



Outline of the Margin Trading System

September 2026
Margin Transaction Group, Equities Department
Tokyo Stock Exchange, Inc.

1. What is Margin Trading?

2. Outline of Margin Trading

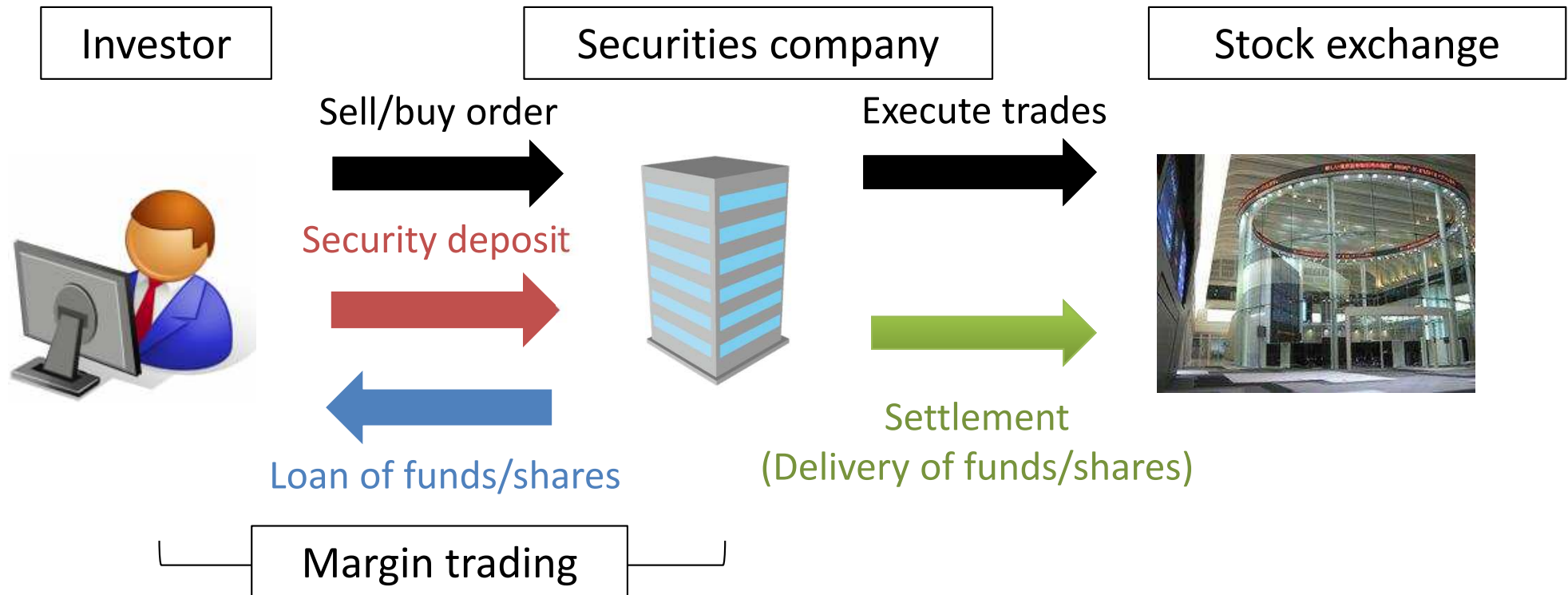
3. Points to Note Regarding Margin Trading

4. Information Related to Margin Trading

1. What is Margin Trading?

What is margin trading?

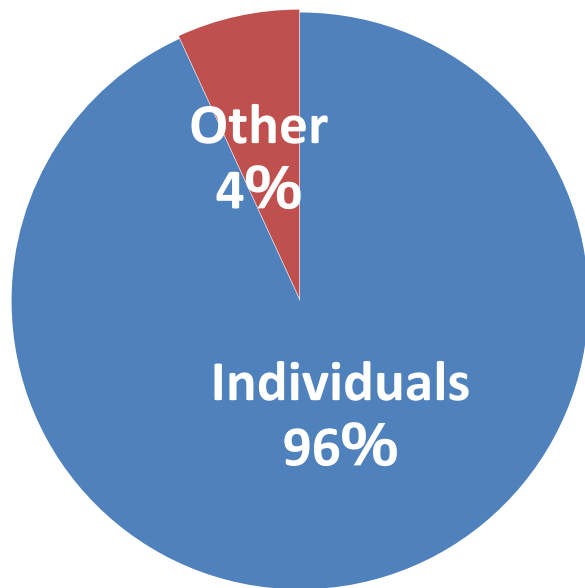
- A trade in which an investor makes a security deposit with a securities company to borrow funds or shares to conduct trading.



