

Developing Fee Schedule in Connection with the Integration of Derivatives Markets

As of October 23, 2013

Osaka Securities Exchange Co., Ltd.

I. Purpose

In connection with the integration of the derivatives markets of Osaka Securities Exchange Co., Ltd. (hereinafter referred to as “OSE”) and Tokyo Stock Exchange, Inc. (hereinafter referred to as “TSE”) (hereinafter referred to as “the integration”), OSE will set the trading fees and other fees of the products which are traded on the TSE derivatives markets.

In addition, OSE will change the trading participant fees, basic fees, and other fees, and will make the necessary revisions for Nikkei 225 Futures (large-sized contracts only) in light of the recent trading conditions such as partially revising trading fees.

II. Outline

Items	Contents	Remarks
1. Trading Participant Admission Fees	<ul style="list-style-type: none">The amounts of trading participant admission fees shall be the amounts prescribed as follows in accordance with the category of the acquired trading qualification (in the case of an authorized transaction-at-exchange operator acquiring a trading qualification, the amount obtained by multiplying the stipulated amount by 1/10).<ul style="list-style-type: none">(1) Futures, etc. trading qualification JPY 50,000,000(2) Government bond futures, etc. trading qualification JPY 30,000,000	<ul style="list-style-type: none">For items that are not mentioned in this document, current OSE fee schedule will be applied, including foreign exchange margin trading (hereinafter referred to as “FX”).In the case where a trading participant acquires a futures, etc. trading qualification or a government bond futures, etc. trading qualification and simultaneously or additionally acquires an FX trading qualification, OSE shall not require trading participant

Items	Contents	Remarks
		<p>admission fees for the FX trading qualification.</p> <ul style="list-style-type: none"> In the case where a government bond futures, etc. trading participant simultaneously waives its government bond futures, etc. trading qualification and acquires a futures, etc. trading qualification, or where an FX trading participant acquires a futures, etc. trading qualification or a government bond futures, etc. trading qualification, OSE shall deduct trading participant admission fees for the existing trading qualification from trading participant admission fees for the trading qualification which it intends to acquire. In addition, in the case where a futures, etc. trading participant simultaneously waives its futures, etc. trading qualification and acquires a government bond futures, etc. trading qualification, OSE shall not require trading participant admission fees.

Items	Contents	Remarks
2. Trading Participant Fees (1) Basic Fees	<ul style="list-style-type: none"> • The (monthly) amount of basic fees for each category of trading participant shall be as stipulated below. <ul style="list-style-type: none"> (1) Futures, etc. trading participant JPY 600,000 (2) Government bond futures, etc. trading participant JPY 200,000 	<ul style="list-style-type: none"> • In the case where a futures, etc. trading participant did not place an order (including corrections and cancellation orders) in JGB Futures or Index Futures in the previous month, OSE shall deduct JPY 200,000 from the basic fee for the current month. • Basic fees for a futures, etc. trading participant in the month of the integration (hereinafter referred to as “the integration month”) shall be the total of the amounts obtained by calculating the relevant amount of fees on a per diem basis before and after the integration. Basic fees for a government bond futures, etc. trading participant in the integration month shall be the amount divided by the number of days from the implementation date to the last day of the integration month.

Items	Contents	Remarks
(2) Trading Fees	<ul style="list-style-type: none"> • The trading fee rates for each contract shall be as set forth in the Schedule. 	<ul style="list-style-type: none"> • The trading fee discount for market makers will be separately notified to trading participants.
(3) Give-up Fees	<ul style="list-style-type: none"> • The amount of give-up fees shall be as follows. <ul style="list-style-type: none"> (1) Contracts other than mini, etc. contracts <ul style="list-style-type: none"> The amount obtained by multiplying the volume employing give-up system by JPY 5 (2) Mini, etc. contracts <ul style="list-style-type: none"> The amount obtained by multiplying the volume employing give-up system by JPY 1 	<ul style="list-style-type: none"> • Mini, etc. contracts mean the following contracts: Nikkei 225 mini, Mini TOPIX Futures, TOPIX Core30 Futures, TSE REIT Index Futures, Nikkei 225 Dividend Index Futures, TOPIX Dividend Index Futures, TOPIX Core30 Dividend Index Futures, and Mini 10-year JGB Futures.
(4) Position Transfer Fees	<ul style="list-style-type: none"> • Position transfer fees shall be the amount obtained by multiplying trading volume by JPY 5. 	<ul style="list-style-type: none"> • Current TSE position transfer fees will be applied.
(5) Cancellation Fees	<ul style="list-style-type: none"> • Cancellation fees shall be applied at the same rate as trading fees. 	<ul style="list-style-type: none"> • For contracts whose trading fees are subject to volume discounts, cancellation fees shall be applied at the same rate as trading fees assuming that said discounts are not applied.

III. Implementation Date (Scheduled)

This fee schedule will be applied from the date of the integration (tentatively scheduled for March 24, 2014) onward.

