CHAPTER VIII

The Derivatives Market

1. Futures Trading

"Futures trading" refers to an agreement to buy or sell a specific amount of a commodity or financial instrument at a particular price on a stipulated future date. The history of futures trading is said to be as old as that of commodities trading. It is generally believed that the prototype of today's fully developed futures market in Japan was the account-balancing trading in rice (the rice market) conducted in Osaka in the Edo period (1603–1868). This was a method that made it possible for parties to consummate a transaction by organizing one-on-one negotiated transactions in such a way as to enable them to settle the difference without delivery of the underlying commodity or financial instrument and is considered the beginning of Japan's futures trading. Carrying on this tradition, transactions similar to futures were carried out by settling the difference in the form of forward transactions on the stock exchange in Japan in prewar years. After the war, forward transactions were prohibited by the General Headquarters (GHQ) of the Supreme Commander for the Allied Powers (SCAP) in Japan in order to curb speculative transactions. However, they partially reappeared in the stock market in the form of margin trading for individual investors. In 1972, the Chicago Mercantile Exchange (CME) started trading in currency futures. The Chicago Board of Trade started trading in futures on fictitious bonds called benchmark issues in 1975 (listing approval was granted in 1974); and the Kansas City Board of Trade and the CME started trading in stock index futures in 1982. These types of futures trading spread around the world, leading to the introduction of securities futures trading in Japan as well. The trading of long-term government bond futures that started on the Tokyo Stock Exchange in 1985 was the first financial futures trading conducted in Japan. More products emerged in quick succession: the OSE's "Osaka Stock Futures 50 (OSF50)" in 1987; the OSE's Nikkei 225 futures contracts trading and the Tokyo Stock Exchange's TOPIX futures trading in 1988; and the Tokyo Financial Exchange Inc. (TFX)'s Japanese yen short-term interest rate futures, U.S. dollar short-term interest rate futures, and yen-dollar currency futures in 1989.

Table VIII-1. Years in Which Major Financial Futures of the World Were Listed

Year	Other countries	Japan
1972	Currency futures (mark-dollar and yen-dollar) (CME)	
1976	TB futures (CME)	
1977	Treasury bond futures (CBOT)	
1981	Eurodollar interest rate futures (CME)	
1982	S&P 500 futures (CME); T-note futures (CBOT); U.K. government bond futures and pound interest rate futures (LIFFE)	
1984	FTSE 100 futures (LIFFE)	
1985		Long-term government bond futures (TSE)
1986	French government bond futures (MATIF), Nikkei average futures (SIMEX)	
1987	Japanese government bond futures (LIFFE)	
1988	CAC40 futures; PIBOR (Paris interbank offered rate) futures (MATIF); BUND futures (LIFFE)	Nikkei 225 futures (OSE); TOPIX futures (TSE)
1989	Euroyen interest rate futures (SIMEX)	Euroyen short-term interest rate futures (TIFFE)
1990	Euromark interest rate futures (LIFFE); Nikkei average futures (CME); DAX futures and BUND futures (DTB)	
1991	Interbank interest rate futures (BM&F)	
1992	USD/RUB currency futures (MICEX)	
1996	Euroyen interest rate futures (LIFFE); NASDAQ 100 futures (CME); KOSPI 200 futures (KSE)	
1997	E-mini S&P 500 futures (CME)	
1998	EURIBOR futures (LIFFE), Euro STOXX 50 futures (EUREX)	
1999	E-mini NASDAQ 100 futures (CME)	
2000	CNX Nifty Index futures (NSE)	
2001	Single stock futures (LIFFE), FTSE China A50 (SGX)	
2004	VIX index futures (CFE)	
2005	RTS stock price index futures (RTS)	
2006		Exchange FOREX margin contracts (TFX)
2008	Russell 2000 futures (ICE)	Nikkei 225 mini futures (OSE)
2010	CSI 300 futures (CFFEX)	
2019	Micro E-mini S&P 500 futures (CME), Micro E-mini Nasdaq 100 futures (CME)	
2024		JPX Prime 150 Index Futures (Osaka Exchange)

Note: BM&F: Brazilian Mercantile and Futures Exchange (presently BM&F BOVESPA), CBOT: Chicago Board of Trade, CFE: CBOE Futures Exchange, CFFEX: China Financial Futures Exchange, CME: Chicago Mercantile Exchange, DTB: Deutsche Terminbörse (presently Eurex), ICE: ICE Futures U.S., KSE: Korea Stock Exchange (presently KRX), LIFFE: London International Futures and Options Exchange (presently ICE Futures Europe), MATIF: Marché à Terme International de France (presently Euronext Paris), MICEX: Moscow Interbank Currency Exchange (presently Moscow Exchange), NSE: National Stock Exchange of India, RTS: Russian Trading System (presently Moscow Exchange), SIMEX: Singapore International Monetary Exchange (presently SGX), TSE: Tokyo Stock Exchange; OSE: Osaka Securities Exchange (presently Osaka Exchange), TFX: Tokyo Financial Futures Exchange (presently Tokyo Financial Exchange).

In English, a "futures contract" is a contract that is traded on an exchange. While a futures contract can be transferred to a third party, margin must be deposited to protect against default; a "forward contract", on the other hand, is a contract between parties that cannot be transferred to a third party, but typically does not require margin. Futures contracts on currencies (FXA) and short-term interest rates (FRA) are often forward contracts executed as over-the-counter agreements with banks. As currency and interest rate swaps became widespread in the late 1980s, the market size for instruments such as FXAs and FRAs expanded dramatically in the 1990s.

2. Bond Futures Trading

Trading in securities futures began in 1975 on the Chicago Board of Trade with Government National Mortgage Association (GNMA) bonds. In Japan, following the massive issuance of government bonds, trading in long-term government bond (10-year government bond) futures began on the Tokyo Stock Exchange in 1985, marking the first financial futures trading in Japan. Subsequently, in 1988, super-long-term government bond (20-year government bond) futures were listed on the Tokyo Stock Exchange (trading in these futures was suspended in 2002 but resumed in 2014). With the launch of medium-term (5-year) government bond futures trading on the Tokyo Stock Exchange in 1996, Japan finally developed a product lineup comparable to those of other countries. Incidentally, T-bond (U.S. long-term government bond) futures, which had the world's highest trading volume on the Chicago Board of Trade, were also introduced on the Tokyo Stock Exchange in 1989.

Bond futures are generally traded on the basis of a hypothetical issue called a benchmark issue whose price is assumed to indicate the level of yield curve prevailing at the time. Therefore, the price of bond futures is formed on the assumption that individual bonds lie on this yield curve or on a yield curve parallel to it. Because the seller can choose which issue to deliver, the cheapest-to-deliver issue is normally selected, and the price of the deliverable issue is calculated from the benchmark issue price using a conversion factor prescribed by the exchange.