1. What is Margin Trading?

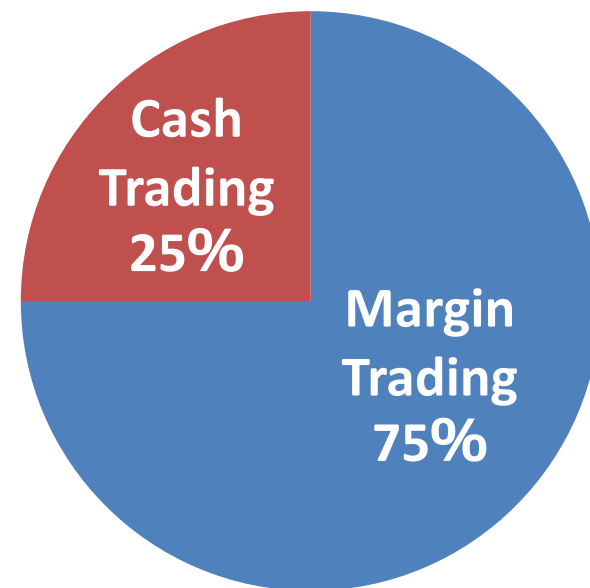
Use of margin trading by individual investors

Individual investors are the main users of margin trading.



Share of margin trading by user
(2025, based on trading value)
