

**Enforcement Rules for Special Regulations of Business Regulations and Brokerage Agreement Standards Concerning Options Contract on Government Bond Futures**

(as of January 4, 2010)

Tokyo Stock Exchange, Inc.

**Rule 1. Purpose, etc.**

1. These Rules shall prescribe matters specified by the Exchange pursuant to Special Regulations of Business Regulations and Brokerage Agreement Standards Concerning Options Contracts on Government Bond Futures (hereinafter referred to as the “Special Regulations Concerning Government Bond Futures Options Contract”).

2. The meanings of terms in these Rules shall be subject to the provisions of the Special Regulations Concerning Government Bond Futures Options Contract.

**Rule 2. Exercise Prices**

1. The exercise prices set pursuant to Rule 7, Paragraph 2, Item 1 of the Special Regulations Concerning Government Bond Futures Options Contract shall be the base price (see Note 1 below) set at an interval of one (1) yen on the trading day ending on the day (see Note 2 below) immediately preceding the initial trading day of each contract month and five neighboring prices representing an integral multiple of one (1) yen set above the base price set at an interval of one (1) yen and five other such prices set below the base price.

(Note 1) Such base price means a price representing an integral multiple of one (1) yen that is closest to the clearing price of the underlying JGB futures contract month of the contract month on the trading day (if there are two such prices, whichever is higher) and a price representing an integral multiple of one (1) yen as determined by the Exchange on a case by case basis if there is no contract price (including contract prices as prescribed in Rule 6-2 of the Special Regulations of Business Regulations and Brokerage Agreement Standards Concerning Government Bond Futures Contract (hereinafter referred to as the “Special Regulations Concerning Government Bond Futures Contract”) and special quote prices indicated pursuant to the provisions of Rule 8, Paragraph 1, Items 3 through 5 of the Enforcement Rules for Special Regulations of Business Regulations and Brokerage Agreement Standards Concerning Government Bond Futures Contract (hereinafter referred to as the “Enforcement Rules for Special Regulations Concerning Government Bond Futures Contract”); the same shall apply in the following paragraph) of the

underlying JGB futures contract month of the contract month on the trading day; the same shall apply hereinafter).

(Note 2) Such day shall be moved up if the day falls on a holiday; the same shall apply hereinafter.

2. The exercise prices set pursuant to Rule 7, Paragraph 2, Item 2 of the Special Regulations Concerning Government Bond Futures Options Contract shall be the base price (see Note 3 below) set at an interval of 50/100 yen on the trading day ending on the day immediately preceding the initial trading day of each contract month and nine neighboring prices representing an integral multiple of 50/100 yen set above the base price set at an interval of 50/100 yen and nine other such prices set below the base price.

(Note 3) Such base price means a price representing an integral multiple of 50/100 yen that is closest to the clearing price of the underlying JGB futures contract month of the contract month on the trading day (if there are two such prices, whichever is higher) and a price representing an integral multiple of 50/100 yen as determined by the Exchange on a case by case basis if there is no contract price of the underlying JGB futures contract month of the contract month on the trading day; the same shall apply hereinafter.

3. The exercise prices set pursuant to Rule 7, Paragraph 3 of the Special Regulations Concerning Government Bond Futures Options Contract shall be those exercise prices other than existing exercise prices among the base numerical value set at an interval of 50/100 yen on the trading day ending on the day (see Note 4 below) immediately preceding the first day of the month that immediately precedes the month to which the last trading day of each contract month pertains and nine neighboring prices representing an integral multiple of 50/100 yen set above the base price set at an interval of 50/100 yen and nine other such prices set below the base price.

(Note 4) Such day shall be moved down if the day falls on a holiday; the same shall apply hereinafter.

4. In cases where the existing exercise prices fall under any of the following items, the new exercise prices set by the Exchange as prescribed in Rule 7, Paragraph 4 of the Special Regulations Concerning Government Bond Futures Options Contract shall be set on that day in a manner prescribed in each of the following items. However, in cases where the Exchange deems it necessary, the Exchange may change the exercise prices that it sets and the number thereof.

(1) With respect to each quarterly contract month, when the number of existing exercise prices either above or below the base price set at an interval of one (1) yen on the trading day ending on the previous day falls below five anytime

during the period from the initial trading day until the last day of the month that is two months before the month to which the last trading day pertains (see Note 5 below):

New exercise prices shall be set for such quarterly contract month at an interval of one (1) yen starting from the existing exercise prices until the number of the exercise prices above and below the base price set at an interval of one (1) yen both becomes five.

(Note 5) Such day shall be moved up if the day falls on a holiday.

- (2) With respect to each quarterly contract month, when the number of existing exercise prices (see Note 6 below) either above or below the base price set at an interval of 50/100 yen on the trading day ending on the previous day falls below nine after the first day of the month immediately preceding the month to which the last trading day pertains:

New exercise prices shall be set for such quarterly contract month at an interval of 50/100 yen until the number of the exercise prices above and below the base price set at an interval of 50/100 yen both becomes nine.

