

## Revision to the Contract Unit and Immediately Executable Price Range of 20-year Japanese Government Bond Futures

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Osaka Exchange, Inc.

### I. Purpose

Osaka Exchange, Inc. will revise the contract unit and immediately executable price range of 20-year Japanese Government Bond Futures (hereinafter referred to as "20-year JGB Futures") to invigorate trading by providing greater convenience for market participants, in light of current liquidity and opinions from market participants.

### II. Outline

Item	Contents	Remark
1. Change in the contract unit	<ul style="list-style-type: none"><li>The contract unit of 20-year JGB Futures will be changed to a face value of JPY 10 million.</li></ul>	<ul style="list-style-type: none"><li>Current contract unit is a face value of JPY 100 million.</li><li>The delivery unit shall also be a face value of JPY 10 million, the same as the contract unit.</li><li>For 20-year JGB Futures existing as of the change in the contract unit (specifically, June, September and December 2022 contracts), the amount of open interest will be adjusted by multiplying it by 10, according to the change in the contract unit if open interest exists.</li><li>The contract unit for 5-year JGB Futures and 10-year JGB Futures shall remain unchanged (a face value of JPY 100 million).</li></ul>
2. Change in the immediately	<ul style="list-style-type: none"><li>The immediately executable price range of</li></ul>	<ul style="list-style-type: none"><li>Although the immediately executable price range</li></ul>

Item	Contents	Remark
<p>executable price range (Dynamic Circuit Breaker)</p>	<p>20-year JGB Futures applied to the regular sessions and the closing auctions will be changed to JPY 0.9.</p>	<p>currently applied to the regular sessions and the dosing auctions is JPY 0.3 and the range to be applied to the opening auctions will be changed to JPY 0.9 on September 21, 2021, this revision shall take effect to set the immediately executable price range to be JPY 0.9 all day.</p> <ul style="list-style-type: none"> <li>• If sufficient liquidity is secured in the future, the immediately executable price range is subject to change.</li> <li>• The immediately executable price range of 5-year JGB Futures and 10-year JGB Futures shall remain unchanged. (JPY 0.3 for the opening auction (Effective on and after September 21, 2021), JPY 0.1 for the regular session, and JPY 0.1 for the closing auction)</li> <li>• For details, please refer to the appendix.</li> <li>• Appropriate changes shall be reflected in the descriptions of systems, forms, websites, among others, in addition to the names in the rules, to clear up confusion about the contract unit and the final settlement method (either a delivery settlement or cash settlement.)</li> </ul>
<p>3. Change in the contract names of Japanese government bond</p>	<ul style="list-style-type: none"> <li>• The contract names (i.e., Large contract/Mini contract) shall be changed</li> </ul>	<ul style="list-style-type: none"> <li>• For details, please refer to the appendix.</li> <li>• Appropriate changes shall be reflected in the descriptions</li> </ul>

Item	Contents	Remark
futures contracts  4. Others	to coincide with a change in the specifications of 20-year JGB Futures to physically delivered products with the contract unit of a face value of 10 million yen.  • Other necessary revisions will be made.	of systems, forms, websites, among others, in addition to the names in the rules, to clear up confusion about the contract unit and the final settlement method (either a delivery settlement or cash settlement.)

### III. Implementation Date (Scheduled)

- Implementation takes place from the day session, including the J-NET Market on April 4, 2022.
- Trading in the night session, including the J-NET Market, for the trading day that ends on April 4, 2022 (trading period from 3:25 p.m. on April 1, 2022, to 6:00 a.m. on April 2, 2022) will be halted for all contract months of 20-year JGB Futures (June, September, and December 2022 contracts).
- For 5-year JGB Futures and 10-year JGB Futures, trading in the night session (trading day: April 4, 2022) will be conducted as usual.

Appendix: Changes in Contract Names related to Japanese Government Bond Futures Contracts

- As shown in the table below, changes shall be made to the contract names related to Japanese government bond futures contracts in the rules.

Contract Names		Definitions	Specific products
Current	After Review (Draft)		
<u>Large contract</u>	<b><u>Physically delivered futures contract</u></b>	" <b>Physically Delivered Products</b> " (Of the contracts provided for in Article 2, Paragraph 21, Item 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as the "Act"), those pertaining to standardized government bonds)	<ul style="list-style-type: none"> <li>• 10-year JGB Futures (100 million yen face value)</li> <li>• 5-year JGB Futures (100 million yen face value)</li> <li>• <b>20-year JGB Futures (face value changed from 100 million yen to 10 million yen)</b></li> </ul>
<u>Mini contract</u>	<b><u>Cash-settled futures contract</u></b>	" <b>Cash-settled Products</b> " (Of the contracts provided for in Article 2, Paragraph 21, Item 2 of the Act, those pertaining to prices of standardized government bonds)	<ul style="list-style-type: none"> <li>• Mini 10-year JGB Futures (10 million yen face value)</li> </ul>

- In accordance with the change in the contract unit of the 20-year JGB Futures, the description names in the system, forms, and websites shall be changed as follows in order to clarify that the contract unit of the 20-year JGB Futures differs from those of 10-year JGB Futures and 5-year JGB Futures, which are classified under the same type of physically delivered futures contracts, and that the final settlement method differs from that applied to 10-year JGB Mini Futures, which are the same size measured in terms of face value..

<Example>

- From "20-year JGB Futures" to "20-year JGB Mini Futures"
- From "Mini 10-year JGB Futures" to "Mini 10-year JGB Futures (cash-settled)"