Prime Market, brokered trades
Scope: Same as “Trading by Type of Investors”

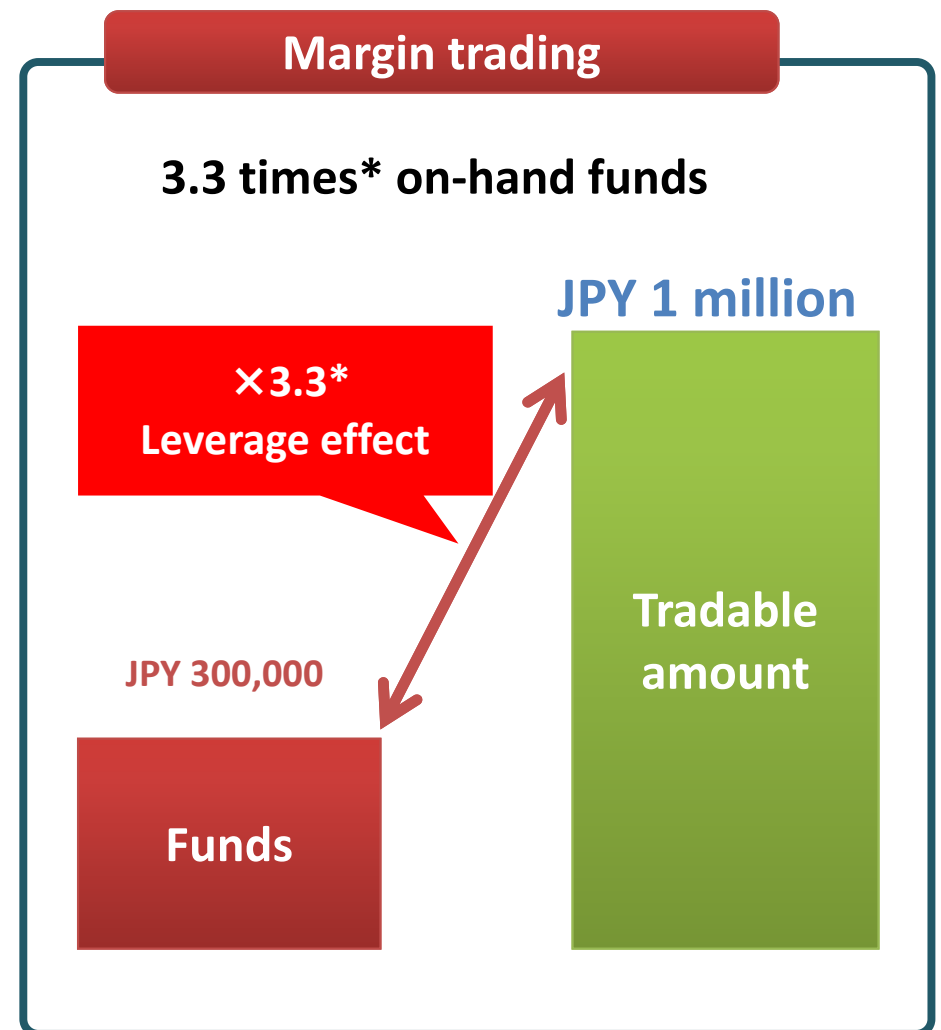
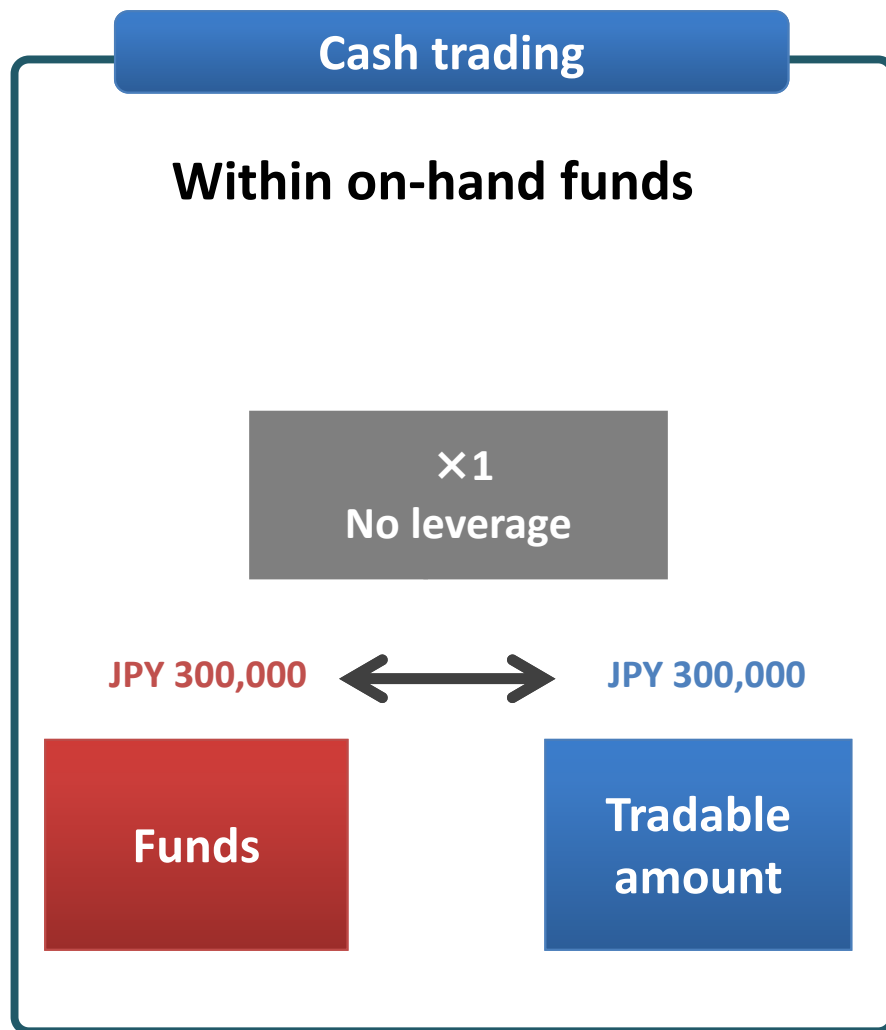
More than half of trades by individual investors are margin trades.