(Note 6) Such exercise prices shall be limited to consecutive prices representing integral multiples of 50/100 yen neighboring the base price set at an interval of 50/100; the same shall apply to the reference to “exercise prices” hereinafter in this item.

- (3) With respect to each contract month other than quarterly contract months, when the number of existing exercise prices either above or below the base price set at an interval of 50/100 yen on the trading day ending on the previous day falls below nine:

New exercise prices shall be set for such contract month other than quarterly contract months at an interval of 50/100 yen starting from the existing exercise prices until the number of the exercise prices above and below the base price set at an interval of 50/100 yen both becomes nine.

5. Notwithstanding the provisions of the preceding paragraph, if the day on which new exercise prices are to be set for cases prescribed in Item 2 or 3 of the preceding paragraph falls on or after the twentieth day of the month to which the last trading day of the contract month for which the new exercise prices are to be set pertains, the Exchange may choose not to set the new exercise prices for the contract month.

## **Rule 2-2. Government Bond Futures Trading executed by Strategy Transactions**

Government bond futures trading specified by the Exchange as prescribed in Rule 7-2,

Paragraph 1, Item 2 of the Special Regulations Concerning Government Bond Futures Options Contract, shall be “large transactions” (see Note 1 below).

(Note 1) Large transactions mean “large transactions” as prescribed in Rule 1-2, Paragraph 2 of the Special Regulations Concerning Government Bond Futures; the same shall apply hereinafter.

### **Rule 3. Types, etc. of Strategy Transactions**

The following (a), (b), and (c) shall be as specified in Appendix 1.

- (a) Combinations of government bond futures options strategy bid positions and strategy offer positions or types of Exchange-specified strategy transactions which are executed by strategy offer transactions or strategy bid transactions as prescribed in Rule 7-2, Paragraph 2 of the Special Regulations Concerning Government Bond Futures Options Contract.
- (b) The calculation method for strategy transaction price specified by the Exchange as prescribed in Rule 7-2, Paragraph 3 of the same regulations.
- (c) Exchange-specified types of strategy transactions as prescribed in Rule 14-2 and Rule 14-3 of the same regulations

### **Rule 3-2. Conditions to be attached to Strategy Transaction Orders**

1. The conditions prescribed by the Exchange as prescribed in Rule 7-2, Paragraph 4 of the Special Regulations Concerning Government Bond Futures Options Contract shall be as provided in the items below.

- (1) Contract month of government bond futures trading.
- (2) Sale or purchase of government bond futures as prescribed in Rule 1-3, Paragraph 1, Item 2 of the Special Regulations Concerning Government Bond Futures Contracts
- (3) Price of government bond futures as prescribed in Rule 1-3, Paragraph 1, Item 4 of the Special Regulations Concerning Government Bond Futures Contracts
- (4) Delta value

2. A trading participant may not specify a price which is outside of the price range specified by the Exchange for the price of government bond futures provided in Item 3 of the preceding paragraph.

### **Rule 4. Time for making bids and offers**

The time which bids and offers occur as prescribed in Rule 12, Paragraph 2, Item 2 of the Special Regulations Concerning Government Bond Futures Options Contract shall be as provided in each of the following items concerning orders.

- (1) At-the-Opening Order

- At the time of such at-the-opening order
- (2) Limit Order which has become a Limit Order from an at-the-opening order  
At the time of such at-the-opening order

**Rule 5. Suspension of Trading**

The suspension of trading as prescribed in Rule 13, Paragraph 2, Item 2 of the Special Regulations Concerning Government Bond Futures Options Contract shall refer to the cases enumerated in each of the following items:

- (1) Cases in which trading is temporarily suspended pursuant to Rule 17-2 of the Special Regulations Concerning Government Bond Futures Options Contract; and
- (2) Cases in which trading is suspended pursuant to Rule 18 of the Special Regulations Concerning Government Bond Futures Options Contract.

Rules 6. to 9. Deleted

**Rule 10. Price Limit on Bids and Offers, etc.**

1. The price limit on bids and offers determined by the Exchange as prescribed in Rule 14, Paragraph 5 of the Special Regulations Concerning Government Bond Futures Options Contract shall be as provided in each of the following items.

- (1) According to the contract month trading classifications in the following (a) and (b), the lower limit for offers shall be the price calculated by subtracting the value specified in the following (a) or (b) from the theoretical base price, the upper limit for bids shall be the price calculated by adding the value prescribed in the following (a) or (b) to the theoretical base price (see Note 1 below).

(Note 1) The range from such lower limit to such upper limit shall be hereinafter referred to as the “possible price range”.

(a) Direct Contract Month Trading

The value obtained by multiplying the theoretical base price by 20/100 (for values less than 0.2 yen, it shall be 0.2 yen. For values over 0.9 yen, it shall be 0.9 yen).