One of the characteristics of bond futures trading in Japan is that the contract size is based on a par value of ¥100 million, about ten times larger than in other countries (US$100,000 for T-bond futures on the Chicago Board of Trade and €100,000 for BUND futures on Eurex). This reflects the fact that, in the cash bond market, transactions of less than ¥100 million are treated as odd-lot transactions. Since international comparisons are usually based on the number of contracts, the scale of bond futures trading in Japan tends to be

Table VIII-2. Trading Mechanism of Bond Futures

	Medium-term government bond futures	Long-term government bond futures	Mini super long-term government bond futures
Trading object	Standardized Medium-term Government Bond (3%, 5-year residual)	Standardized Long-term Government Bond (6%, 10-year residual)	Standardized Super Long-term Government Bond (3%, 20-year residual)
Delivery object	Interest-bearing 5-year government bonds with residual maturity of 4 years to 5 years and 3 months	Interest-bearing 10-year government bonds with a residual maturity of 7 years to 11 years	Interest-bearing 20-year government bonds with a residual maturity of 19 years and 3 months to 20 years
Contract month	3 contract months from March, June, September, and December	3 contract months from March, June, September, and December	3 contract months from March, June, September, and December
Delivery date	20th of March, June, September, and December	20th of March, June, September, and December	20th of March, June, September, and December
Final trading day	5 business days prior to the delivery date	5 business days prior to the delivery date	5 business days prior to the delivery date
Trading hours	8:45–11:02, 12:30–15:02 15:30–6:00 the following day	8:45–11:02, 12:30–15:02 15:30–6:00 the following day	8:45–11:02, 12:30–15:02 15:30–6:00 the following day
Trading unit	¥100 million in par value	¥100 million in par value	¥10 million in par value
Tick size	¥0.01 per par value of ¥100	¥0.01 per par value of ¥100	¥0.01 per par value of ¥100
Price limit	Standard: Base price ±¥2.00 Maximum: Base price ±¥3.00	Standard: Base price ±¥2.00 Maximum: Base price ±¥3.00	Standard: Base price ±¥4.00 Maximum: Base price ±¥6.00
Circuit breaker mechanism	In trading for the central contract month, if a trade is executed or a bid (offer) is quoted at the upper (or lower) price limit, trading in all contract months is suspended for at least 10 minutes.		

Source: Compiled from the JPX website and other sourcesc.

Table VIII-3. Bond futures trading activity

	Long-term government bond futures		Mini long-term government bond futures	
	Number of trades	Number of open positions	Number of trades	Number of open positions
2020	7,148,071	68,770	1,648	28
2021	8,187,993	102,754	1,055	40
2022	8,084,592	129,574	3,327	136
2023	9,562,331	191,850	3,848	81
2024	11,528,252	159,895	3,839	52
2025	8,020,518	161,614	6,372	107

Note: Data as of the end of September 2025.
Source: Compiled from the JPX website and other sources.

underestimated.

It is said that another characteristic of the bond futures market of Japan is that it is concentrated in trading in long-term government bond futures. This is likely to be related to the fact that the maturities of government bonds, though to a lesser extent than before, tend to be primarily in 10-year issues. Yet this stands in contrast with the U.S. and Germany where medium-term bond futures trading maintains liquidity. Since the mid-1990s, however, the concentration of cash government bond trading on the benchmark issue, which was a phenomenon peculiar to Japan, has eased. Since the end of March 1999, the practice of designating a government bond as a benchmark issue has been discontinued, with 10-year government bond futures assuming the role played by benchmark issues. It should be noted that mini-long-term government bond futures, which were introduced on the Tokyo Stock Exchange in 2009, were delisted after the September 2021 contract.

3. Stock Index Futures Trading

In Japan, the Osaka Securities Exchange (OSE, now the Osaka Exchange) started trading Osaka Stock Futures 50, a futures contract on a basket of 50 individual stocks, in 1987. This was followed in 1988 by the listing of Nikkei 225 futures on the Osaka Securities Exchange and TOPIX futures on the Tokyo Stock Exchange (TSE). Nikkei 300 futures were listed on the Osaka Securities Exchange in 1994. In 1998, High-Tech 40, Financial 25, and Consumer 40 sector index futures (later discontinued) were listed on the Osaka Securities Exchange, while sector index futures for the electric appliances, transportation equipment, and banking industries were listed on the Tokyo Stock Exchange. The Tokyo Stock Exchange launched S&P/TOPIX 150 stock index futures in 2001, while futures on the MSCI Japan Index, FTSE Japan Index, and Dow Jones Industrial Average were listed on the Osaka Securities Exchange in 2002. RN (Russell Nomura) Prime Index futures were introduced on the OSE in 2005 (currently suspended), followed by Nikkei 225 mini futures in 2006; TOPIX mini, TOPIX Core30, and TSE REIT Index futures in 2008; Nikkei 225 Dividend Index futures (OSE), TOPIX Dividend Index futures, TOPIX Core30 Dividend Index futures, and margin contracts on the Nikkei 225 (Tokyo Financial Exchange) in 2010; Nikkei 225 Volatility Index futures and NY Dow futures in 2012; CNX Nifty (Nifty 50 Index) futures (later discontinued) and JPX Nikkei Index 400 futures on the Osaka Exchange in 2014; TSE Mothers Index futures (later discontinued) and Taiwan Capitalization Weighted Stock Index futures in 2016; and FTSE China 50 Index futures in 2017. Most recently, in March 2024, JPX Prime 150 Index futures were listed on the Osaka Exchange. Prior to their introduction in

Table VIII-4. Trading Mechanism of Stock Index Futures

	Nikkei 225 Mini Futures	Nikkei 225 futures	TOPIX futures
Trading object	Nikkei Stock Average	Nikkei Stock Average	Tokyo Stock Price Index (TOPIX)
Contract month	June & December: Nearest 10 contract months March & September: Nearest 3 contract months Other months: Nearest 3 contract months	June & December: Nearest 16 contract months March & September: Nearest 3 contract months	June & December: Nearest 10 contract months March & December: Nearest 3 contract months
Trading unit	Nikkei Stock Average × 100	Nikkei Stock Average × 1,000	TOPIX × ¥10,000
Tick size	¥5 in the Nikkei Stock Average	¥10 in the Nikkei Stock Average	0.5 points in TOPIX
Maturity date	The second Friday of March, June, September, and December	The second Friday of March, June, September, and December	The second Friday of March, June, September, and December
Final trading day	1 business day prior to the maturity date	1 business day prior to the maturity date	1 business day prior to the maturity date
Trading hours	8:45–15:15, 17:00–6:00 the following day	8:45–15:15, 17:00–6:00 the following day	8:45–15:45, 17:00–6:00 the following day
Price limit	Standard: Base price ± 8% First expansion: Base price ± 12% Second expansion: Base price ± 16%	Standard: Base price ± 8% First expansion: Base price ± 12% Second expansion: Base price ± 16%	Standard: Base price ± 8% First expansion: Base price ± 12% Second expansion: Base price ± 16%
Circuit breaker mechanism	In trading for the central contract month, if a trade is executed or a bid (offer) is quoted at the upper (or lower) price limit, trading in all contract months is suspended for at least 10 minutes.		

