

(Reference Translation)

Introduction of Flexible Contract Months for Options Trading

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Revised as of May 11, 2018

Osaka Exchange, Inc.

I. Purpose

In March 2015, the Basel Committee on Banking Supervision (BCBS) and International Organization of Securities Commissions (IOSCO) published the final report on "Margin Requirements for Non-Centrally Cleared Derivatives". Upon such changes and under international agreements, regulators in Japan and other countries have proceeded to adopt margin rules for non-centrally cleared OTC derivatives in order to secure financial system stability and facilitate the use of central counterparties.

Given such developments, Osaka Exchange Inc. (OSE) will introduce Flexible Contract Months for security options trading and index options trading as a new listed options trading method that meets such needs for non-centrally cleared OTC options trading. By allowing flexible setting of exercise dates and strike prices for each type of options trading, OSE seeks to meet the various needs of market participants, contributing to securing financial system stability, as well as to revitalize the listed options market.

OSE will also make other necessary revisions to rules on options trading and, in response to the needs of market participants, introduce index options pertaining to the TOPIX Banks Index (hereinafter "TOPIX Banks Index Options") and to the TSE REIT Index (hereinafter "TSE REIT Index Options"), for which only Flexible Contract Months will be traded.

II. Outline of Specifications for Flexible Contract Months

Item	Description	Remarks
1. Flexible Contract Months	<ul style="list-style-type: none"><li data-bbox="546 1066 1384 1294">• A contract month will be set for which the last trading day is a business day based on an application from a Trading Participant (hereinafter "Flexible Contract Month"). Strike prices will also be set for such Flexible Contract Month based on the application from the Trading Participant.<li data-bbox="546 1318 1384 1343">• For Flexible Contract Months, the following trading will be conducted in	

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2. Subject Contracts	<p>the J-NET market, which is a separate market from the auction market.</p> <p>a. Flexible single issue trading</p> <p>Options trading of Flexible Contract Months with one contract or more, conducted pursuant to the OSE rules.</p> <p>b. Flexible combo trading</p> <p>Options trading of Flexible Contract Months in which a sale and purchase of two to ten (inclusive) issues are carried out at the same time in accordance with a combination separately specified by OSE, conducted pursuant to the OSE rules.</p> <ul style="list-style-type: none"> • Other than sales/purchases of the underlying security, a transaction of payment/receipt of the cash difference may be chosen as the transaction to be executed resulting from exercise of a security options contract for a Flexible Contract Month. This will be determined when the Trading Participant submits its application. • Other than special quotation, the closing price of the underlying index on the last trading day may be chosen as the options settlement price for exercise of an index options contract for a Flexible Contract Month. This will be determined when the Trading Participant submits its application. • Flexible Contract Months will be set for security options, Nikkei Average Options, TOPIX Options, JPX-Nikkei Index 400 Options, as well as newly-introduced TOPIX Banks Index Options and TSE REIT Index 	<ul style="list-style-type: none"> • A transaction of payment/receipt of the cash difference means, by a declaration of intention by the party acquiring the option, a transaction of payment/receipt between the parties of an amount of money calculated based on the difference between the strike price and the price of the underlying security on the day when such option is exercised. • For information on the introduction of TOPIX Banks Index Options and TSE REIT Index Options, please refer to IV and V below, respectively.