Trading Fees for New Products and Changes to Trading Fees for Existing Products

(1) Trading Fees for New Products

Contracts	Trading Fees	Remarks								
TOPIX Futures	<ul style="list-style-type: none"> Trading fees will be calculated using the following formula: (the amount obtained by applying the monthly average trading volume of a trading participant for 3 months counting back from 2 months before the calculation month to the table below / monthly average trading volume for said 3 months[*]) × (the trading volume of said trading participant for the calculation month) <p>[*] Figures below the third decimal place will be discarded.</p> <table border="1" data-bbox="577 730 1435 1078"> <thead> <tr> <th data-bbox="577 730 1189 879">Monthly Average Trading Volume for 3 Months Counting Back from 2 Months before the Calculation Month</th> <th data-bbox="1189 730 1435 879">Fee Per Contract</th> </tr> </thead> <tbody> <tr> <td data-bbox="577 879 1189 930">For the portion up to 100,000 contracts</td> <td data-bbox="1189 879 1435 930">JPY 55</td> </tr> <tr> <td data-bbox="577 930 1189 1027">For the portion more than 100,000 contracts, up to 300,000 contracts</td> <td data-bbox="1189 930 1435 1027">JPY 35</td> </tr> <tr> <td data-bbox="577 1027 1189 1078">For the portion more than 300,000 contracts</td> <td data-bbox="1189 1027 1435 1078">JPY 20</td> </tr> </tbody> </table>	Monthly Average Trading Volume for 3 Months Counting Back from 2 Months before the Calculation Month	Fee Per Contract	For the portion up to 100,000 contracts	JPY 55	For the portion more than 100,000 contracts, up to 300,000 contracts	JPY 35	For the portion more than 300,000 contracts	JPY 20	<ul style="list-style-type: none"> Current TSE trading fees will be applied. The current TSE method for calculating trading fees based on the trading volume of the calculation month will be changed to the calculation method used for Nikkei 225 Futures. For trading fees applied to each of the preceding five months which include the integration month, OSE shall calculate the monthly average trading volume taking trading in TOPIX Futures on TSE for the preceding five months which include the integration month to be that on OSE.
Monthly Average Trading Volume for 3 Months Counting Back from 2 Months before the Calculation Month	Fee Per Contract									
For the portion up to 100,000 contracts	JPY 55									
For the portion more than 100,000 contracts, up to 300,000 contracts	JPY 35									
For the portion more than 300,000 contracts	JPY 20									
Mini TOPIX Futures, TOPIX Core30 Futures, TSE REIT Index Futures	<ul style="list-style-type: none"> The trading fee per contract will be JPY 7. 	<ul style="list-style-type: none"> Current TSE trading fee will be applied. 								

Contracts	Trading Fees	Remarks						
TSE Banks Index Futures	<ul style="list-style-type: none"> The trading fee per contract will be JPY 55. 	<ul style="list-style-type: none"> Current TSE trading fee will be applied. However, volume discounts will not be applied in light of the trading conditions. 						
Nikkei 225 Dividend Index Futures, TOPIX Dividend Index Futures, TOPIX Core30 Dividend Index Futures	<ul style="list-style-type: none"> Trading fees will be calculated using the following formula: (the amount obtained by applying the monthly average trading volume of a trading participant for 3 months counting back from 2 months before the calculation month to the table below / monthly average trading volume for said 3 months[*]) × (the trading volume of said trading participant for the calculation month) [*] Figures below the third decimal place will be discarded. <table border="1" data-bbox="577 735 1431 979"> <thead> <tr> <th data-bbox="577 735 1158 879">Monthly Average Trading Volume for 3 Months Counting Back from 2 Months before the Calculation Month</th> <th data-bbox="1158 735 1431 879">Fee Per Contract</th> </tr> </thead> <tbody> <tr> <td data-bbox="577 879 1158 927">For the portion up to 5,000 contracts</td> <td data-bbox="1158 879 1431 927">JPY 40</td> </tr> <tr> <td data-bbox="577 927 1158 979">For the portion more than 5,000 contracts</td> <td data-bbox="1158 927 1431 979">JPY 20</td> </tr> </tbody> </table>	Monthly Average Trading Volume for 3 Months Counting Back from 2 Months before the Calculation Month	Fee Per Contract	For the portion up to 5,000 contracts	JPY 40	For the portion more than 5,000 contracts	JPY 20	<ul style="list-style-type: none"> Current TSE trading fees will be applied. After the integration, discounts on trading fees currently implemented on TSE will continue to apply for the time being. The current TSE method for calculating trading fees based on the trading volume for the calculation month will be changed to the calculation method for Nikkei 225 Futures.
Monthly Average Trading Volume for 3 Months Counting Back from 2 Months before the Calculation Month	Fee Per Contract							
For the portion up to 5,000 contracts	JPY 40							
For the portion more than 5,000 contracts	JPY 20							
5-year JGB Futures, 10-year JGB Futures, 20-year JGB Futures (excluding transactions effected by exercise of Options on JGB Futures)	<ul style="list-style-type: none"> The trading fee per contract will be JPY 95. 	<ul style="list-style-type: none"> Current TSE trading fee will be applied. 						