Source: Compiled from the JPX website and other sources.

Table VIII-5. Transition in Stock Index Futures Trading

	Nikkei 225 Futures		Nikkei 225 mini futures		TOPIX futures	
	Number of trades	Number of open positions	No. of trades	Number of open positions	No. of trades	Number of open positions
2020	27,171,013	304,922	321,718,519	365,751	27,702,276	514,650
2021	18,073,552	247,648	224,009,276	331,413	23,309,732	423,004
2022	22,043,528	267,254	275,463,005	423,184	25,785,856	425,037
2023	21,096,055	249,190	250,485,863	389,315	26,627,156	518,358
2024	18,825,258	189,933	230,289,254	295,807	23,486,839	452,252
2025	11,278,399	193,426	136,055,171	289,547	15,502,230	485,659

Note: Data as of the end of September 2025.
Source: Compiled from the JPX website and other sources.

Japan, Nikkei 225 futures began trading on the Singapore International Monetary Exchange (SIMEX, now SGX-DT) in 1986. Since 1992, dollar- and yen-denominated Nikkei 225 futures have also been traded on the Chicago Mercantile Exchange (CME).

Nikkei 225 futures have been the most actively traded stock index futures in Japan, while TOPIX futures, Nikkei 225 mini futures, and Nikkei Average futures also have considerable liquidity. Thus, Japan's stock index futures market is characterized by the existence of multiple liquid stock index futures contracts. Since June 1989, the last trading day falls, as is the case with the United States, one business day prior to maturity, and the final settlement price is decided on the basis of a special quotation (SQ) that is computed on the basis of the opening prices of component issues on the date of maturity. In addition to a three-stage daily price limit, domestic stock index futures trading in Japan is subject to a temporary trading halt known as the circuit breaker system, which is separate from the daily price limit and does not exist in the cash market. These measures are intended to curb excessive price fluctuations.

4. Financial Futures Trading

Currency futures trading started in the United States in 1972, and futures trading on interbank interest rates began with the listing of Eurodollar short-term interest rate futures in the United States in 1982. In Japan, Japanese yen short-term interest rate futures, U.S. dollar short-term interest rate futures (trading suspended in 1998), and yen/U.S. dollar currency futures (delisted in 1992) were listed simultaneously on the Tokyo International Financial Futures Exchange in 1989. These contracts were followed by the listing on TIFFE/TFX of dollar/yen currency futures in 1991; one-year Japanese yen interest rate futures in 1992 (trading suspended in 1998); Japanese yen LIBOR interest rate futures in 1999; five-year and ten-year yen interest rate swap futures in 2003 (trading suspended in 2007); and exchange foreign exchange margin contracts (Click 365) on the U.S. dollar, euro, pound sterling, and Australian dollar in 2005. In 2009, TFX listed uncollateralized overnight call rate futures and GC repo spot-next rate futures, and in 2010 it listed margin contracts on the Nikkei 225, FTSE 100, and DAX (Click Kabu 365). TIFFE was renamed the Tokyo Financial Exchange (TFX) in 2007.

On the TFX, trading has been concentrated from the outset in Japanese yen short-term interest rate futures, with little trading in other products. To increase liquidity in these financial futures, a market-maker system was introduced for U.S. dollar short-term interest rate futures and yen/U.S. dollar currency futures in 1990, for dollar/yen currency futures in 1991, and for options

Table VIII-6. Trading Mechanism of Financial Futures

	3-month Euroyen interest rate futures	USD-JPY exchange FOREX margin contracts	Nikkei 225 margin contracts
Trading unit	Principal ¥100 million	US$10,000	Nikkei stock average × 100
Indicating method	100 minus rate of interest (%, Act/360 day basis)	Yen equivalent per U.S. dollar	Yen equivalent per stock price index
Price asked	0.005 (¥1,250)	0.005 (¥50)	¥1 (¥100)
Contract month	Mar, Jun, Sep, Dec, cycle (20 contract months traded at any one time)	No	No
Final trading day	Two business days prior to the third Wednesday of the contract month	No	No
Final settlement day	Business day following the final trading day	No	No
Settlement method	Settlement of differences (the final settlement price is equal to ¥100 less TIBOR rounded off at the fourth decimal places)	Making up differences	Making up differences
Daily price limit	No	No	No
Trading hours	8:45–11:30 12:30–15:30 15:30–20:00	Monday 7:10 a.m. to 6:55 a.m. the following day Tuesday to Thursday 7:55 a.m. to 6:55 a.m. the following day Friday 7:55 a.m. to 6:00 a.m. the following day (1 hour each during U.S. Daylight Sav- ings Time)	8:30 a.m.–6:00 a.m. the following day (5:00 a.m. during U.S. Daylight Savings Time)

Source: Tokyo Financial Exchange website.

on Japanese yen short-term interest rate futures in 1992. However, liquidity did not improve significantly. Meanwhile, in 1996, TIFFE introduced TIFFE-SPAN (Standard Portfolio Analysis of Risk), a system for calculating margin commensurate with risk. It also linked its Japanese yen short-term interest rate futures with those of the London International Financial Futures and Options Exchange (LIFFE) and extended trading hours. In 1997, it introduced night trading for dollar/yen currency futures, making efforts to promote trading. However, amid the ultra-low interest rate environment that had prevailed since 1995, trading that had expanded in the first half of the 1990s stagnated. In 2022, the Bank of Japan announced measures including greater flexibility in yield curve control as part of its monetary policy, leading to increased at-