(b) Contract Month Trading which is not Direct Contract Month Trading

The value obtained by multiplying the theoretical base price by 30/100 (for values less than 0.2 yen, it shall be 0.2 yen. For values over 0.9 yen, it shall be 0.9 yen).

(2) Other than the preceding item, the lower limit for offers shall be the price calculated by subtracting the value prescribed in the following (a) and (b) from the base price, the upper limit for bids shall be the price calculated by adding the value prescribed in the following (a) and (b) to the base price (see Note 2 below). (Note 2) The range from such lower limit to such upper limit shall be hereinafter referred to as the “possible price range”.

(a) Value prescribed as the price limit on bids and offers (see Note 3 below) for government bond futures transactions with the same underlying standardized bonds as government bond futures options transactions (see Note 4 below).

(Note 3) Such price limit on bids and offers shall be price limits on bids and offers prescribed in Rule 9, Paragraph 1 of the Special Regulations Concerning Government Bond Futures Contracts, the same shall apply in Paragraph 3.

(Note 4) Such government bond futures options transactions shall be limited to large transactions.

(b) Values enumerated in (a) and (b) of the preceding item according to the classifications of the contract month trading in such items.

2. The theoretical base price as prescribed in Item 1 of the preceding paragraph shall be the theoretical base price calculated by the Exchange from the immediately preceding contract price, etc. of the government bond futures options contract month eligible for exercise of rights; provided, however, that if the Exchange deems matters related to such theoretical price to be inappropriate, it shall determine such matters separately on a case-by-case basis.

3. The base price prescribed in Paragraph 1, Item 2 shall be the theoretical price calculated by the Exchange from the base price of the price limit on bids and offers for the futures contract month trading eligible for exercise of rights of government bonds futures options contracts on such trading day; provided, however, that if the Exchange deems matters related to such theoretical price to be inappropriate, it shall determine such matters separately on a case-by-case basis.

4. Notwithstanding the provision of Paragraph 1, the Exchange may change the price limit on bids and offers for all or part of issues if, after taking into consideration the market conditions of government bonds, etc., it deems that the trading in the government bond futures options contract is, or is likely to be, in an unusual situation.

5. Regarding the application of Paragraphs 1 to 3 to strategy transactions, “Rule 14, Paragraph 5 of the Special Regulations Concerning Government Bond Futures Options

Contract” shall be “Rule 14, Paragraph 5 of the Special Regulations Concerning Government Bond Futures Options Contract with the rewording pursuant to Rule 14, Paragraph 6 of the same regulations” in Paragraph 1, “offer” shall be “strategy offer”, “bid” shall be “strategy bid” in Paragraph 1, Items 1 and 2, “the value prescribed in the following (a) or (b)” shall be “the value specified by the Exchange calculated from the price limit on bids and offers of government bond futures options eligible for strategy transactions” in Paragraph 1, Item 2, “the theoretical base price calculated by the Exchange from the immediately preceding contract price, etc. of the government bond futures options contract month eligible for exercise of rights” shall be “the price calculated by the Exchange from the theoretical base price of government bond futures options transactions eligible for strategy transactions” in Paragraph 2, and “the theoretical price calculated by the Exchange from the base price of the price limit on bids and offers for the futures contract month trading eligible for exercise of rights of government bonds futures options contracts” shall be “the price calculated by the Exchange from the theoretical base price of government bond futures options transactions eligible for strategy transactions” in Paragraph 3.

#### **Rule 10-2. Validity of Bids/Offers**

The validity of bids and offers shall be according to each of the following items, as prescribed in Rule 14, Paragraph 6 of the Special Regulations Concerning Government Bond Futures Options Contract.

- (1) Limit orders for the morning trading session or afternoon trading session shall cease to be valid after the end of the afternoon session of that day, and limit orders for the evening session shall cease to be valid after the end of the evening session of that day; provided, however, that in cases where the conditions prescribed in Rule 10-4 apply, the validity of such limit order shall be according to such conditions.
- (2) Market orders shall immediately cease to be valid in cases where they cannot be matched at prices other than those prescribed in Rule 14, Paragraph 4 of the Special Regulations Concerning Government Bond Futures Options Contract.
- (3) Notwithstanding the provisions of Item 1, when the Exchange deems that transmission has stopped between a trading participant terminal and the trading system, bids/offers, excluding bids/offers with designated validity period conditions as prescribed in Rule 10-4, Paragraph 1, Item 4, with a specified trading ID (see Note 1 below) from such trading participant terminal shall cease to be valid; provided, however, that this shall not apply to cases where the trading participant has already specified another trading ID of their own as the inheritor

of bids/offers, and the Exchange deems that transmission has not stopped between the trading participant terminal using such ID and the trading system.

(Note 1) Such trading ID refers to the authentication code provided to the trading participant by the Exchange and required for connection to the Exchange's trading system for the purpose of sending orders to the market, receiving transmissions, and acquiring market information; the same shall apply hereinafter.

