

(Reference Translation)

Summary of Comments Submitted in the Public Consultation Procedure Regarding "Introduction of Flexible Contract Months for Options Trading"

Osaka Exchange, Inc. (hereinafter "OSE") released an outline of the "Introduction of Flexible Contract Months for Options Trading" on September 27, 2017 and sought public comments until October 27, 2017.

The summary of comments gathered and OSE's responses to the comments are as follows.

No.	Summary of Comments	OSE Responses
1	<ul style="list-style-type: none">– Unlike with other listed derivatives, Flexible Contract Months are supposed to be conducted through applications via the Target system, not through trading via J-GATE system. Since the Target system cannot be connected to our own system, additional operations will be needed for booking, positions, and risk managements. Please make J-GATE system or API connections available from shortly after or, if possible, from Day 1.	<ul style="list-style-type: none">– Flexible Contract Months is to be introduced as a new listed options trading method that meets the needs for OTC options trading. In consideration of such product features and trading needs, only the method of application via Target system will be applied upon product introduction.– We do understand, however, that it is important to improve convenience for market participants, including Trading Participants, in order to encourage/vitalize trading. As such, OSE will continue to examine this matter while giving due consideration to the actual trading situation and other matters after product introduction.
2	<ul style="list-style-type: none">– Please change the contract multiplier of Nikkei Average Options to the same size as that of Nikkei 225 mini. By making risk hedging easier, the trading would be more convenient.	<ul style="list-style-type: none">– OSE will take this comment into account when reviewing the rules in the future.

*Comment No.1 was submitted by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Comment No.2 by a retail investor.

Apart from these, OSE has made a partial revision regarding Price Limit Range in the "Price Units and other metrics for Flexible Contract Months", which was released as an Appendix to "II. Outline of Specifications for Flexible Contract Months". All other terms and statements shall remain unchanged and be implemented as proposed.