Table VIII-7. TONA Futures and Options

	3-Month TONA interest rate futures	T3-Month TONA interest rate futures options
Trading unit	Value of 1 basis point = ¥2,500	3-month TONA interest rate futures, 1 contract
Indicating method	100 minus rate of interest	Minimum price fluctuation for 3-month TONA interest rate futures Values in increments of (0.001)
Price asked	0.001 (¥250)	0.001 (¥250)
Contract month	From March, June, September, and December through the following 20 contract months	From March, June, September, and December through the following 50 contract months
Final trading day	The third Wednesday three months after the contract month	The third Wednesday three months after the contract month
Final settlement day	Business day following the final trading day	Business day following the final trading day
Settlement method	Net Settlement (calculated to the third decimal place)	—
Trading hours	8:45–11:30 12:30–15:30 15:30–20:00	8:45–11:30 12:30–15:30 15:30–20:00

Source: Tokyo Financial Exchange website.

tention on short-term interest rate futures. In addition, following the discontinuation of LIBOR, three-month Euroyen interest rate futures were discontinued in June 2023. As an alternative, three-month TONA futures, which reference TONA, the uncollateralized overnight call rate, were listed in May 2023. Click Kabu 365 (stock index margin trading), which was listed in 2010 following the 2005 launch of Click 365 (foreign exchange margin trading), has gradually expanded the range of underlying indices to include developed-country stock indices such as the NY Dow, FTSE 100, and DAX, as well as commodity ETFs, including gold and crude oil.

5. Options Trading

Options trading refers to a contract to trade the right to buy or sell a specified quantity of a commodity or financial instrument at a predetermined price (the strike price) at a future date. The right to buy is called a call option, and the right to sell is called a put option.

The Chicago Board Options Exchange (CBOE) established in 1973 is the

Table VIII-8. Years in Which Major Financial Options of the World Were Listed

Year	Other countries	Japan
1973	U.S. options on individual stocks (CBOE)	
1974	U.S. options on individual stocks (AMEX, PHLX, PCX)	
1978	U.K. options on individual stocks (LTOM)	
1982	Currency options (PHLX), T-bond futures options (CBOT)	
1983	S&P 100 options; S&P 500 options (CBOE); S&P 500 futures options (CME)	
1984	Currency futures options (CME), FTSE 100 options (LIFFE)	
1987	Pound interest rate futures options (LIFFE), options on French individual stocks (MONEP)	
1988	French government bond futures options (MATIF); CAC40 options (MONEP); BUND futures options (LIFFE)	
1989		Bond OTC options (OTC); Nikkei 225 options (OSE); Nikkei 225 options (OSE); TOPIX options (TSE)
1990	Options on individual German stocks (DTB); Euroyen interest rate futures options (SIMEX); Euromark interest rate futures options (LIFFE); DAX options and BUND futures options (DTB)	Long-term government bond futures options (TSE)
1991		Euroyen short-term rate futures options (TFX)
1992	Nikkei average futures options (SIMEX)	
1994	JGB futures options (SIMEX)	
1997	KOSPI 200 options (KSE)	Options on individual stocks (TSE, OSE)
1998	EURIBOR futures options (LIFFE), Euro STOXX 50 options (EUREX), TAIEX options (TAIFEX)	
2000	U.S. options on individual stocks (ISE)	
2001	Nifty options (NSE), SENSEX options (BSE)	
2006	VIX index options (CBOE)	
2013	Nifty Bank option (NSE)	
2023		Nikkei 225 mini options (Osaka Exchange)

Note: AMEX: American Stock Exchange (presently NYSE MKT), BSE: Bombay Stock Exchange, CBOE: Chicago Board Options Exchange, CBOT: Chicago Board of Trade, CME: Chicago Mercantile Exchange, DTB: Deutsche Terminbörse (presently EUREX), ISE: International Securities Exchange, KSE: Korea Stock Exchange (presently KRX), LIFFE: London International Futures and Options Exchange (presently ICE Futures Europe), LTOM: London Traded Options Market (presently ICE Futures Europe), MATIF: Marché à Terme International de France (presently Euronext Paris), MONEP: Marché des Options Négociable de Paris (presently Euronext Paris), NSE: National Stock Exchange of India, PHLX: Philadelphia Stock Exchange (presently Nasdaq OMX PHLX), PCX: Pacific Exchange (presently NYSE Arca), SIMEX: Singapore International Monetary Exchange (presently SGX), TAIFEX: Taiwan Futures Exchange,TSE: Tokyo Stock Exchange, OSE: Osaka Securities Exchange (presently Osaka Exchange), TFX: Tokyo International Financial Futures Exchange (presently Tokyo Financial Exchange).

first fully developed options trading market. This provided a method that made it possible for parties to consummate a transaction by organizing one-on-one negotiated transactions in such a way as to enable them to settle the difference without delivery of the underlying commodity or financial instrument, similar to futures trading. This is considered to have been a groundbreaking event in the history of options trading.

The options trading started by the CBOE in 1973 spread to other financial instruments, such as currency options trading, bond options trading, and bond futures options trading, in 1982; stock index options trading, and stock index futures options trading in 1983; and to currency futures options trading in 1984. And it has since spread to major financial markets worldwide. In Japan, OTC bond options (bond trading with embedded options) were introduced in April 1989. The Osaka Securities Exchange (now the Osaka Exchange, OSE) introduced Nikkei 225 options in June; the Tokyo Stock Exchange (TSE) introduced TOPIX options, and the Nagoya Stock Exchange introduced Options 25 (discontinued in 1998), in October. The TSE introduced long-term government bond futures options in 1990, followed by Japanese yen short-term interest rate futures options on the Tokyo International Financial Futures Exchange (TIFFE) in 1991. In addition, the OSE introduced Nikkei 300 options in 1994, and both the TSE and the OSE introduced options on individual stocks in 1997. In 1998, the OSE introduced three sector stock index options (High-Tech 40, Financial 25, and Consumer 40), followed by Nikkei 225 Weekly options in 2015 and Nikkei 225 Mini Options in 2023.

Listed options are traded on exchanges. While they can be transferred to a third party, the seller is required to deposit a margin with the exchange to provide against defaults on the contract. OTC options trading is a one-on-one transaction, and it cannot be transferred to a third party, but the seller is not required to deposit a margin. Unlike stock options and stock index options, many currency or interest rate options are traded with banks or securities companies on the OTC market. However, uncleared OTC option transactions between major financial institutions are subject to margin requirements.

