Changes to the Index Guidebook of Nikkei 225 VI

Nikkei Inc. will revise the Index Guidebook of the Nikkei Stock Average Volatility Index (Nikkei 225 VI) effective from May 29, 2023. Osaka exchange will revise the method of setting the strike prices for Nikkei 225 options effective from the same date. In accordance with this change, Nikkei will amend the definition of strike prices used for the index calculation etc.

For details regarding the revision, please see to the changes to the Guidebook below.

2: Index Calculation (1)Basic Points

Current Rule	New Rule
・Use the prices of the Nikkei 225 futures and Nikkei 225 options on the Osaka Exchange (OSE), which the OSE publishes as the future and option prices respectively. ・The index is calculated every 15 seconds during the day session of the Nikkei 225 options on the OSE (excluding the pre-closing). The index starts to be calculated from 15 seconds after the end of the opening auction usually 15 seconds past 9 A.M., and it is also calculated at the end of the closing auction. ・Cover the near-term (the first-term) option and the next-term (the second-term) option (excepting weekly options). The options to calculate the index are rolled to the next delivery month on three business days before the last trading date of the near-term option. Also cover the near-term (the first-term) future, and the future is rolled to the next-term future on three business days before the last trading	・Use the prices of the Nikkei 225 futures and Nikkei 225 options <u>(excepting mini options)</u> on the Osaka Exchange (OSE), which the OSE publishes as the future and option prices respectively. ・The index is calculated every 15 seconds during the day session of the Nikkei 225 options on the OSE (excluding the pre-closing) <u>from Monday through Friday except Japanese national holiday</u>. The index starts to be calculated from 15 seconds after the end of the opening auction usually 15 seconds past 9 A.M., and it is also calculated at the end of the closing auction. ・Cover the near-term (the first-term) option and the next-term (the second-term) option. The options to calculate the index are rolled to the next delivery month on <u>one</u> business day before the last trading date of the near-term option. Also cover the near-term (the first-term) future <u>(excepting mini futures and micro futures)</u>, and the future is rolled to the next-term future on <u>one</u> business day before the last

date of the near-term future. ・Strike price added based on application from participants (so-called "On-demand strike prices") are not included in the calculation. However, the on-demand strike price which overlaps in an additional strike price band in response to fluctuation of the underlying index after its setting will be included in the calculation.	trading date of the near-term future. ・(Deleted)

2: Index Calculation (3)Formula Note *7

Current Rule	New Rule
In case that the option prices at 6 or more consecutive strike prices are invalid, the prices of put options at lower strike prices than these consecutive strike prices and the prices of call options at higher strike prices than these consecutive strike prices are not used for the calculation even if these options are traded with some volume.	In case that <u>at the 17th or more strike prices from the ATM,</u> the option prices at <u>three</u> consecutive strike prices <u>(hereinafter called “Tri-strike Prices”)</u> are invalid <u>or are less than or equal 1 yen</u>, the prices of put options at lower strike prices than <u>Tri-strike Prices</u> and the prices of call options at higher strike prices than <u>Tri-strike Prices</u> are not used for the calculation even if these options are traded with some volume. <u>Please note that the option prices at Tri-strike Prices are used for the calculation even if the prices are less than or equal 1 yen.</u>

Index Business Office, Nikkei Inc.
indexes.nikkei.co.jp