(4) Notwithstanding the provisions of Item 1 and the preceding item, the Exchange may determine the validity of bids/offers on a case-by-case basis in cases where a trading halt has been conducted according to the provisions of Rule 18 of the Special Regulations Concerning Government Bond Futures Options Contract.

### **Rule 10-3. Methods of Placing Bids/Offers**

1. The methods, etc. of placing bids/orders shall be according to each of the following items, as prescribed in the provisions of Rule 14, Paragraph 6 of the Special Regulations Concerning Government Bond Futures Options Contract.

(1) Bids/offers shall be made by entering the details of such bids/offers from the trading participant terminal.

(2) Bids/offers provided in the following (a) and (b) in transactions prescribed in Rule 13, Paragraph 2 of the Special Regulations Concerning Government Bond Futures Options Contract shall be processed as prescribed in such (a) and (b).

(a) When making an offer, a bid at a higher price than such price shall be processed as a bid matching the offer made up until such point, to the price limit on such bid.

(b) When making a bid, an offer at a lower price than such price shall be processed as an offer matching the bid made up until such point, to the price limit of offer.

2. For the application of Item 2 of the preceding paragraph for strategy transactions, "offer" shall be "strategy offer" and "bid" shall be "strategy bid".

### **Rule 10-4. (Conditions for Making Bids/Offers)**

1. When making a bid/offer according to the provisions of Rule 14, Paragraph 6 of the Special Regulations Concerning Government Bond Futures Options Contract, a trading participant may attach the conditions provided in each of the following items

in accordance with the type of the bid/offer.

(1) Condition for Execution of Full Amount

A condition which causes a bid/offer to cease to be valid in cases where the full amount of such bid/offer cannot be executed immediately.

(2) Condition for Cancellation of Remaining Amount

A condition which causes a bid/offer to cease to be valid in cases where the transaction related to a bid/offer cannot be executed immediately, and in cases where part of such bid/offer can be executed, causes the remaining unexecuted part of the bid/offer to cease to be valid after partial execution.

(3) A condition which causes a bid/offer to cease to be valid in cases where the execution of a specified amount or more, or an arbitrarily specified amount or more cannot be completed for a bid or offer with conditions for execution of a specified amount or more.

(4) Conditions for Designated Validity Period

A condition which causes a bid/offer to cease to be valid at the end of the evening session of the specified day; provided, however, that in cases where such designation is not conducted, the period shall be deemed to last until the end of the afternoon session of the last trading day of the issue for which the bid/offer was made.

2. The conditions provided in each item of the preceding paragraph shall be able to be attached in accordance with the bid/offer types provided in Appendix 2; provided, however, that in cases where the Exchange deems that it is not appropriate for a trading participant to conduct bids/offers with such conditions, the Exchange may halt the placement of bids/offers with such conditions attached.

3. For the application of the provisions of the preceding two (2) paragraphs related to transactions provided in Rule 7-2, Paragraph 1, Item 2 of the Special Regulations Concerning Government Bond Futures Options Contract, “A condition which causes a bid/offer to cease to be valid at the end of the evening session of the specified day; provided, however, that in cases where such designation is not conducted, the period shall be deemed to last until the end of the afternoon session of the last trading day of the issue for which the bid/offer was conducted” in Paragraph 1, Item 4 shall be “A condition which causes a bid/offer to cease to be valid at the end of the evening session of the day upon which the bid/offer was made.”

#### **Rule 10-5. Prohibition of Market Orders**

The Exchange may prohibit market orders in cases where the Exchange deems it necessary in consideration of the status of transactions, etc. in government bond futures options trading pursuant to Rule 14, Paragraph 6 of the Special Regulations Concerning Government Bond Futures Options Contract.

**Rule 10-6. Market Maker Scheme**

1. The Exchange establishes a market maker scheme pertaining to government bond futures options transactions with the purpose of executing government bond futures options transactions smoothly and improving liquidity in the Exchange market pursuant to Rule 14, Paragraph 6 of the Special Regulations Concerning Government Bond Futures Options Contract.

2. Pursuant to the provisions set forth by the Exchange, the Exchange accepts application from trading participants for designation as a market maker pertaining to government bond futures options transactions per standardized government bond, and then designates such trading participants as market makers pertaining to government bond futures options transactions per standardized government bond.

3. Trading participants designated pursuant to the provisions of the preceding paragraph shall be responsible for the roles enumerated in each of the following items as specified by the Exchange.

(1) Trading participants shall constantly make bids and offers (see Note 1 below) pertaining to government bond futures options trading.

(Note 1) Such bids and offers shall be strategy bids and offers in strategy trading.

(2) In cases where requests for quotes are made, trading participants shall make offers and bids matching such requests for quotes (see Note 2 below).

(Note 2) Such offers and bids shall be strategy bids and offers in strategy trading.

4. The Exchange may cancel the designation described in Paragraph 2 pursuant to the provisions set forth by the Exchange.