6. Bond Options Trading

Treasury bond (T-bond) options on the Chicago Board Options Exchange and Treasury note (T-note) options on the American Stock Exchange, both launched in 1982, were the first listed bond options. T-bond futures options, introduced on the Chicago Board of Trade in 1982, were the first listed options on bond futures. In Japan, OTC bond options trading was introduced in April 1989 under the name "bond trading with embedded options." Trading

Table VIII-9. Trading Mechanism of Bond Options Trading

	OTC bond options	Long-term government bond futures options	Medium-term government bond futures options (Trading suspended in 2002)
Trading object	All debt securities other than convertible bonds and warrant bonds	Call options or put options on long-term government bond futures	Call options or put options on medium-sterm government bond futures
Contract months	Free	March, June, September, December cycle (nearest two contract months traded at any one time), other months (up to nearest two contract months)	March, June, September, December cycle (nearest two contract months traded at any one time), other months (up to nearest two contract months)
Final trading day	—	The last trading day of the month immediately preceding Mar, Jun, Sep, and Dec.	The last trading day of the month immediately preceding Mar, Jun, Sep, and Dec.
Delivery date	Within one year and 3 months from the date of contract	Business day following the trading day	Business day following the trading day
Trading unit	¥100 million in par value	¥100 million par value of long-term government bond futures per contract	One contract on medium-term JGB futures
Price asked	—	¥0.01 per par value of ¥100	¥0.01 per par value of ¥100
Option exercise price	Free	±10 prices at ¥0.5 intervals, additional prices set according to price movement in underlying futures	±10 prices at ¥0.5 intervals, additional prices set according to price movement in underlying futures
Daily price limit	—	Standard: Base price ±¥2.10 Maximum: Base price ±¥3.00	Standard: Base price ±¥2.10 Maximum: Base price ±¥3.00
Circuit breaker mechanism	—	When circuit breaker mechanisms are in place for the underlying futures contracts	When circuit breaker mechanisms are in place for the underlying futures contracts
Method of exercising the right	Free	American option	American option

Source: Compiled from the JPX website and Japan Securities Dealers Association Website.

in long-term government bond futures options began on the Tokyo Stock Exchange (now listed on the Osaka Exchange) in 1990, and medium-term government bond futures options (trading suspended in 2002) were introduced on the Tokyo Stock Exchange in 2000.

Unlike bond futures trading, which is based on a benchmark issue, OTC bond options are traded on individual bonds, such as government bonds, corporate bonds, and foreign bonds. Because they are traded over the counter

Table VIII-10. Transition in Bond Option Trading

	Trading Volume of Bonds with Options (New Transactions, in 100 million yen)	Long-Term Government Bond Futures Options	
		Number of trades	Number of open positions
2020	961,554	323,210	3,710
2021	780,384	193,708	1,159
2022	953,370	85,960	300
2023	3,682,113	81,350	1,624
2024	3,333,280	61,871	288
2025	2,185,012	32,273	916

Note: For 2025, the data for bonds with warrants is from the end of August and the data for long-term government bond futures options is from the end of September.
Source: Compiled from the JPX website and Japan Securities Dealers Association Website.

rather than on an exchange, the contracts cannot be transferred to a third party (most transactions involve government bonds). As with government bond futures trading, bond options are traded in units of ¥100 million in par value. Because their life (from the date of contract to the date of delivery) is restricted to a maximum period of one year and three months, and as they cannot be resold to a third party, contracts usually run a relatively long period—six months or one year.

By contrast, long-term government bond futures options are listed American-style options on long-term government bond futures, meaning that they may be exercised on any trading day before expiration. Their trading rules are similar to those for long-term government bond futures. Whereas long-term government bond futures have only three contract months with a maximum period of nine months, long-term government bond futures options offer up to four contract months with a maximum period of six months. In addition, compared with OTC bond options, transactions in long-term government bond futures and long-term government bond futures options are concentrated in those with a short remaining life.

While options trading has long been active in Europe and the United States, the use of options remains limited in Japan. In particular, trading in long-term government bond futures options remains very limited compared with trading in long-term government bond futures. A likely contributing factor is that investors' interest is concentrated in outright transactions that deal only in options, and covered transactions are not made in conjunction with underlying assets (namely, long-term government bond futures). Today, interest rate risk management is centered on swaptions and OTC derivatives.

7. Stock Index Options Trading

Trading in listed options on individual stocks began with the opening of the Chicago Board Options Exchange (CBOE) in 1973. In 1983, the CBOE introduced S&P 100 options, the first stock index options. Also in 1983, the Chicago Mercantile Exchange (CME) listed S&P 500 futures options, and the New York Futures Exchange (NYFE) listed NYSE Composite Index futures options, the first stock index futures options. In Japan, a series of stock index options have been listed—the Nikkei 225 stock index options on the Osaka Securities Exchange in June 1989, Options 25 on the Nagoya Stock Exchange in September of the same year (discontinued in 1998), and the TOPIX options on the Tokyo Stock Exchange in 1989. In 1994, the Osaka Securities Exchange introduced Nikkei 300 options (trading suspended in 2010). In 1998, it introduced three sector stock index options (High-Tech 40, Financial 25, and Consumer 40; trading suspended in 2002), followed by S&P/TOPIX 150 options on the Tokyo Stock Exchange in 2001 (trading suspended in 2002). In 2015, the Osaka Exchange also introduced weekly Nikkei 225 options. Furthermore, options on Nikkei 225 futures have been traded on SIMEX (now SGX-DT) since 1992.

In Japan, listed stock index options (the Nikkei 225 options) are most actively traded on the Osaka Exchange. Unlike stock index futures, other stock index options are scarcely traded in Japan.

Comparing the trading rules for the Nikkei 225 options, the TOPIX options, and SGX Nikkei 225 futures options, domestic stock index options are options on the cash indexes, whereas SGX Nikkei 225 futures options are options on SGX Nikkei 225 futures. Another difference is that long-term options are available for both Nikkei 225 options and SGX Nikkei 225 futures options. Meanwhile, in computing the amount of margin, all exchanges have adopted the method of netting margin in accordance with risks called Standard Portfolio Analysis of Risk (SPAN) developed by the Chicago Mercantile Exchange, so there are no significant differences. In addition, when a circuit breaker is triggered in stock index futures trading, trading in stock index options is also temporarily halted.

