

Summary of Public Comments on "Revisions to Trading Rules for Options Trading" and Responses from OSE

June 16, 2025

Osaka Exchange, Inc.

Osaka Exchange, Inc. (OSE) published an outline of "Revisions to Trading Rules for Options Trading" on March 27, 2025, and sought public comments on it until April 26, 2025. We would like to thank you for submitting your valuable comments.

The following is a summary of the comments received and OSE's responses.

Also please note that the implementation schedule has been updated, and the changes are now scheduled to start on November 17, 2025 (planned), superseding the previously announcement of starting date as August 18, 2025 (planned) set out in above outline document.

No.	Summary of Comment	OSE's Response
1	<ul style="list-style-type: none"> - About Revisions to Tick Sizes: <ul style="list-style-type: none"> • I agree to the proposed tick size reduction. - About Revisions to DCB (Dynamic Circuit Breaker) Price Ranges: <ul style="list-style-type: none"> • The alignment and consistency of DCB price ranges before and after the revisions is unclear, therefore, please provide comparison tables in the public comment materials. • The proposed revisions seem acceptable, as long as OSE has thoroughly considered continuous price formation, even in difficult situations and scenarios such as the Great East Japan Earthquake where underlying asset prices face extreme daily fluctuation. I am worried that any disruption in price formation could lead to problems. 	<ul style="list-style-type: none"> • As requested, OSE has prepared the below comparison tables to help you more easily understand the comparison of DCB price ranges before and after the revisions, alongside the reduction in tick sizes. • Regarding the concerns you have raised, in revising the DCB price ranges we duly assessed and applied a level that could prevent disruptions in price formation (including sudden price changes due to incidental cases like erroneous orders) based on actual instances of DCB triggered situations and historical trends, while ensuring smooth price formation.

<ul style="list-style-type: none">• I believe that by reducing the duration of trading halts triggered by DCB, or by dynamically adjusting this duration, we can enhance liquidity while maintaining continuous price formation, even in challenging scenarios.	<p>Considering that the current DCB price ranges are uniformly set on a tick basis, the new DCB price ranges will be adjusted according to the relevant DCB reference price level. As these revisions will allow for more precise reflection of the unique characteristics of price formation for each option price, OSE believes that the proposed revisions will contribute to enhancing the price discovery function in OSE market.</p> <ul style="list-style-type: none">• We appreciate the suggestion. OSE will continue to enhance the convenience of the derivatives market by promptly reviewing trading rules and taking other necessary actions in accordance with market conditions and the needs of market participants.
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Comments above are from an individual.

Comparison Tables: Revisions in DCB Price Ranges, before and after the revisions ¹

1. Nikkei 225 Options and Nikkei 225 mini Options

DCB Reference Price Level		DCB Price Range			
		Before Revisions			After Revisions
		Opening Auction	Regular Session (Zaraba)	Closing Auction	
	Less than JPY 100	± JPY 60	± JPY 10	± JPY 30	± JPY 25
JPY 100 or greater	Less than JPY 200	± JPY 300	± JPY 50	± JPY 150	± JPY 50
JPY 200 or greater	Less than JPY 500				± JPY 100
JPY 500 or greater	Less than JPY 800				± JPY 125
JPY 800 or greater	Less than JPY 1,000				± JPY 150
JPY 1,000 or greater	Less than JPY 2,000				± JPY 200
JPY 2,000 or greater					± JPY 250

¹ The current DCB Price Ranges (before revisions) irrelevant to DCB Reference Price Level, for Nikkei 225 Options, Nikkei 225 mini Options, TOPIX Options, and JPX-Nikkei Index 400 Options: ± 60 tick (Opening Auction), ± 10 tick (Regular Session (Zaraba)), ± 30 tick (Closing Auction). These tables show DCB price ranges (either in JPY or in points) reflecting tick sizes.

2. TOPIX Options

DCB Reference Price Level		DCB Price Range			
		Before Revisions			After Revisions
		Opening Auction	Regular Session (Zaraba)	Closing Auction	
	Less than 20 pts	± 6 pts	± 1 pts	± 3 pts	± 2.5 pts
20 pts or greater	Less than 200 pts	± 30 pts	± 5 pts	± 15 pts	± 5 pts
200 pts or greater	Less than 500 pts				± 10 pts
500 pts or greater	Less than 800 pts				± 12.5 pts
800 pts or greater	Less than 1,000 pts				± 15 pts
1,000 pts or greater	Less than 2,000 pts				± 20 pts
2,000 pts or greater					± 25 pts

3. JPX-Nikkei Index 400 Options

DCB Reference Price Level		DCB Price Range			
		Before Revisions			After Revisions
		Opening Auction	Regular Session (Zaraba)	Closing Auction	
	Less than 50 pts	± 60 pts	± 10 pts	± 30 pts	± 25 pts
50 pts or greater	Less than 200 pts	± 300 pts	± 50 pts	± 150 pts	± 50 pts
200 pts or greater	Less than 500 pts				± 100 pts
500 pts or greater	Less than 800 pts				± 125 pts
800 pts or greater	Less than 1,000 pts				± 150 pts
1,000 pts or greater	Less than 2,000 pts				± 200 pts
2,000 pts or greater					± 250 pts

4. Securities Options

Before Revisions			After Revisions			
<u>Reference Price Level of Price Limits On Bids/Offers for the Underlying Securities</u>		DCB Price Range		<u>DCB Reference Price Level</u>		DCB Price Range
	Less than JPY 500	± JPY 10			Less than JPY 100	± JPY 30
JPY 500 or greater	Less than JPY 1,000	± JPY 20		JPY 100 or greater	Less than JPY 200	± JPY 60
JPY 1,000 or greater	Less than JPY 3,000	± JPY 50		JPY 200 or greater	Less than JPY 500	± JPY 120
JPY 3,000 or greater	Less than JPY 5,000	± JPY 100		JPY 500 or greater	Less than JPY 800	± JPY 150
JPY 5,000 or greater	Less than JPY 10,000	± JPY 200		JPY 800 or greater	Less than JPY 1,000	± JPY 180
JPY 10,000 or greater	Less than JPY 30,000	± JPY 500		JPY 1,000 or greater	Less than JPY 2,000	± JPY 300
JPY 30,000 or greater	Less than JPY 50,000	± JPY 1,000		JPY 2,000 or greater	Less than JPY 5,000	± JPY 500
JPY 50,000 or greater	Less than JPY 100,000	± JPY 2,000		JPY 5,000 or greater	Less than JPY 10,000	± JPY 1,000
JPY 100,000 or greater	Less than JPY 300,000	± JPY 5,000		JPY 10,000 or greater	Less than JPY 20,000	± JPY 2,000
JPY 300,000 or greater	Less than JPY 500,000	± JPY 10,000		JPY 20,000 or greater	Less than JPY 50,000	± JPY 4,000
JPY 500,000 or greater		± JPY 20,000		JPY 50,000 or greater		± JPY 7,500