5. The Exchange shall publicize designation or cancellation of market makers pertaining to government bond futures options transactions as well as inform trading participants of such designation or cancellation.

6. In addition to the provisions of each of the preceding paragraphs, the Exchange shall specify necessary matters with respect to the market maker scheme pertaining to government bond futures options transactions.

**Rule 10-7. Order of Bids and Offers**

1. In the case of bids and offers in government bond futures options transactions subject to strategy trading pursuant to the provisions of Rule 14-3 of the Special Regulations Concerning Government Bond Futures Options Contract, such bids and offers shall be subordinated to other bids and offers of the same price, notwithstanding the provisions of Rule 12, Paragraph 2, Item 2.

2. For applying the provisions of the preceding paragraph pertaining to strategy trading, “prices” shall be “strategy prices”, “bids and offers in government bond futures options transactions subject to strategy trading pursuant to the provisions of Rule 14-3 of the Special Regulations Concerning Government Bond Futures Options Contract” shall be “bids and offers matching bids and offers in strategy trading pursuant to the provisions of Rule 14-2 of the Special Regulations Concerning Government Bond Futures Options Contract”.

**Rule 11. Suspension of Trading**

Suspension of trading in the cases enumerated in each of the items of Rule 18 of the Special Regulations Concerning Government Bond Futures Options Contract shall be effective for a period deemed necessary by the Exchange on a case by case basis.

**Rule 12. Application for Approval of Transactions for Correcting Errors, etc.**

A trading participant who intends to receive the approval of the Exchange pursuant to the provisions of Rule 29 of the Special Regulations Concerning Government Bond Futures Options Contract shall make an application in a form predetermined by the Exchange.

**Rule 12-2. Expiration Time of Government Bond Futures Option**

1. The expiration time determined by the Exchange as prescribed in Rule 32 of the Special Regulations Concerning Government Bond Futures Options Contract shall be 5:00 p.m.

2. In cases where the Exchange deems that it is impossible or difficult to give notice of exercise due to any troubles in operation of the trading system necessary for giving such notice or other unavoidable circumstances, the expiration time as prescribed in the preceding paragraph shall be the time determined by the Exchange on a case by case basis. In this case, the Exchange shall notify trading participants of such expiration time in advance.

**Rule 12-3. Matters Concerning Give-up**

An executing trading participant and a clearing trading participant shall obtain the material (including electronic records) describing the details of the completed give-up from the system designated by the Exchange and keep it for a period of ten (10) years starting on the ending day of the trading day on which the government bond futures option contract pertaining to the give-up was executed.

**Rule 12-4. Give-Up Notification Deadline**

The notification as prescribed in Rule 34, Paragraph 1 of the Special Regulations Concerning Government Bond Futures Options Contract shall be made by 4:15 p.m. of the ending day of the trading day on which the government bond futures option contract pertaining to the give-up was executed: provided, however, that in cases where the Exchange deems it necessary, it may change the said deadline.

**Rule 12-5. Take-Up Notification Deadline**

The notification as prescribed in Rule 35, Paragraph 1 of the Special Regulations Concerning Government Bond Futures Options Contract shall be made by 4:30 p.m. of the ending day of the trading day on which the government bond futures option contract pertaining to the give-up was executed: provided, however, that in cases where the Exchange deems it necessary, it may change the said deadline.

**Rule 13. Handling of the Reporting of Particulars of Positions**

1. The trading day determined by the Exchange as prescribed in Rule 40 of the Special Regulations Concerning Government Bond Futures Options Contract shall be the trading day ending every Friday (to be moved up if the day falls on a holiday) until the last day of the month preceding the month which contains the last trading day of the futures contract month subject to exercise of the government bond futures options contract.

2. The amount to be reported that is determined by the Exchange for each issue subject to a government bond futures contract resulting from exercise as prescribed in Rule 40 of the Special Regulations Concerning Government Bond Futures Options Contract shall be prescribed in each of the following items:

- (1) Amount equal to 500 times the unit of trading for the standardized mid-term government bond; and
- (2) amount equal to 1,000 times the unit of trading for the standardized long-term government bond.

3. The reporting as prescribed in Rule 40 of the Special Regulations Concerning Government Bond Futures Options Contract shall be made in a form predetermined by the Exchange by noon of the day (to be moved down if the day falls on a holiday) following the ending day of the trading day as prescribed in Paragraph 1.

**Rule 14. Matters to be Reported Concerning Trading Participant's Terminal of the Trading Systems**

1. Reporting pursuant to Rule 46, Paragraph 3 of the Special Regulations Concerning Government Bond Futures Options Contract shall be made on matters enumerated in each of the following items concerning trading participant's terminal of the trading systems, when the Exchange deems it necessary:

- (1) Matters concerning the number of orders;
- (2) Matters concerning the number of orders that can be placed;
- (3) Schedule of change in the number of the orders prescribed in the preceding item; and
- (4) Matters deemed necessary by the Exchange for the purpose of the market operation other than those referenced in each of the preceding items.

