

(Reference Translation)

**Revision to Contract Specifications for 20-year Japanese Government Bond Futures**

As of April 28, 2015  
Osaka Exchange, Inc.

I. Purpose

OSE will revise the contract specifications for 20-year Japanese government bond futures to invigorate trading by enhancing convenience for market participants.

II. Outline

Items	Contents	Remarks
1. Change in Interest Rate for Standardized Government Bond	<ul style="list-style-type: none"><li>The interest rate for standardized 20-year government bonds shall be 3% per annum.</li></ul>	<ul style="list-style-type: none"><li>Currently 6% per annum.</li><li>Face value (JPY 100) and maturity (20-year) will remain unchanged.</li></ul>
2. Change in Increments of Bids and Offers	<ul style="list-style-type: none"><li>The increments of bids and offers shall be JPY 0.01 per JPY 100 face value.</li></ul>	<ul style="list-style-type: none"><li>Currently, JPY 0.05 per JPY 100 face value.</li><li>Increments of bids and offers (JPY 0.01) for J-NET trading and strategy trading will remain unchanged.</li></ul>
3. Change in Daily Price Limit	<ul style="list-style-type: none"><li>The daily price limits shall be as follows: Normal: <math>\pm</math>JPY 4.00 from the base price Expansion: <math>\pm</math>JPY 6.00 from the base price</li></ul>	<ul style="list-style-type: none"><li>Current daily price limits are as follows: Normal: <math>\pm</math>JPY 6.00 from the base price Expansion: <math>\pm</math>JPY 9.00 from the base price</li></ul>
4. Change in Deliverable Grade	<ul style="list-style-type: none"><li>Interest-bearing government bonds with remaining maturity of 19 years 3 months or more but less than 21 years both on the issue date and the day of settlement by delivery, and also whose issue date falls in a month that is 4 or more months prior to the month of the date of settlement by delivery/payment.</li></ul>	<ul style="list-style-type: none"><li>In consideration of the current issuance methods, etc., deliverable bonds shall be 20-year interest-bearing government bonds with remaining maturity of 19 years 3 months and 19 years 6 months on the day of settlement by delivery.</li><li>Currently, interest-bearing government bonds with remaining maturity of 18 years or more but less than 21 years both on the</li></ul>

Items	Contents	Remarks
5. Others	<ul style="list-style-type: none"> <li>• Other necessary revisions will be made.</li> </ul>	<p>issue date and the day of settlement by delivery, and also whose issue date falls in a month that is 3 or more months prior to the month of the date of settlement by delivery/payment.</p>

III. Effective Date, etc. (Scheduled)...Refer to table below.

- These rules will be implemented on July 6, 2015.
- With this, OSE will suspend trading in the current December 2015 contract from April 30, 2015 onward and change the last trading day to the business day preceding the effective date (July 3, 2015).
- OSE will stop setting new contracts for the current March 2016 contract on June 12, 2015.
- The changes in the interest rate for the standardized government bond and the deliverable grade will be implemented from the December 2015 contract. For the September 2015 contract, the current specifications for interest rate and deliverable grade will continue to apply (changes in increments of bids and offers and daily price limits will be implemented on the effective date).
- OSE will list the revised specifications for standardized 20-year government bonds on the effective date and start trading the December 2015 and March 2016 contracts on the same day<sup>1</sup>.
- OSE will delist the current specifications for standardized 20-year government bonds after the day of settlement by delivery of the September 2015 contract.
- In addition, OSE may postpone the effective date if it deems it inappropriate based on the trading conditions, etc.

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<sup>1</sup>Futures and options securities identification codes will continue to be assigned based on the current method. Therefore, the same contract month before and after the revision to the contract specifications will share the same code.

Handling of each contract month before and after the revision

	June 2015 contract	September 2015 contract	December 2015 contract	March 2016 contract
Current *1 (Standardized 6% per annum, deliverable grade 18 years or more)	<ul style="list-style-type: none"> <li>• Continue trading until last trading day (Jun. 11)</li> </ul>	<ul style="list-style-type: none"> <li>• Continue trading until last trading day (Sep. 10)</li> <li>• Change increments of bids and offers from Jul. 6 morning session onward</li> </ul>	<ul style="list-style-type: none"> <li>• Suspend trading from Apr. 30 onward</li> <li>• Move up last trading day to Jul. 3</li> </ul>	<ul style="list-style-type: none"> <li>• Stop setting new contract month on Jun. 12</li> </ul>
After revision *2 (Standardized 3% per annum, deliverable grade 19 years 3 months or more)	—	—	<ul style="list-style-type: none"> <li>• Start trading new contract month in Jul. 6 morning session</li> </ul>	<ul style="list-style-type: none"> <li>• Start trading new contract month in Jul. 6 morning session</li> </ul>

\*1 OSE will delist the current specifications for standardized 20-year government bonds after the day of settlement by delivery of the September 2015 contract.

\*2 OSE will list the revised specifications for standardized 20-year government bonds on the effective date and start trading the December 2015 and March 2016 contracts on the same day.