

Outline of Specifications for Nikkei 225 mini Options

As of June 17, 2022

Osaka Exchange, Inc

Items	Details	Remarks
I. Outline of Trading		
1. Type of Contract	<ul style="list-style-type: none"> • The contracts will be put and call index options on the Nikkei Stock Average (Nikkei 225). 	<ul style="list-style-type: none"> • In these Specifications, said contracts are referred to as "Nikkei 225 mini Options".
2. Method of Trading		
a. Trading Sessions and Trading Hours	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • The same applies to index options such as Nikkei 225 Options (hereinafter referred to as "other index options"). • A non-cancellation period will not be applied.
b. Method of Trade Execution	<ul style="list-style-type: none"> • Nikkei 225 mini Options trading will be conducted by individual auction through the trading system. 	<ul style="list-style-type: none"> • The trading system will be J-GATE 3.0.
3. Contract Months	<ul style="list-style-type: none"> • 7 contract months will be set, consisting of the 3 nearest contract months whose last trading day is the business day preceding the second Friday of the month 	<ul style="list-style-type: none"> • Flexible options trading will not be available.

Items	Details	Remarks
<p>4. Strike Prices</p> <p>a. Initial Setting</p> <p>b. Additional Setting</p> <p>5. Contract Size and Rules on Bids and Offers, etc.</p>	<p>(hereinafter referred to as "regular contract months") and the 4 nearest weekly contract months whose last trading day is the business day preceding the Friday of each week (excluding the second Friday) (hereinafter referred to as "weekly contract months").</p> <ul style="list-style-type: none"> • Trading in new contract months will begin at the day session on the business day following the last trading day of the regular contract month or weekly contract month for which the last trading day arrives first. • The strike prices set in a contract month that is starting trading (an initial setting) shall be the integer multiple of JPY 125 that is closest to the last Nikkei 225 price on the previous business day (if there are two such figures, the higher figure shall be used. The same shall apply hereinafter) and the 24 next closest integer multiples of JPY 125 both above and below said figure. • For additional strike prices set after the first trading day of each contract month, if the number of existing strike prices that are above (below) the integral multiple of JPY 125 that is closest to the last price of the Nikkei 225 on the previous business day is 23 or less, additional strike prices will be set in increments of JPY 125 from the existing strike price until there are 24 consecutive strike prices in increments of JPY 125 above (below) said integral multiple. 	<ul style="list-style-type: none"> • Application-based strike prices (on-demand strike prices) will not be available.

Items	Details	Remarks						
<p>a. Contract Unit</p> <p>b. Bids and Offers</p> <p>c. Tick Size</p> <p>d. Price Limits</p>	<ul style="list-style-type: none"> • One contract unit will be JPY 100 multiplied by the option price. • Market Orders and Limit Orders will be available with conditions for validity period and executed volume determined by OSE. • The tick size will be as follows, depending on the level of quotation. <table border="1" data-bbox="678 550 1471 699" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Level of Quotation</th> <th style="text-align: center;">Tick Size</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">JPY 100 or less</td> <td style="text-align: center;">JPY 1</td> </tr> <tr> <td style="text-align: center;">Over JPY 100</td> <td style="text-align: center;">JPY 5</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Bids and offers may not be made at prices exceeding the price limit range defined by OSE. • The price limit range is centered on the reference price (in principle, the settlement price of the previous business day) and is the range of prices within the limit prices set in accordance with the reference price. • The limit prices are calculated by multiplying the reference price for calculating the price limit range for index options by the ratio (i) in the table below (rounded down to the nearest JPY 10. The same shall apply hereinafter). • The 1st and 2nd expansion price limits, implemented when the upper or lower limit of the price limit range for Nikkei 225 Futures (Large Contracts) is expanded due to the activation of the Circuit Breaker, shall be the prices obtained by multiplying the reference price for calculating the price limit range for index options by the ratios (ii) and (iii) in the table below, respectively. 	Level of Quotation	Tick Size	JPY 100 or less	JPY 1	Over JPY 100	JPY 5	<ul style="list-style-type: none"> • Conditions for validity period and executed volume will be the same as for other index options. • The reference price for calculating the price limit range for index options will be the same as that for Nikkei 225 Options. • If the figure obtained by multiplying the price limit downwards from the reference price contains a fraction less than
Level of Quotation	Tick Size							
JPY 100 or less	JPY 1							
Over JPY 100	JPY 5							

Items	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="584 695 1525 1086"> <thead> <tr> <th data-bbox="584 695 831 791">Session</th> <th data-bbox="831 695 1055 791">DCB Reference Price</th> <th data-bbox="1055 695 1301 791">DCB Price Range</th> <th data-bbox="1301 695 1525 791">Temporary Trading Halt</th> </tr> </thead> <tbody> <tr> <td data-bbox="584 791 831 839">Opening auction</td> <td data-bbox="831 791 1055 1086" rowspan="3">Last price</td> <td data-bbox="1055 791 1301 839">± 60 ticks</td> <td data-bbox="1301 791 1525 887" rowspan="2">15 seconds</td> </tr> <tr> <td data-bbox="584 839 831 887">Regular session</td> <td data-bbox="1055 839 1301 887">± 10 ticks</td> </tr> <tr> <td data-bbox="584 887 831 1086">Closing auction</td> <td data-bbox="1055 887 1301 1086">± 30 ticks</td> <td data-bbox="1301 887 1525 1086">— (trades only executed within price range)</td> </tr> </tbody> </table>	Session	DCB Reference Price	DCB Price Range	Temporary Trading Halt	Opening auction	Last price	± 60 ticks	15 seconds	Regular session	± 10 ticks	Closing auction	± 30 ticks	— (trades only executed within price range)	<ul style="list-style-type: none"> • The same rules as for other index options will apply.
Session	DCB Reference Price	DCB Price Range	Temporary Trading Halt												
Opening auction	Last price	± 60 ticks	15 seconds												
Regular session		± 10 ticks													
Closing auction		± 30 ticks	— (trades only executed within price range)												
7. J-NET Trading	<ul style="list-style-type: none"> • Trading participants will be allowed to conduct J-NET trading of 10 units or more. • The tick size for J-NET trading will be 0.0001 points. 	<ul style="list-style-type: none"> • For other aspects of J-NET trading, the rules will be the same as for other index options. 													
II. Clearing and Settlement	<ul style="list-style-type: none"> • Clearing and settlement of Nikkei 225 mini Options will be conducted in accordance with the method prescribed by Japan Securities Clearing Corporation 	<ul style="list-style-type: none"> • The same rules as for other index options will apply. 													

Items	Details	Remarks
	(JSCC).	<ul style="list-style-type: none"> 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. Others 1. Trading Fees 2. Market Maker Scheme 3. Holiday Trading 4. Disclosure of Information a. Market Information b. Transaction Information by	<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 mini Options will be eligible for derivatives holiday trading.. Opening/high/low/closing price data, trading volume, open interest, and other market information will be published separately from other index options. Buy and sell trading volume and trading value by investor type will be disclosed 	<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 options. The same rules as for other index options will apply. The same rules as for other index

Items	Details	Remarks
Investor Type	separately from other index options.	options will apply.
IV. Launch Date	<ul style="list-style-type: none"> • OSE will launch Nikkei 225 mini Options in the second quarter of 2023 (planned). 	