2. When the Exchange requests explanation on a report made pursuant to Rule 46, Paragraph 3 of the Special Regulations Concerning Government Bond Futures Options Contract, deeming it necessary for the stable operation of trading systems, trading participants shall cooperate with this.

**Appendix 1: Types of Strategy Trading, etc.**

Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
Jelly Roll	Transactions in which a call is sold and a put is bought for a near contract month at the same strike price, and, additionally, a call is bought and a put is sold for a far contract month at the same strike price.	Transactions in which a call is bought and a put is sold for a near contract month at the same strike price, and, additionally, a call is sold and a put is bought for a far contract month at the same strike price.			The sum of the near call price and the far put price subtracted from the sum of the near put price and the far call price.
Call Butterfly	Transactions for the same contract month in which a call is bought at a given strike price, two calls are sold at a higher strike price, and another call is bought at an even higher price.	Transactions for the same contract month in which a call is sold at a given strike price, two calls are bought at a higher strike price, and another call is sold at an even higher price.	○		The product of the price of the call at the higher strike price multiplied by two (2) subtracted from the sum of the price of the call at the given strike price and the price of the call at the highest strike price.
Call Butterfly vs. Underlying Asset					

Provisional Reference Translation 02/23/2010

Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
Put Butterfly	Transactions for the same contract month in which a put is bought at a given strike price,	Transactions for the same contract month in which a put is sold at a given strike price,	○		The product of the price of the put at the higher strike price multiplied by two (2) subtracted from the sum of the price of the put at the given strike price and the price of the put at the highest strike price.
Put Butterfly vs. Underlying Asset	two puts are sold at a higher strike price, and another put is bought at an even higher price.	two puts are bought at a higher strike price, and another put is sold at an even higher price.			
Call Spread	Transactions for the same contract month in which a call is bought at a given strike price	Transactions for the same contract month in which a call is sold at a given strike price	○	○	The difference of price of the call at the higher strike price subtracted from the price of the call at the given strike price.
Call Spread vs. Underlying Asset	and a call is sold at a higher strike price.	and a call is bought at a higher strike price.			
Put Spread	Transactions for the same contract month in which a put is bought at a given strike price	Transactions for the same contract month in which a put is sold at a given strike price	○	○	The difference of the price of the put at the lower strike price subtracted from the price of the put at the given strike price.
Put Spread vs. Underlying Asset	and a put is sold at a lower strike price.	and a put is bought at a lower strike price.			

Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
Call Calendar Spread	Transactions in which a call is sold at a given strike price for a near contract month and	Transactions in which a call is bought at a given strike price for a near contract month and	○	○	The difference of the near call price subtracted from the far call price.
Call Calendar Spread vs. Underlying Asset	a call is bought at the same strike price for a far contract month.	a call is sold at the same strike price for a far contract month.			
Put Calendar Spread	Transactions in which a put is sold at a given strike price for a near contract month and	Transactions in which a put is bought at a given strike price for a near contract month and	○	○	The difference of the near put price subtracted from the far put price.
Put Calendar Spread vs. Underlying Asset	a put is bought at the same strike price for a far contract month.	a put is sold at the same strike price for a far contract month.			
Call Diagonal Calendar Spread	Transactions in which a call is sold at a given strike price for a near	Transactions in which a call is bought at a given strike price for a	○	○	The difference of the near call price subtracted from the far call price.

Provisional Reference Translation 02/23/2010

Type of Strategy	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
Call Diagonal Calendar Spread vs. Underlying Asset	contract month and a call is bought at a strike price which differs from the near contract month call's for a far contract month.	near contract month and a call is sold at a strike price which differs from the near contract month call's for a far contract month.			
Put Diagonal Calendar Spread	Transactions in which a put is sold at a given strike price for a near contract month and	Transactions in which a put is bought at a given strike price for a near contract month and	○	○	The difference of the near put price subtracted from the far put price.
Put Diagonal Calendar Spread vs. Underlying Asset	a put is bought at a strike price which differs from the near contract month put's for a far contract month.	a put is sold at a strike price which differs from the near contract month put's for a far contract month.			
Guts	Transactions for the same contract month in which a call is bought at a given strike price	Transactions for the same contract month in which a call is sold at a given strike price			The sum of the price of the call at the given strike price and the price of the put at the higher strike price.
Guts vs. Underlying Asset	and a put is bought at a higher strike price.	and a put is sold at a higher strike price.			

