the trading status, the DCB Reference Price shall be a price specified by OSE on a case-by-case basis.

− "BBO mid-price" is defined as the mid-price of the last best bid and offer.

− "Last Price" is defined as the last traded price of the trading session (excluding strategy trades).
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<tr><td>9. Exercise Period</td><td>
− The exercise period for an option on JGB futures shall be from the contract's initial trading day to its last trading day. However, OSE may change the exercise period when necessary.

− When a notice is made to exercise an option on JGB futures, the JGB futures transaction shall be executed at a designated time on the date of notice.

− Options on JGB futures shall expire at 5:00 p.m. on the last day of the exercise period if no exercise notice has been made before then.
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<tr><td>10. Restrictions on Trading</td><td>
− When OSE deems that trading conditions are or are likely to become abnormal, it may implement the following measures against trading or accepting orders from customers.
a. Reducing price limits
b. Moving up the date and time for posting margin
c. Increasing the margin amount
d. Restricting the use of securities as margin
e. Lowering the assessment rate of collateral securities
f. Receiving deposits for payment for transactions before their settlement dates
g. Restricting or prohibiting options on JGB futures trading (e.g., prohibiting proprietary trading)
h. Position limits
</td><td></td></tr>
<tr><td>II. Strategy Trading</td><td>− For details, please refer to the "Outline of Strategy Trading Rules" document.</td><td></td></tr>
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III. J-NET Trading	− For details, please refer to the "Outline of J-NET Trading Rules" document.	
IV. Give-Ups	− For details, please refer to the "Outline of Give-Up Rules" document.	
V. Position Transfer	− Trading participants may transfer unsettled positions in their proprietary and their customer accounts to other trading participants. − Positions in contracts that have reached their last trading day may not be transferred after said last trading day. − Positions in options on JGB futures shall be transferred by using zero as the contract price of the unsettled positions.	− JSCC shall specify the particulars pertaining to position transfers by clearing participants (which are entities that are qualified to be counterparties in JSCC's Financial Instruments Obligation Assumption Business (such qualification is hereinafter referred to as a "clearing qualification"); the same shall apply hereinafter).
VI. Margin and Settlement	− For details, please refer to the "Outline of Margin and Settlement Rules for Futures and Options" document.	
VII. Trading Participant Fees	− For details, please refer to the "Overview of Trading Participant Fees" document.	
VIII. Other 1. Information Distributed by the Market Information System	− The following information shall be distributed by the Market Information System. a. Opening/High/Low/Closing (O/H/L/C) prices and tick data b. Trading volume and value of each contract c. Total trading volume and value d. Unsettled positions (open interest) of each contract e. Total open interest f. Exercise volume of each contract g. Best quote prices and sizes h. Multiple quote prices and sizes i. Settlement prices j. Number of executions for each contract − The Market Information System distributes the information on O/H/L/C prices and trading volume separately for the day (i.e., morning and afternoon) and night sessions.	− When OSE notifies, discloses, and reports the O/H/L/C prices and trading volume of each contract pursuant to Article 130 and Article 131 of the Financial Instruments and Exchange Act (the "Osaka Exchange Daily Report"), it shall do so on a trading day basis.
2. Disclosure of Trading by Type of Investor	− OSE shall disclose the weekly and monthly trading volume and value of sales and purchases by type of investor.	
3. Reporting on the Details of Positions	− If the amount of the following positions that a customer holds in options contracts on the nearest JGB future is	− The reporting requirement shall not

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	greater than or equal to 1,000 contracts on each trading day that ends on a Friday up to the last day of the month before the month that includes the last trading day of said nearest JGB future, the details of such positions shall be reported to OSE. a. The difference between the amount of short and long positions on put options on said nearest JGB future b. The difference between the amount of short and long positions on call options on said nearest JGB future c. The total of a. and b. if the short positions exceed the long positions in one and the long positions exceed the short positions in the other	apply to positions on options on JGB futures whose reporting date falls on the last trading day or those that are exercised/assigned on the reporting date.
Supplementary Provisions	– These specifications are subject to change depending on market conditions.	