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Item	Description	Remarks
3. Contract Months	<p>Options.</p> <ul style="list-style-type: none">• Only Flexible Contract Months will be set for TOPIX Banks Index Options and TSE REIT Index Options.• Likewise, for security options, only Flexible Contract Months may be set for underlying securities specified by OSE, without setting regular contract months.• A Flexible Contract Month will be set in the event an application is made by a Trading Participant on the day of such application. The last trading day for such Flexible Contract Month will be set to a business day based on such application.• For security options, a Flexible Contract Month may be set, with the last trading day set to a day between (a) the day after five business days have elapsed since the application date inclusive and (b) the day after three years have elapsed since the application date inclusive.• For index options, a Flexible Contract Month may be set with the last trading day set to a day between (a) the day after five business days have elapsed since the application date inclusive and (b) the day after five years have elapsed since the application date inclusive.	<ul style="list-style-type: none">• Regular contract months will not be set for TOPIX Banks Index Options and TSE REIT Index Options for the time being.• If the preset last trading day falls on a non-business day, it will be advanced.
4. Strike Prices	<ul style="list-style-type: none">• For Flexible Contract Months, strike prices will be set based on the application from the Trading Participant.	<ul style="list-style-type: none">• Strike prices will be set to the second decimal place within a price range deemed appropriate by OSE.

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5. Application for Flexible Contract Months	<ul style="list-style-type: none"> • A Trading Participant will submit an application to OSE as stipulated by OSE. 	<p>However, among Flexible Contract Months of security options, strike prices may be set to the first decimal place or an integer for those on the underlying securities specified by OSE.</p> <ul style="list-style-type: none"> • In cases where the last trading day will arrive before five business days have elapsed since the application date inclusive, such application pertaining to setting of new strike prices may not be made. • Applications will be accepted through Target.
6. Methods of Contract Formation	<ul style="list-style-type: none"> • In accordance with the following a. and b. and when enumerated therein, transaction(s) will be executed between such bid and offer (<u>only those within the price limit range specified in the Appendix</u>) or between bids/offers (<u>only those within the price limit range specified in the Appendix</u>) for the issues. <ul style="list-style-type: none"> a. Flexible single issue trading When either a bid or offer matches an offer or bid placed to match such bid or offer b. Flexible combo trading When all offers for the issues match all bids placed to match such offers 	<ul style="list-style-type: none"> • In cases where OSE deems that any price of a bid/offer is not appropriate considering the trading condition, etc. in a trading session, transaction(s) will not be executed.

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Item	Description	Remarks
7. Trading Hours	<ul style="list-style-type: none">• Index options trading From 8:20 a.m. to 8:00 p.m. (JST)• Security options trading From 8:20 a.m. to 5:30 p.m. (JST)	<ul style="list-style-type: none">• A trading day means a period between 3:30 p.m. on a business day and 3:30 p.m. on the following business day, beginning at 3:30 p.m. (JST).• OSE may temporarily change the trading hours as deemed necessary.
8. Trading Method	<ul style="list-style-type: none">• Trading will be conducted by means other than trading through the trading system.	<ul style="list-style-type: none">• Orders will be accepted through Target.
9. Bids and Offers	<ul style="list-style-type: none">• Bids and offers shall be made at <u>integral multiples of the price unit specified for each product in the Appendix.</u>• When intending to conduct a transaction in accordance with the following a. and b., bids and offers shall be made as specified therein.<ul style="list-style-type: none">a. Flexible single issue trading in which a sale and purchase are carried out simultaneously The same Trading Participant will simultaneously make an offer and a bid that is matched with such offer.b. Flexible combo trading The same Trading Participant will simultaneously make an offer and a bid that is matched with such offer for each issue.• Bids and offers shall become invalid at the end of trading hours.	

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10. Trading Unit	<ul style="list-style-type: none">The trading unit will be the same as for applicable options trading on the auction market.	<ul style="list-style-type: none">Tradable from one trading unit
11. Notifications	<ul style="list-style-type: none">When a transaction has been carried out, OSE shall notify both the selling Trading Participant and the purchasing Trading Participant of the details of such trading.	<ul style="list-style-type: none">Notifications will be issued through Target.
12. Suspension of Trading and Temporary Trading Halts	<ul style="list-style-type: none">OSE shall suspend trading as deemed necessary.In cases where trading on the auction market is temporarily halted in accordance with the circuit breaker rule (or similar cases for security options and index options for which regular contract months do not exist), OSE will temporarily halt trading of the Flexible Contract Months.	<ul style="list-style-type: none">In accordance with the current rules on suspension of trading and temporary trading halts of the J-NET market in cases where trading of security options on the auction market is suspend due to a trading suspension of the underlying security or due to a shareholder directed spin-off of the issuer of the underlying security, or for the purpose of administration of transactions, trading of such security options shall be suspended. Likewise, in cases where trading on the auction market is temporarily halted for futures trading for which the underlying index is the same as the one for index options, trading of index options pertaining to such underlying index shall be temporarily halted.