Provisional Reference Translation 02/23/2010

Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
2x1 Ratio Call Spread	Transactions for the same contract month in which a call is sold at a given strike price and two calls are bought at a higher strike price.	Transactions for the same contract month in which a call is bought at a given strike price and two calls are sold at a higher strike price.	○		The difference of the price of the call at the given strike price subtracted from the product of the price of the call at the higher strike price multiplied by two (2).
2x1 Ratio Call Spread vs. Underlying Asset					
2x1 Ratio Put Spread	Transactions for the same contract month in which a put is sold at a given strike price and two puts are bought at a lower strike price.	Transactions for the same contract month in which a put is bought at a given strike price and two puts are sold at a lower strike price.	○		The difference of the price of the put at the given strike price subtracted from the product of the price of the put at the lower strike price multiplied by two (2).
2x1 Ratio Put Spread vs. Underlying Asset					
Iron Butterfly	Transactions for the same contract month in which a put is sold at a given strike price, a	Transactions for the same contract month in which a put is bought at a given strike price, a			The difference of the sum of the price of the put at the given strike price and the price of the

Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
Iron Butterfly vs. Underlying Asset	put and a call are bought at a higher strike price, and a call is sold at an even higher strike price.	put and a call are sold at a higher strike price, and a call is bought at an even higher strike price.			call at the highest strike price subtracted from the sum of the price of the call and the price of the put at the higher strike price.
Combo	Transactions for the same contract month in which a call is sold at a given strike price	Transactions for the same contract month in which a call is bought at a given strike price			The difference of the price of the call at the given strike price subtracted from the price of the put at the lower strike price.
Combo vs. Underlying Asset	and a put is bought at a lower strike price.	and a put is sold at a lower strike price.			
Strangle	Transactions for the same contract month in which a put is bought at a given strike price	Transactions for the same contract month in which a put is sold at a given strike price	○	○	The sum of the price of the put at the given strike price and the price of the call at the higher strike price.
Strangle vs. Underlying Asset	and a call is bought at a higher strike price.	and a call is sold at a higher strike price.			

Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
Call Ladder	Transactions for the same contract month in which a call is bought at a given strike price, a call is sold at a higher strike price, and a call is sold at an even higher strike price.	Transactions for the same contract month in which a call is sold at a given strike price, a call is bought at a higher strike price, and a call is bought at an even higher strike price.	○		The difference of the sum of the price of the call at the higher strike price and the price of the call at the highest strike price subtracted from the price of the call at the given strike price.
Call Ladder vs. Underlying Asset					
Put Ladder	Transactions for the same contract month in which a put is sold at a given strike price, a put is sold at a higher strike price, and a put is bought at an even higher strike price.	Transactions for the same contract month in which a put is bought at a given strike price, a put is bought at a higher strike price, and a put is sold at an even higher strike price.	○		The difference of the sum of the price of the put at the given strike price and the price of the put at the higher strike price subtracted from the price of the put at the highest strike price.
Put Ladder vs. Underlying Asset					

Provisional Reference Translation 02/23/2010

Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
Straddle Calendar Spread	Transactions made at the same strike price in which a call and a put are sold for a near contract month,	Transactions made at the same strike price in which a call and a put are bought for a near contract month,			The difference of the sum of the prices of the call and the put for the near contract month subtracted from the sum of the prices of the call and the put for the far contract month.
Straddle Calendar Spread vs. Underlying Asset	and, additionally, a call and a put are bought for a far contract month.	and, additionally, a call and a put are sold for a far contract month.			
Diagonal Straddle Calendar Spread	Transactions in which a call and a put are sold at the same strike price for a near contract month,	Transactions in which a call and a put are bought at the same strike price for a near contract month,			The difference of the sum of the prices of the call and the put for the near contract month subtracted from the sum of prices of the call and put for the far contract month.
Diagonal Straddle Calendar Spread vs. Underlying Asset	and, additionally, a call and a put are bought at the same strike price (different than the near month strike price) for a far contract month.	and, additionally, a call and a put are sold at the same strike price (different than the near month strike price) for a far contract month.			

Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
Straddle	Transactions in which a put and a call at the same strike price and contract month are bought.	Transactions in which a put and a call at the same strike price and contract month are sold.	○	○	The sum of the prices of the call and the put.
Straddle vs. Underlying Asset					
Call Condor	Transactions for the same contract month in which a call is bought at a given strike price, a call is sold at a higher strike price, a call is sold at an even higher strike price, and a call is bought at a yet higher strike price.	Transactions for the same contract month in which a call is sold at a given strike price, a call is bought at a higher strike price, a call is bought at an even higher strike price, and a call is sold at a yet higher strike price.			The difference of the sum of the prices of the calls at the middle strike prices subtracted from the sum of the prices of the calls at the lowest and highest strike prices.
Call Condor vs. Underlying Asset					
Put Condor	Transactions for the same contract month in which a put is bought at a given strike price, a put is sold at a	Transactions for the same contract month in which a put is sold at a given strike price, a put is bought at a			The difference of the sum of the prices of the puts at the middle strike prices subtracted from the sum of the

