

Practical Implementation of Operations Relating to the Optimization of Tick Sizes for ETFs, etc.

1. Handling of operations relating to new tick sizes for ETFs, etc. with a trading unit of one unit

(1) Method of determining tick sizes

Currently, TSE applies the same tick sizes to ETFs, ETNs, and leveraged products (hereinafter collectively referred to as “ETFs, etc.”) as those applied to constituent issues of TOPIX 500 (hereinafter the “TOPIX 500 tick size table”), as a general rule.

For ETFs, etc. with a trading unit of one unit, if the closing price or the last special quote falls to or below JPY 5,000, TSE applies the tick sizes for issues other than constituents of the TOPIX 500 (hereinafter the “other tick size table”) from the second business day from said fall.

From May 7, 2025, TSE will apply dedicated tick sizes (hereinafter the “one unit ETF tick size table”) to ETFs, etc. with a trading unit of one unit. For ETFs, etc. with a trading unit of 10 units or more, the TOPIX 500 tick size table will continue to be applied.

(2) Methods of publication when tick sizes are changed

In the event that tick sizes are to be changed due to a change in the trading unit or other reasons, TSE will announce said change on Target and the JPX website (“Market News”) at least two business days before said change takes effect.

With regard to issue information that can be obtained from the query function on the trading system and from the Market Information System (MAINS), information based on the new tick size table will be available as "next day information" on the business day before the effective date and as "same day information" on the effective date, in the same way as constituent changes in the TOPIX 500 are distributed.

(3) Expansion of the lower daily price limit

Currently, if the price of an ETF, etc. (except for foreign issues listed on multiple exchange markets) reaches the upper or lower daily price limit at the close of the afternoon session, said limit will be quadrupled for the next business day.

ETFs, etc. with a trading unit of one unit to which the TOPIX 500 tick size table is applied are currently not subject to the expansion of the lower daily price limit as a general rule, but this exemption will no longer apply from May 7, 2025.

2. Handling of newly listed issues

The TOPIX 500 tick size table will be applied to newly listed ETFs, etc. with a trading unit of 10 units or more. For ETFs, etc. with a trading unit of one unit, the one unit ETF tick size table will be applied.

3. Transition to the new rules

These revisions will come into effect on May 7, 2025. For ETFs, etc. which are changed to the one unit ETF tick size table from that day onwards, TSE will announce this on Target and the JPX website (Market News) five business days in advance.

Reference: Tick Size Tables for ETFs, etc.

(Unit: JPY)

Share Price		Tick Size	
		TOPIX 500 Constituents (TOPIX 100 and TOPIX Mid400 Constituents)*	<u>ETFs, etc. with a trading unit of one unit</u>
1 or more,	1,000 or less	0.1	1
More than 1,000,	3,000 or less	0.5	
More than 3,000,	10,000 or less	1	
More than 10,000,	30,000 or less	5	5
More than 30,000,	100,000 or less	10	10
More than 100,000,	300,000 or less	50	50
More than 300,000,	1,000,000 or less	100	100
More than 1,000,000,	3,000,000 or less	500	500
More than 3,000,000,	10,000,000 or less	1,000	1,000
More than 10,000,000,	30,000,000 or less	5,000	5,000
More than 30,000,000		10,000	10,000

*Also applied to ETFs, etc. with a trading unit of 10 or above.