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Item	Description	Remarks
13. Exercise of Options	<ul style="list-style-type: none">• Either (a) or (b) below may be chosen as the transaction to be executed resulting from exercise of a security options contract of a Flexible Contract Month. This will be determined when the Trading Participant submits its application.<ul style="list-style-type: none">(a) sales/purchases of the underlying security(b) transaction of payment/receipt of the cash differenceSettlement of a transaction of payment/receipt of the cash difference executed resulting from exercise shall be made on the day following the exercise date (when the day falls on a non-business day, it shall be moved to the following business day) based on the options settlement price. (It shall be the final price (including the final price of the quote) for the underlying security on the last trading day.)• Either (a) or (b) below may be chosen as the options settlement price for exercise of an index options contract of a Flexible Contract Month. This will be determined when the Trading Participant submits its application.<ul style="list-style-type: none">(a) special quotation(b) closing price of the underlying index on the last trading dayIn cases where the closing price of the underlying index on the last	<ul style="list-style-type: none">• OSE shall also suspend trading when it is deemed inappropriate or difficult to continue trading.• Even if some issues have the same last trading day and strike prices, in cases where these have a different method of exercise of options or a different options settlement price, such issues shall be treated as different issues.• Once an issue has been set, the method of exercise of options may not be changed.

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Item	Description	Remarks
14. Open Interest and Settlement 15. Margin 16. Trading Fees 17. Publication of OHLC Price Data, etc. 18. Trading by Trading Participant 19. Trading by Investor Type	<p>trading day is chosen as the options settlement price, the exercise date shall be the last trading day.</p> <ul style="list-style-type: none"> • The method for notification of exercise of options and other matters will be the same as for regular contract months. • Same as regular contract months • The amount of margin will be calculated together with that for trading on the auction market and for trading on the J-NET market. • Trading fees will be determined at a later date. • Open/high/low/close price data and trading volume of each issue will be published. • For the time being, trading volume and open interest per Trading Participant for Flexible Contract Months will not be disclosed, regardless of handling of regular contract months. • For the time being, trading volume and value for sales and purchases by 	<ul style="list-style-type: none"> • Notification and publication pertaining to security options shall be made on a date and time specified by OSE in cases where trading volume is equal to or more than the amount specified by OSE.

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Item	Description	Remarks
	different categories of investors for Flexible Contract Months will not be disclosed, regardless of handling of regular contract months.	

Appendix

Price Units and other metrics for Flexible Contract Months

Product	Price Unit	Price Limit Range
Security Options	JPY 0.0001	$T \pm (V \times N\% + W - V)$
Nikkei Average Options	JPY 0.0001	
TOPIX Options	0.0001 point	$U \pm (X \times N\% + Y - X)$
JPX-Nikkei Index 400 Options		
TOPIX Banks Index Options		
TSE REIT Index Options		$U \pm (X \times N\% + Z - X)$

Variables:

T: The theoretical price as of the close of the previous business day calculated by OSE based on the reference price for daily price limits of the underlying security of the day on the designated market

U: The theoretical price as of the close of the previous business day calculated by OSE based on the closing price of the underlying index on the previous business day

V: The reference price for daily price limits of the underlying security of the day on the designated market

W: The last price of the underlying security on the designated market

X: The closing price of the underlying index on the previous business day

Y: The price calculated by subtracting the theoretical basis from the last price of the index futures contract based on the same underlying index

Z: The last price of the underlying index

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N: For security options trading, 8% for a Flexible Contract Month whose last trading is within 240 days from the day; 11% for a Flexible Contract Month for which the last trading day is more than 240 days but within 360 days from the day; 16% for a Flexible Contract Month for which the last trading day is more than 360 days but within 720 days from the day; and 20% for a Flexible Contract Month for which the last trading day is more than 720 days from the day.