Provisional Reference Translation 02/23/2010

Type of Strategy	Government Bond Futures Transactions executed by Strategy Buy-Transactions	Government Bond Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
Put Condor vs. Underlying Asset	higher strike price, a put is sold at an even higher strike price, and a put is bought at a yet higher strike price.	higher strike price, a put is bought at an even higher strike price, and a put is sold at a yet higher strike price.			prices of the puts at the lowest and highest strike prices.
Iron Condor	Transactions for the same contract month in which a put is sold at a given strike price, a put is bought at a higher strike price, a call is bought at an even higher strike price, and a call is sold at a yet higher strike price.	Transactions for the same contract month in which a put is bought at a given strike price, a put is sold at a higher strike price, a call is sold at an even higher strike price, and a call is bought at a yet higher strike price.			The difference of the sum of the prices of the put at the given price and the call at the "yet-higher" strike price subtracted from the sum of the prices of the put at the "higher" strike price and the call at the "even-higher" strike price.
Iron Condor vs. Underlying Asset	Transactions for the same contract month in which a call is bought and a put is sold at the same strike price, and, additionally, a	Transactions for the same contract month in which a call is sold and a put is bought at the same strike price, and, additionally, a			The difference of the sum of the prices of the put at the lower strike price and the call at the higher strike price subtracted

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Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
	put is bought and a call is sold at a higher strike price.	put is sold and a call is bought at a higher strike price.			from the sum of the prices of the call at the lower strike price and the put at the higher strike price.
Synthetic Underlying	Transactions for the same contract month in which a call is bought and a put is sold at the same strike price.	Transactions for the same contract month in which a call is sold and a put is bought at the same strike price.			The difference of the price of the put subtracted from the price of the call.
3-Way: Call Spread vs. Put	Transactions for the same contract month in which a call is bought at a given strike price, a call is sold at a higher strike price, and a put is sold at a given strike price.	Transactions for the same contract month in which a call is sold at a given strike price, a call is bought at a higher strike price, and a put is bought at a given strike price.			The difference of the sum of the prices of the call at the higher strike price and the put at another given strike price subtracted from the price of the call at the given strike price.
3-Way: Call Spread vs. Put vs. Underlying Asset					
3-Way: Put Spread vs. Call	Transactions for the same contract month in which a put is bought at a	Transactions for the same contract month in which a put is sold at a			The difference of the sum of the prices of the put at the lower strike

Provisional Reference Translation 02/23/2010

Type of Strategy Trading	Government Bond Futures Options Transactions executed by Strategy Buy-Transactions	Government Bond Futures Options Transactions executed by Strategy Sell-Transactions	Implied In	Implied Out	Calculation Method for Strategy Price
3-Way: Put Spread vs. Call vs. Underlying Asset	given strike price, a put is sold at a lower strike price, and a call is sold at a given strike price.	given strike price, a put is bought at a lower strike price, and a call is bought at a given strike price.			price and the call at the given strike price subtracted from the price of the put at another given strike price.
3-Way: Straddle vs. Call	Transactions for the same contract month in which a call and a put are bought at the same strike price, and a call is sold at a given strike price.	Transactions for the same contract month in which a call and a put are sold at the same strike price, and a call is bought at a given strike price.			The difference of the price of the call at the given strike price subtracted from the sum of the prices of the call and the put at the same strike price.
3-Way: Straddle vs. Put	Transactions for the same contract month in which a call and a put are bought at the same strike price, and a put is sold at a given strike price.	Transactions for the same contract month in which a call and a put are sold at the same strike price, and a put is bought at a given strike price.			The difference of the price of the put at the given strike prices subtracted from the sum of the prices of the call and the put at the same strike price.
Buy a Call vs. Underlying Asset	Transaction in which a call is bought.	Transaction in which a call is sold.			The price of the call.
Buy a Put vs. Underlying Asset	Transaction in which a put is bought.	Transaction in which a put is sold.			The price of the put.

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(Notes)

1. "Put" refers to a government bond futures put option.
2. "Call" refers to a government bond futures call option.
3. "vs. Underlying Asset" as found in the "Type of Strategy Trading" column represents transactions referenced in Rule 7-2, Paragraph 1, Item 2 of the Special Regulations Concerning Government Bond Futures Options Contract.
4. A mark "○" in the "Implied In" column indicates types of strategy trading specified by the Exchange as prescribed in Rule 14-2 of the Special Regulations Concerning Government Bond Futures Options Contract.
5. A mark "○" in the "Implied Out" column indicates types of strategy trading specified by the Exchange as prescribed in Rule 14-3 of the Special Regulations Concerning Government Bond Futures Options Contract.
6. "Near Contract Month Trading" refers to contract month trading for which the final trading day will arrive earlier.
7. "Far Contract Month Trading" refers to contract month trading for which the final trading day will arrive later.

## Appendix 2: Types of Conditions which can be attached to Bid/Offer

Type of Bid/Offer	Type of Condition			
	Full Amount Execution Condition	Remaining Amount Cancellation Condition	Minimum Designated Amount Execution Condition	Designated Validity Period Condition
Limit Order	○	○	○	○
Market Order	○	-	○	-
At-the-Opening-Order	-	-	-	○

Note) Columns containing a ○ represent order types for which such order conditions may be attached.