8. Securities Options Trading

Options on individual stocks were first listed on the Chicago Board Options Exchange in 1973, with call options. In 1977, put options were also listed on the same exchange. In other countries while options on individual stocks were listed first followed by stock index options, in Japan stock index op-

Table VIII-11. Trading Mechanism of Stock Index Options

	Nikkei 225 Options	TOPIX Options
Trading object	Call options or put options on Nikkei Stock Average	Call options or put options on TOPIX
Contract month	June and December contracts are nearest 16 contract months, March and September contracts are nearest 3 contract months (Quarterly contracts extend up to 8 years), while other contracts are nearest 8 contract months (up to 12 months).	June and December contracts are nearest 10 contract months, March and September contracts are nearest 3 contract months (Quarterly contracts extend up to 5 years), while other contracts are nearest 6 contract months (up to 9 months).
Trading unit	Nikkei Stock Average × 1,000	TOPIX × ¥10,000
Tick size	¥1 for prices of ¥100 or less ¥5 for prices over ¥100	0.1 points for prices up to 20 points, 0.5 points for prices over 20 points
Maturity date	The second Friday of the contract month	The second Friday of the contract month
Final trading day	1 business day prior to the maturity date	1 business day prior to the maturity date
Trading hours	8:45–15:45, 17:00–6:00 the following day	8:45–15:45, 17:00–6:00 the following day
Exercise price	Initially, ± 16 strike prices at ¥250 intervals; for the closest three contract months, starting from the business day preceding the SQ day of the month when less than 3 months remain, ± 16 strike prices at revised ¥125 intervals.	Initially, ± 6 strike prices at 50-point intervals; for the closest three contract months, starting from the business day preceding the SQ day of the month when less than 3 months remain, ± 9 strike prices at 25-point intervals.
Method of exercising rights	European option	European option
Price limit	Normal conditions: 4, 6, 8 or 11% according to the base price First expansion: Normal conditions +3% Second expansion: First expansion +3%	Normal conditions: 4, 6, 8 or 11% according to the base price First expansion: Normal conditions +3% Second expansion: First expansion +3%
Circuit breaker mechanism	Possible interruption in connection with the actuation of the circuit breaker mechanism for Nikkei 225 futures trading	Possible interruption in connection with the actuation of the circuit breaker mechanism for TOPIX futures trading

Source: Compiled from the JPX website.

tions were introduced in 1989 first and equity options on 20 individual stocks were listed subsequently on the Tokyo Stock Exchange and the Osaka Securities Exchange in 1997 (seven of them were listed on both exchanges). Since then, the scope of trading has been expanded to cover all listed securities, and the product was renamed "securities options." On March 24, 2014, the derivatives market of the Tokyo Stock Exchange was integrated into that of the Osaka Exchange, and individual securities options trading on the Osaka Exchange was integrated with securities options trading on the Tokyo Stock Ex-

Table VIII-12. Stock Index Options Trading Activity

	Nikkei 225 options		Nikkei 225 mini options		TOPIX options	
	Number of trades	Number of open positions	Number of trades	Number of open positions	Number of trades	Number of open positions
2020	28,666,550	1,253,114	—	—	306,978	78,589
2021	24,187,070	1,107,069	—	—	431,916	83,711
2022	24,034,266	1,407,507	—	—	572,592	98,128
2023	22,294,102	1,117,401	6,614,162	37,889	635,019	130,646
2024	16,493,631	647,959	11,600,044	28,838	751,136	140,020
2025	10,705,095	780,763	9,527,317	66,236	344,878	167,932

Note: Data as of the end of September 2025.
Source: Compiled from the JPX website and other sources.

change on the same date.

Soon after the Chicago Board Options Exchange was established, the introduction of securities options to Japan was considered. However, their introduction was postponed for more than 20 years due to fears that they might compete with margin trading, a major source of income for small- to medium-sized securities companies.

The trading rules for securities options are basically the same as those for stock index options. The main differences are that the underlying securities are physically delivered and that the final settlement price is determined by the closing price of the underlying securities.

Although it was thought that securities options might compete with margin trading, they were not as actively traded. Possible reasons include the lack of a tradition of options trading in Japan, investors' limited familiarity with options, and, in particular, the relatively low level of securities options trading by individual investors compared with other countries. Options are traded in combination with their underlying assets. In Japan, capital gains earned from trading underlying equities and from securities options are subject to separate taxation. However, investors are not allowed to offset gains and losses between these two categories. This is believed to have discouraged individual investors from participating in securities options trading. Furthermore, in other countries, illiquid securities options markets are supported by market makers who provide quotations in exchange for preferential trading terms. However, although the Osaka Exchange has introduced a market-maker system, it has not led to a significant increase in trading volume.

Table VIII-13. Trading Mechanism of Securities Options

	Securities Options (Osaka Exchange)
Trading object	Call options or put options on domestically listed marketable securities
Contract month	Nearest two contract months + nearest two contract months from March, June, September and December
Delivery date	Fifth day from the exercise date
Maturity date	The second Friday of the contract month
Final trading day	1 business day prior to the maturity date
Trading unit	Trading unit of the underlying stock
Tick size	Between ¥0.1 and ¥5,000 depending on the trading unit of the underlying asset and the option price
Exercise price	±2 prices at 16 stages from ¥25 to ¥5 million depending on the price of the underlying stock, with additional prices available afterwards based on market conditions.
Price limit	The value derived by taking the base price of the security for the option trade on the designated market as of the trade date and multiplying it by 25%
Position limit	Set for each eligible security
Trading hours	9:00–11:35, 12:30–15:45
Method of exercising rights	European option

Source: Compiled from the JPX website and other sources.

Table VIII-14. Securities Options Trading Activity

	Securities Options	
	Number of trades	Number of open positions
2020	1,347,612	59,023
2021	2,032,945	28,011
2022	2,059,828	46,022
2023	2,700,442	138,908
2024	1,493,033	61,015
2025	2,142,690	224,531

Note: Data as of the end of September 2025.
Source: Compiled from the JPX website and other sources.

9. OTC Derivatives Trading

The market on which derivatives trading achieved remarkable growth around the world in the 1990s was not the exchanges but the OTC market. In particular, interest rate swap trading, which is generally considered to have begun in 1982, spread not only among financial institutions but also among business corporations amid financial liberalization, becoming the dominant product in the derivatives market. As statistics on derivatives trading conducted on the exchanges are widely available, it is easy to follow what is happening in the market. However, because there was no organization that kept track of the derivatives trading conducted on the OTC market, it was extremely difficult to assess the situation. To address this, the Bank for International Settlements (BIS) has published an OTC derivatives market survey together with its Triennial Central Bank Survey of Foreign Exchange Markets, which has been conducted every three years since 1986. The OTC derivatives survey has been included since 1995. In Japan, the Bank of Japan has conducted the Central Bank Survey of Foreign Exchange and Derivatives Market Activity every three years since 1998 and has published the results.