For index options trading, 8% for a Flexible Contract Month for which the last trading day is within 90 days from the day; and 11% for a Flexible Contract Month for which the last trading day is more than 90 days from the day.

III. Other Necessary Revisions pertaining to Options Trading

Item	Description	Remarks
1. Handling of Positions Pertaining to Corporate Restructuring, etc. (1) Special Transfer of Positions	<ul style="list-style-type: none">In cases where an underlying security is delisted due to the issuer company (including investment companies) undergoing corporate restructuring (meaning merger, stock swap, stock transfer and demerger, etc.; the same will apply hereinafter) or due to the investment trust undergoing a reverse split, for security options based on said underlying security, out of the contract months for which the last trading day is on or after the day when the corporate restructuring or reverse split of the investment trust becomes effective (when the day falls on a non-business day, it shall be moved to the following business day; the same shall apply hereinafter), in cases where a security issued by the newly created company or the surviving company pertaining to such corporate restructuring or a security issued in accordance with the reverse split of	<ul style="list-style-type: none">Under the current rules, in cases where an underlying security is delisted, the last trading day and exercise day of security options based on said underlying security will be advanced to two business days before the delisting day of the underlying security.Special transfer of positions will be made only for Flexible Contract Months for the time being.

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Item	Description	Remarks
(2) Determining Transferred Position Issues	<p>the investment trust is an underlying security (including cases where such security is newly selected), positions of the contract months designated by OSE may be transferred over to positions of the security options based on such underlying securities (hereinafter "Transferred Position Security Options").</p> <ul style="list-style-type: none"> • Special Transfer of positions will be made on the day when the corporate restructuring or the reverse split of the investment trust becomes effective. • Contract months of issues for which positions are to be transferred over to (hereinafter "Transferred Position Issues") and contract months of the Transferred Position Security Options for which positions are to be transferred from (hereinafter "Original Position Issues") will be the same. • Strike prices of Transferred Position Issues will be determined by adjusting strike prices of Original Position Issues according to the merger ratio, etc. The quantity of underlying securities for a unit of security options will be also adjusted where necessary. 	<ul style="list-style-type: none"> • In cases where Original Position Issues are issues of Flexible Contract Months, Transferred Position Issues will be issues of Flexible Contract Months. • Japan Securities Clearing Corporation (hereinafter "JSCC") will adjust the quantity of positions where necessary.
(3) Special Setting for Transferred Position Issues	<ul style="list-style-type: none"> • In case of conducting special transfer of positions, where Transferred Position Issues are not set on the day when the corporate restructuring or reverse split of the investment trust becomes effective, special setting will be conducted for Transferred Position Issues on the day. 	

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Item	Description	Remarks
<p>(4) Last Trading Day of Security Options Based on a Security to be Delisted</p> <p>2. Other</p>	<ul style="list-style-type: none"> • No new strike prices will be set based on issues for which special setting is conducted. • In cases where special transfer of positions is possible, for security options based on a security to be delisted due to corporate restructuring or a reverse split of the investment trust whose last trading day is on or after the day when the corporate restructuring or reverse split of the investment trust becomes effective, the last trading day of Flexible Contract Months will be advanced to the business day preceding the delisting day of the underlying security; provided, however, that, even in cases where the last trading day is changed, the exercise day shall not be changed. • Other necessary revisions will be made. 	<ul style="list-style-type: none"> • On or after the day stipulated by OSE on a case-by-case basis, trading in new contract months (except Flexible Contract Months) shall not be conducted, in principle, in cases where there exist two or more contract months (except Flexible Contract Months) including such new contract months for which the last trading day is on or after the day when the corporate restructuring or reverse split of the investment trust becomes effective.