Contracts	Trading Fees	Remarks
10-year JGB Futures transactions effected by exercise of Options on JGB Futures	<ul style="list-style-type: none"> The trading fee per contract will be JPY 82. 	<ul style="list-style-type: none"> Current TSE trading fee will be applied.
Physical Delivery of JGB Futures	<ul style="list-style-type: none"> The trading fee per contract will be JPY 10. 	<ul style="list-style-type: none"> Current TSE trading fee will be applied.
Mini 10-year JGB Futures	<ul style="list-style-type: none"> The trading fee per contract will be JPY 20. 	<ul style="list-style-type: none"> Current TSE trading fee will be applied.
Individual Securities Options	<ul style="list-style-type: none"> The trading fee per contract will be JPY 10. 	<ul style="list-style-type: none"> Current TSE trading fee will be applied.
TOPIX Options	<ul style="list-style-type: none"> The trading fee per contract will be JPY 40. 	<ul style="list-style-type: none"> Current TSE trading fee will be applied.
Options on 10-year JGB Futures	<ul style="list-style-type: none"> The trading fee per contract will be JPY 40. 	<ul style="list-style-type: none"> Current TSE trading fee will be applied.

(2) Changes to Trading Fees for Existing Products

Contracts	Trading Fees	Remarks																				
Nikkei 225 Futures (on a customer's account)	<ul style="list-style-type: none"> Trading fee of JPY 15 per contract for the portion more than 150,000 contracts will be changed to JPY 25. <p>(Reference: Trading fees before and after the change)</p> <ul style="list-style-type: none"> Trading fees will be calculated using the following formula: (the amount obtained by applying the monthly average trading volume of a trading participant for 3 months counting back from 2 months before the calculation month to the table below / monthly average trading volume for said 3 months[*]) × (the trading volume of said trading participant for the calculation month) <p>[*] Figures below the third decimal place will be discarded.</p> <table border="1" data-bbox="577 778 1429 1321"> <thead> <tr> <th data-bbox="577 778 1167 927" rowspan="2">Monthly Average Trading Volume for 3 Months Counting Back from 2 Months before the Calculation Month</th> <th colspan="2" data-bbox="1167 778 1429 826">Fee per contract</th> </tr> <tr> <th data-bbox="1167 826 1301 927">New</th> <th data-bbox="1301 826 1429 927">Old</th> </tr> </thead> <tbody> <tr> <td data-bbox="577 927 1167 975">For the portion up to 10,000 contracts</td> <td data-bbox="1167 927 1301 975">JPY 110</td> <td data-bbox="1301 927 1429 975">JPY 110</td> </tr> <tr> <td data-bbox="577 975 1167 1070">For the portion more than 10,000 contracts, up to 50,000 contracts</td> <td data-bbox="1167 975 1301 1070">JPY 70</td> <td data-bbox="1301 975 1429 1070">JPY 70</td> </tr> <tr> <td data-bbox="577 1070 1167 1166">For the portion more than 50,000 contracts, up to 100,000 contracts</td> <td data-bbox="1167 1070 1301 1166">JPY 40</td> <td data-bbox="1301 1070 1429 1166">JPY 40</td> </tr> <tr> <td data-bbox="577 1166 1167 1262">For the portion more than 100,000 contracts, up to 150,000 contracts</td> <td data-bbox="1167 1166 1301 1262">JPY 25</td> <td data-bbox="1301 1166 1429 1262">JPY 25</td> </tr> <tr> <td data-bbox="577 1262 1167 1321">For the portion more than 150,000 contracts</td> <td data-bbox="1167 1262 1301 1321"></td> <td data-bbox="1301 1262 1429 1321">JPY 15</td> </tr> </tbody> </table>	Monthly Average Trading Volume for 3 Months Counting Back from 2 Months before the Calculation Month	Fee per contract		New	Old	For the portion up to 10,000 contracts	JPY 110	JPY 110	For the portion more than 10,000 contracts, up to 50,000 contracts	JPY 70	JPY 70	For the portion more than 50,000 contracts, up to 100,000 contracts	JPY 40	JPY 40	For the portion more than 100,000 contracts, up to 150,000 contracts	JPY 25	JPY 25	For the portion more than 150,000 contracts		JPY 15	<ul style="list-style-type: none"> Besides this change, OSE shall designate trading participants that fulfill predetermined conditions (per customer account and excluding for a trading participant's proprietary account) as Liquidity Providers (selected from among market makers as entities with the role of quoting of a counter-bid or offer considering trading conditions such as price, in order to ensure smooth execution of transactions), and shall provide discounts to trading fees depending on trading volume.
Monthly Average Trading Volume for 3 Months Counting Back from 2 Months before the Calculation Month	Fee per contract																					
	New	Old																				
For the portion up to 10,000 contracts	JPY 110	JPY 110																				
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For the portion more than 100,000 contracts, up to 150,000 contracts	JPY 25	JPY 25																				
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* For transactions which are not mentioned in this Schedule, current OSE trading fees will be applied.