In April 2025, the average daily notional amount of OTC interest rate derivatives traded in Japan (excluding currency swaps) was US$169.8 billion (compared with US$7.9 trillion worldwide), up 234.7% from the previous survey in April 2022 (compared with a 59% increase worldwide). By product, interest rate swaps accounted for US$161.8 billion (overnight index swaps: US$147.4 billion; other swaps: US$14.4 billion), up 233.6% (overnight index swaps: up 448%; other swaps: down 33.5%); interest rate options totaled US$2.6 billion, up 26.8%; and forward rate agreements (FRAs) totaled US$5.4 billion, up 2,834.3%. In addition, the outstanding notional amount of OTC interest rate derivatives held by Japanese financial institutions stood at US$73.8 trillion at the end of June 2025, up 8% from the end of June 2024. Incidentally, the outstanding notional amount of exchange-traded interest rate derivatives stood at US$3.4 trillion at the end of June 2025.

At the G20 Pittsburgh Summit in 2009, it was agreed that all standardized OTC derivatives contracts should be cleared through central counterparties (CCPs) by the end of 2012. In Japan, the Japan Securities Clearing Corporation (JSCC), a subsidiary of Japan Exchange Group (JPX), began clearing CDS transactions in July 2011 and interest rate swaps in October 2012. According to JSCC, following the Bank of Japan's review of its monetary policy, the monthly clearing volume of interest rate swaps reached ¥1,060 trillion (sale and purchase included) in December 2024, while the annual clearing volume for 2024 reached ¥8,272 trillion, more than double the previous year's ¥4,025 trillion.

Table VIII-15. OTC CFD transaction balance

	Number of accounts	Margin etc. Balance	Open balance (by underlying asset)			
			Individual stock-related	Stock index-related	Bond-related	Other Securities-related
End of March 2018	185,131	243	40	285	24	17
End of September 2018	214,272	277	59	366	14	22
End of March 2019	248,497	309	31	390	14	22
End of September 2019	277,426	381	29	487	26	28
End of March 2020	314,097	545	18	440	7	30
End of September 2020	361,471	605	78	690	20	28
End of March 2021	409,729	678	140	805	26	28
End of September 2021	456,123	891	183	1,370	65	29
End of March 2022	551,825	1,067	161	1,341	130	34
End of September 2022	671,089	1,179	113	1,668	119	37
End of March 2023	836,038	1,305	119	1,671	220	33
End of September 2023	815,553	1,091	135	1636	225	38
End of March 2024	649,381	1,041	203	1670	234	49
End of September 2024	699,880	1,050	153	1,290	642	38
End of March 2025	739,505	1,098	151	1,638	88	38

Note: Transaction amounts are based on the notional principal (contract price × trading unit × quantity). and the outstanding balance is the gross balance of long and short positions. Amounts are in units of ¥100 million.
Source: JSDA website.

Table VIII-16. Status of OTC CFD trading

	Individual stock-related		Stock index-related		Bond-related		Other Securities-related	
	No. of deals	Trading value	No. of deals	Trading value	No. of deals	Trading value	No. of deals	Trading value
2018	249,173	1,826	9,165,358	217,005	8,217	981	798,917	1,913
2019	237,945	1,122	10,550,957	190,759	11,086	1,339	1,401,035	2,160
2020	884,925	4,581	30,194,537	507,076	14,796	1,572	2,612,288	2,646
2021	1,221,006	8,374	28,449,829	597,074	42,979	3,563	1,580,413	1,363
2022	2,882,767	9,954	44,499,641	1,137,510	198,652	17,578	1,236,829	1,723
2023	1,326,325	6,634	38,085,352	1,037,170	239,011	27,182	915,422	1,998
2024	1,233,605	12,258	47,806,109	1,090,092	163,946	20,148	764,666	2,621
2025	361,027	972	5,140,176	116,515	5,668	438	88,132	224

Note: Data through March 2025. Amounts are in units of ¥100 million.
Source: JSDA website.

10. Credit Derivatives Trading

Credit derivatives trading is a generic term for transactions that trade the credit risk associated with loans and corporate bonds through instruments such as swaps and options. Unlike conventional derivatives, which transfer market risk, credit derivatives trade credit risk. Credit risk trading may be characterized as trading in guarantees in that it not only deals in guarantees against default but also provides a variety of products that cover the risk of declining creditworthiness caused by a deterioration of business performance.

Credit derivatives are traded largely in three typical types: credit default swaps (CDS), total return swaps (TRS), and credit-linked notes (CLN). A CDS is a type of options trading that provides protection against the credit risk associated with a loan, and when the borrower defaults on the loan underlying the CDS, the loss arising from such default is covered. CDS derives its name from the fact that the premium is paid in the form of a swap. Next, a TRS is a deal that swaps the total profit or loss (coupon payments and valuation gains or losses) for the market interest rate, and it is used when the bondholder cannot sell the bond. A CLN is a bond that links credit risk to a bond issued by a different issuer. It may be regarded as a bond that incorporates the structure of a CDS. A CLN is redeemed in full on maturity unless the company designated in the contract defaults on its obligations, but when the company defaults the CLN is redeemed at a reduced value prior to maturity. While a CDS is concluded on the assumption that the protection seller has sufficient creditworthiness, a CLN is backed by the purchase of a bond. Therefore, a CLN has the advantage that it can be concluded regardless of the investor's credit standing.

According to data published by the Bank of Japan, the outstanding notional amount of credit derivatives in Japan accelerated its growth after 2003, reaching approximately US$1.1 trillion at the end of June 2010. However, it subsequently began to decline, falling to less than US$400 billion by the end of December 2018, less than half its peak level. Since then, the outstanding notional amount has gradually increased, reaching approximately US$880 billion at the end of June 2025. This somewhat pronounced trend appears to mirror that of the United States. In the United States as well, the outstanding notional amount of credit derivatives peaked in 2008 and, following the global financial crisis, had fallen to about one-third of its peak level by 2020.

11. Central Counterparty (CCP)

Netting is a method of offsetting receivables and payables to improve settle-

Table VIII-17. Credit Derivatives Trading in Japan

(Outstanding balance of notional principal; US $ million)