IV. Outline of Contract Specifications for TOPIX Banks Index Options

Item	Description	Remarks
<p>1. Contracts</p> <p>2. Contract Months</p>	<ul style="list-style-type: none"> • The contracts for trading will be put options and call options that pertain to the TOPIX Banks Index. • Only Flexible Contract Months will be set. 	<ul style="list-style-type: none"> • Regular contract months will not be set for the time being.

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Item	Description	Remarks
3. Strike Prices and Number thereof	<ul style="list-style-type: none">• Only strike prices pertaining to Flexible Contract Months will be set.	<ul style="list-style-type: none">• The strike prices may be set to the second decimal place within the price range deemed appropriate by OSE.
4. Contract Multiplier	<ul style="list-style-type: none">• Contract multiplier will be JPY 10,000.	<ul style="list-style-type: none">• Contract size of TOPIX Banks Index Futures is the index value of the TOPIX Banks Index multiplied by JPY 10,000.
5. Method of Trading Restrictions	<ul style="list-style-type: none">• In cases where OSE deems that trading conditions are, or are likely to be, irregular, OSE may take necessary action on trading and/or accepting the entrustment of orders pursuant to OSE rules.	<ul style="list-style-type: none">• Same as other index options
6. Give-up	<ul style="list-style-type: none">• Give-up will be available for TOPIX Banks Index Options.	<ul style="list-style-type: none">• Same as other index options
7. Trading Participants	<ul style="list-style-type: none">• Trading Participants with Futures, etc. Trading Qualification may trade TOPIX Banks Index Options directly in the OSE market.	<ul style="list-style-type: none">• Same as other index options
8. Clearing Organization	<ul style="list-style-type: none">• Transactions of TOPIX Banks Index Options will be cleared by Japan Securities Clearing Corporation (hereinafter "JSCC").	<ul style="list-style-type: none">• Same as other index options
9. Close-out Quantity Report	<ul style="list-style-type: none">• When there are long and short positions for a single issue at the same	<ul style="list-style-type: none">• Same as other index options

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Item	Description	Remarks
10 Settlement Price	<p>time, the Clearing Participant shall report the quantity of the positions to be settled (close-out quantity) to JSCC by the time specified by JSCC, and a Non-Clearing Participant shall report it to the Designated Clearing Participant by the time specified by the Designated Clearing Participant.</p> <ul style="list-style-type: none"> Settlement prices for TOPIX Banks Index Options will be determined by JSCC. 	<ul style="list-style-type: none"> Same as other index options
11 Payment/Receipt of Options Premiums	<ul style="list-style-type: none"> When a transaction of TOPIX Banks Index Options is executed, a Clearing Participant shall pay/receive the options premium to/from JSCC, and a Non-Clearing Participant shall pay/receive the options premium to/from its Designated Clearing Participant. 	<ul style="list-style-type: none"> Same as other index options
12 Margin	<ul style="list-style-type: none"> Clearing Participants shall submit or deposit to JSCC, and Non-Clearing Participants shall submit or deposit to their Designated Clearing Participants an amount of margin that is equivalent to or greater than that required by JSCC separately for customer and proprietary accounts. 	<ul style="list-style-type: none"> Same as other index options
13 Notification and Assignment of Exercise of Options	<ul style="list-style-type: none"> Clearing Participants shall notify JSCC of the details of the exercise of options indicated below by a time specified by JSCC, and Non-Clearing Participants shall make such notification to their Designated Clearing Participants by a time specified by said Designated Clearing Participants. 	<ul style="list-style-type: none"> A put (call) option at a strike price that is equal to or higher (lower) than the options settlement price will be deemed to have been subject to such notification of exercise even if such notification is not given.

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Item	Description	Remarks
14 Exercise Date	<p>However, Non-Clearing Participants may make such notification directly to JSCC pursuant to JSCC rules.</p> <ul style="list-style-type: none"> - For exercise of long positions on TOPIX Banks Index Options, notify the number of options for each issue, separately for customer and proprietary accounts • In cases where a Clearing Participant notifies JSCC of the exercise of options, JSCC will assign the number of contracts corresponding to exercise for each issue pursuant to JSCC rules. • The exercise date will be the day after the last trading day of each contract month (when the day falls on a non-business day, it shall be moved to the following business day). However, in the case of Flexible Contract Months, it will be the last trading day of each contract month if the closing price of the TOPIX Banks Index on the last trading day is adopted as the options settlement price. 	<p>However, the above will not apply if a non-exercise notification is given.</p> <ul style="list-style-type: none"> • Other matters related to the exercise of options will be the same as for other index options. • Same as other index options
15 Settlement of Exercise	<ul style="list-style-type: none"> • When TOPIX Banks Index Options are exercised, settlement shall be made, based on the options settlement price, on the day after the exercise date (when the day falls on a non-business day, it shall be moved to the following business day). 	<ul style="list-style-type: none"> • Same as other index options
16 Options Settlement Price	<ul style="list-style-type: none"> • The options settlement price shall be determined after the close of the day 	<ul style="list-style-type: none"> • Same as other index options

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	<p>session on the exercise date and calculated based on the opening price of each component issue of the TOPIX Banks Index on that day. However, in the case of Flexible Contract Months, the closing price of the TOPIX Banks Index on the last trading day may be adopted as the options settlement price, which will be determined when each issue is set.</p>	
17 Trading Fees	<ul style="list-style-type: none"> Trading fees will be determined at a later date. 	
18 Market Data	<ul style="list-style-type: none"> Open/high/low/close price data, trading volume, open interest, and other market information on TOPIX Banks Index Options will be published separately from other index options. 	

V. Outline of Contract Specifications for TSE REIT Index Options

Item	Description	Remarks
1. Contracts	<ul style="list-style-type: none"> The contracts for trading will be put options and call options that pertain to the TSE REIT Index. 	
2. Contract Months	<ul style="list-style-type: none"> Only Flexible Contract Months will be set. 	<ul style="list-style-type: none"> Regular contract months will not be set for the time being.
3. Strike Prices and Number thereof	<ul style="list-style-type: none"> Only strike prices pertaining to Flexible Contract Months will be set. 	<ul style="list-style-type: none"> The strike prices may be set to the second decimal place within the price range deemed appropriate by

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Item	Description	Remarks
4. Contract Multiplier	<ul style="list-style-type: none"> Contract multiplier will be JPY 1,000. 	<p>OSE.</p> <ul style="list-style-type: none"> Contract size of TSE REIT Index Futures is the index value of the TSE REIT Index multiplied by JPY 1,000.
5. Method of Trading Restrictions	<ul style="list-style-type: none"> In cases where OSE deems that trading conditions are, or are likely to be, irregular, OSE may take necessary action on trading and/or accepting the entrustment of orders pursuant to OSE rules. 	<ul style="list-style-type: none"> Same as other index options
6. Give-up	<ul style="list-style-type: none"> Give-up will be available for TSE REIT Index Options. 	<ul style="list-style-type: none"> Same as other index options
7. Trading Participants	<ul style="list-style-type: none"> Trading Participants with Futures, etc. Trading Qualification may trade TSE REIT Index Options directly in the OSE market. 	<ul style="list-style-type: none"> Same as other index options
8. Clearing Organization	<ul style="list-style-type: none"> Transactions of TSE REIT Index Options will be cleared by Japan Securities Clearing Corporation (hereinafter "JSCC"). 	<ul style="list-style-type: none"> Same as other index options
9. Close-out Quality Report	<ul style="list-style-type: none"> When there are long and short positions for a single issue at the same time, the Clearing Participant shall report the quantity of the positions to be settled (close-out quantity) to JSCC by the time specified by JSCC, and a Non-Clearing Participant shall report it to the Designated Clearing Participant by the time specified by the Designated Clearing Participant. 	<ul style="list-style-type: none"> Same as other index options