	OTC trading	Credit default swap			Total return swap			Credit-linked notes			Other products		
	Total	Total	Sell	Buy	Total	Sell	Buy	Total	Issue	Purchase	Total	Sell	Buy
June 2016	510,693	505,278	255,136	250,141	5,414	2,054	3,360	−9,209	−4,784	−4,425	−384	−384	−59
Dec. 2016	441,444	437,525	219,801	217,721	3,918	1,522	2,396	−9,071	−5,340	−3,731	−353	−353	−50
June 2017	411,471	406,931	203,595	203,335	4,537	1,804	2,733	−8,862	−6,291	−2,571	−138	−138	−49
Dec. 2017	381,682	375,022	187,255	187,769	6,656	2,802	3,854	−9,410	−6,548	−2,862	−159	−159	−50
June 2018	382,030	377,141	189,032	188,108	4,812	2,091	2,721	−10,438	−7,465	−2,973	−262	−262	0
Dec. 2018	384,498	380,788	189,823	190,965	3,707	1,647	2,060	−10,156	−7,265	−2,891	−342	−342	0
June 2019	391,418	387,741	194,000	193,741	3,683	2,174	1,509	−10,133	−7,098	−3,035	−445	−445	0
Dec. 2019	416,496	411,549	207,163	204,390	4,947	2,390	2,557	−9,785	−6,691	−3,094	−562	−562	0
June 2020	481,306	473,848	241,711	232,137	7,459	2,547	4,912	−9,062	−5,986	−3,076	−620	−620	0
Dec. 2020	510,502	506,011	259,276	246,734	4,495	1,950	2,545	−8,469	−5,134	−3,335	−925	−797	0
June 2021	534,398	525,860	270,351	255,509	8,546	4,627	3,919	−7,824	−4,710	−3,114	−645	−645	0
Dec. 2021	483,199	475,828	239,865	235,962	7,376	5,212	2,164	7,450	4,281	3,169	344	344	0
June 2022	512,324	504,532	255,902	248,631	7,794	3,366	4,428	6,585	453	6,132	307	307	0
Dec. 2022	575,677	569,641	286,388	283,254	6,037	2,842	3,195	5,928	2,599	3,329	1,104	828	276
June 2023	426,437	419,061	208,655	210,408	7,371	4,520	2,851	4,836	1,946	2,890	649	400	249
Dec. 2023	457,014	452,761	225,852	226,910	4,249	1,685	2,564	4,720	2,003	2,717	549	300	249
June 2024	487,249	482,128	240,638	241,492	5,121	2,154	2,967	3,867	1,718	2,149	488	264	224
Dec. 2024	515,350	511,336	252,158	259,178	4,012	2,389	1,623	3,699	1,687	2,012	527	269	258
June 2025	876,730	870,174	432,767	437,406	6,563	2,653	3,910	3,976	1,838	2,138	579	290	289

Note: "Credit-linked bonds" and "other products," which were previously included under credit derivatives, have been shown only for reference purposes since 2016.

Source: Compiled based on the time-series data in Bank of Japan, "Regular Market Report on Derivatives Trading" (http://www.boj.or.jp/en/statistics/bis/yoshi/index.htm/)

ment efficiency. 2. The offsetting of claims and obligations between two parties is called bilateral netting, while the system for centrally offsetting the claims and obligations of multiple parties is called multilateral netting. A Central Counterparty (CCP) is an institution (X) that interposes itself between trading parties (A–B, B–C, C–A) and becomes the counterparty to every transaction, resulting in A–X, X–B, B–X, X–C, C–X, and X–A, thereby centralizing all clearing. As a result, participants no longer need to manage individual credit risks, as counterparty risk is centralized and standardized through the CCP. A risk management framework has been established, including various types of margins (initial, variation, and additional) as well as a clearing fund. In the wake of the global financial crisis, the mandatory use of CCPs for OTC derivatives has expanded. Following the 2009 G20 Pittsburgh Summit, where countries agreed to require central clearing for standardized OTC derivatives such as interest rate swaps and CDSs, Japan also amended the Financial Instruments and Exchange Act to mandate CCP clearing for certain OTC derivatives.

The Japan Securities Clearing Corporation (JSCC), a subsidiary of the Japan Exchange Group, is the CCP for derivatives trading in Japan, and conducts a wide range of clearing services for exchange-traded transactions, OTC derivatives transactions (CDS transactions and interest rate swaps) and OTC government bond transactions. In addition, following its merger with the Japan Commodity Clearing House (JCCH) in 2020, JSCC expanded its clearing services to include commodity derivatives such as precious metals, rubber, agricultural products, and energy, and now functions as a comprehensive clearing house covering both the financial and commodities sectors.

In 2014, JSCC introduced a compression service designed to improve the efficiency of outstanding cleared positions. Under this system, offsetting long and short positions held by the same participant are terminated simultaneously, thereby reducing gross outstanding positions (notional amount and number of contracts) without changing the underlying economic risk. Since 2018, ad hoc compression has also been available on a daily basis. This enables clearing participants to reduce the administrative burden of managing outstanding positions and lower their leverage ratios.

In recent years, post-trade operations have become increasingly digitalized and efficient through developments such as cross-CCP compression, portfolio compression covering both cleared and non-cleared transactions, and the automation and real-time optimization of collateral management (settlement optimization) in collaboration with Baton Systems.

Table VIII-18. Number of interest rate swap trades cleared and cleared notional amount

(Unit: Yen, millions)

		2023	2024	2025
Total	Number of trades cleared	317,304	375,586	384,472
	Cleared notional	4,025,902,703	8,272,125,131	7,977,382,065
0-2 years	Number of trades cleared	21,302	60,994	60,088
	Cleared notional	1,075,112,122	5,167,476,939	4,894,338,108
2-5 years	Number of trades cleared	46,446	69,944	67,102
	Cleared notional	881,099,923	1,357,019,160	1,197,477,606
5-10 years	Number of trades cleared	97,314	102,756	101,570
	Cleared notional	1,177,949,421	1,077,349,304	1,138,876,708
10-30 years	Number of trades cleared	144,104	132,074	141,838
	Cleared notional	874,125,094	649,052,436	715,613,023
Over 30 years	Number of trades cleared	8,138	9,818	13,874
	Cleared notional	17,616,143	21,227,291	31,076,620

Note: As of the end of September 2025. Amounts are in units of ¥1 million.
Source: Compiled from JSCC website.

Table VIII-19. Number of CDS trades cleared and cleared notional amount

(Unit: Yen, millions)

		2021	2022	2023	2024	2025
Total	Number of trades cleared	1,950	2,852	2,752	2,496	2,116
	Cleared notional	4,199,972	4,547,545	4,099,890	3,588,213	2,886,412
	Outstanding cleared notional	1,022,161	12,029,598	13,686,154	12,847,648	13,540,672
Index total	Number of trades cleared	658	1,246	1,220	828	678
	Cleared notional	3,412,000	2,689,650	3,197,340	2,770,360	1,987,720
	Outstanding cleared notional	7,411,980	9,149,680	10,759,860	10,014,040	10,147,360
Single name total	Number of trades cleared	1,292	1,606	1,532	1,668	1,438
	Cleared notional	787,972	857,895	902,550	817,853	898,692
	Outstanding cleared notional	2,810,181	2,879,918	2,926,294	2,833,608	3,393,312

Note: As of the end of September 2025. Amounts are in units of ¥1 million.
Source: Compiled from JSCC website.