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10. Settlement Price	<ul style="list-style-type: none"> Settlement prices for TSE REIT Index Options will be determined by JSCC. 	<ul style="list-style-type: none"> Same as other index options
11. Payment/Receipt of Options Premiums	<ul style="list-style-type: none"> When a transaction of TSE REIT Index Options is executed, a Clearing Participant shall pay/receive the options premium to/from JSCC, and a Non-Clearing Participant shall pay/receive the options premium to/from its Designated Clearing Participant. 	<ul style="list-style-type: none"> Same as other index options
12. Margin	<ul style="list-style-type: none"> Clearing Participants shall submit or deposit to JSCC, and Non-Clearing Participants shall submit or deposit to their Designated Clearing Participants an amount of margin that is equivalent to or greater than that required by JSCC separately for customer and proprietary accounts. 	<ul style="list-style-type: none"> Same as other index options
13. Notification and Assignment of Exercise of Options	<ul style="list-style-type: none"> Clearing Participants shall notify JSCC of the details of the exercise of options indicated below by a time specified by JSCC, and Non-Clearing Participants shall make such notification to their Designated Clearing Participants by a time specified by said Designated Clearing Participants. However, Non-Clearing Participants may make such notification directly to JSCC pursuant to JSCC rules. <ul style="list-style-type: none"> For exercise of long positions on TSE REIT Index Options, notify the number of options for each issue, separately for customer and 	<ul style="list-style-type: none"> A put (call) option at a strike price that is equal to or higher (lower) than the options settlement price will be deemed to have been subject to such notification of exercise even if such notification is not given. However, the above will not apply if a non-exercise notification is given. Other matters related to the exercise of options will be the same as for other index options.

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(Reference Translation)

Item	Description	Remarks
14. Exercise Date	<p>proprietary accounts</p> <ul style="list-style-type: none">In cases where a Clearing Participant notifies JSCC of the exercise of options, JSCC will assign the number of contracts corresponding to exercise for each issue pursuant to JSCC rules.The exercise date will be the day after the last trading day of each contract month (when the day falls on a non-business day, it shall be moved to the following business day). However, in the case of Flexible Contract Months, it will be the last trading day of each month if the closing price of the TSE REIT Index on the last trading day is adopted as the options settlement price.	<ul style="list-style-type: none">Same as other index options
15. Settlement of Exercise	<ul style="list-style-type: none">When TSE REIT Index Options are exercised, settlement shall be made, based on the options settlement price, on the day after the exercise date (when the day falls on a non-business day, it shall be moved to the following business day).	<ul style="list-style-type: none">Same as other index options
16. Options Settlement Price	<ul style="list-style-type: none">The options settlement price shall be determined after the close of the day session on the exercise date and calculated based on the opening price of each component issue of the TSE REIT Index on that day. However, in the case of Flexible Contract Months, the closing price of the TSE REIT Index on the last trading day may be adopted as the options settlement	<ul style="list-style-type: none">Same as other index options

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(Reference Translation)

Item	Description	Remarks
17. Trading Fees	price, which will be determined when each issue is set.	
18. Market Data	<ul style="list-style-type: none">• Trading fees will be determined at a later date.• Open/high/low/close price data, trading volume, open interest, and other market information on TSE REIT Index Options will be published separately from other index options.	

VI. Implementation Date (Tentative)

The above is to be implemented on June 25, 2018.

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