Share of margin and cash trading
by individual investors
(2025, based on trading value)
Prime Market
Scope: Same as “Trading by Type of Investors”

1. What is Margin Trading?

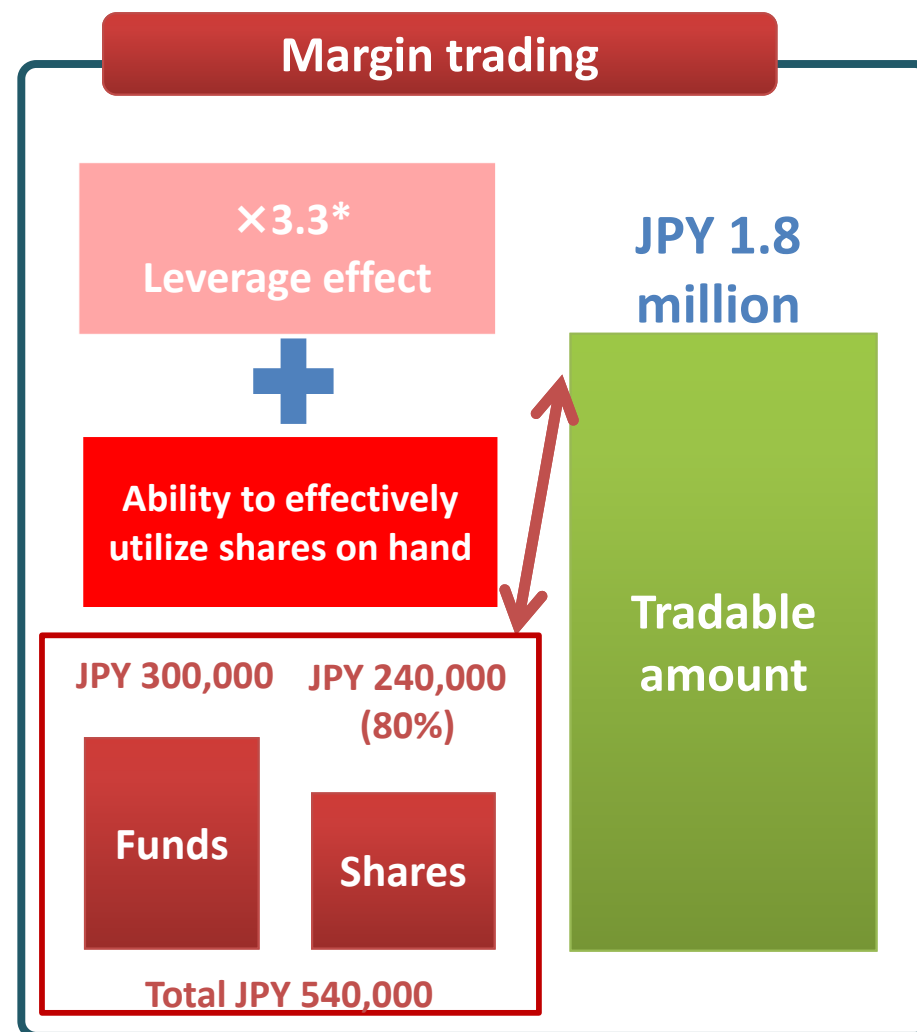
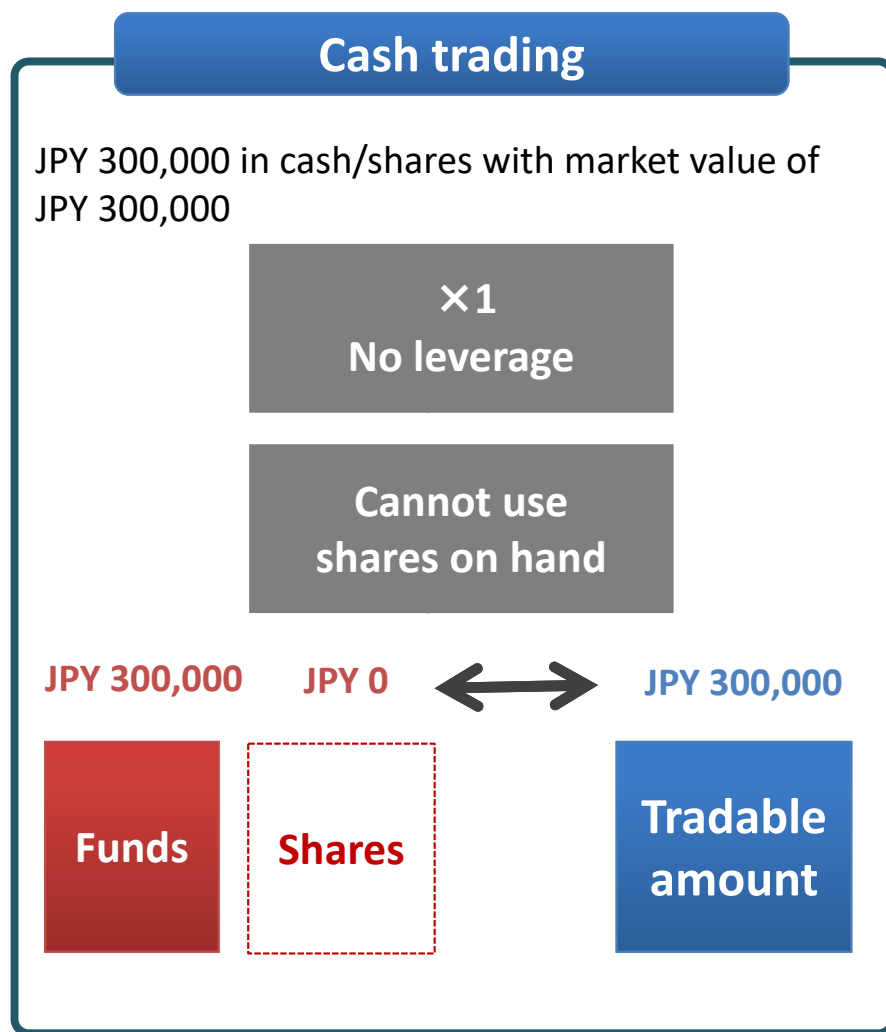
Advantage 1-1: Ability to trade for more than funds on hand (leverage effect)



*In the case where the margin deposit ratio is 30%

1. What is Margin Trading?

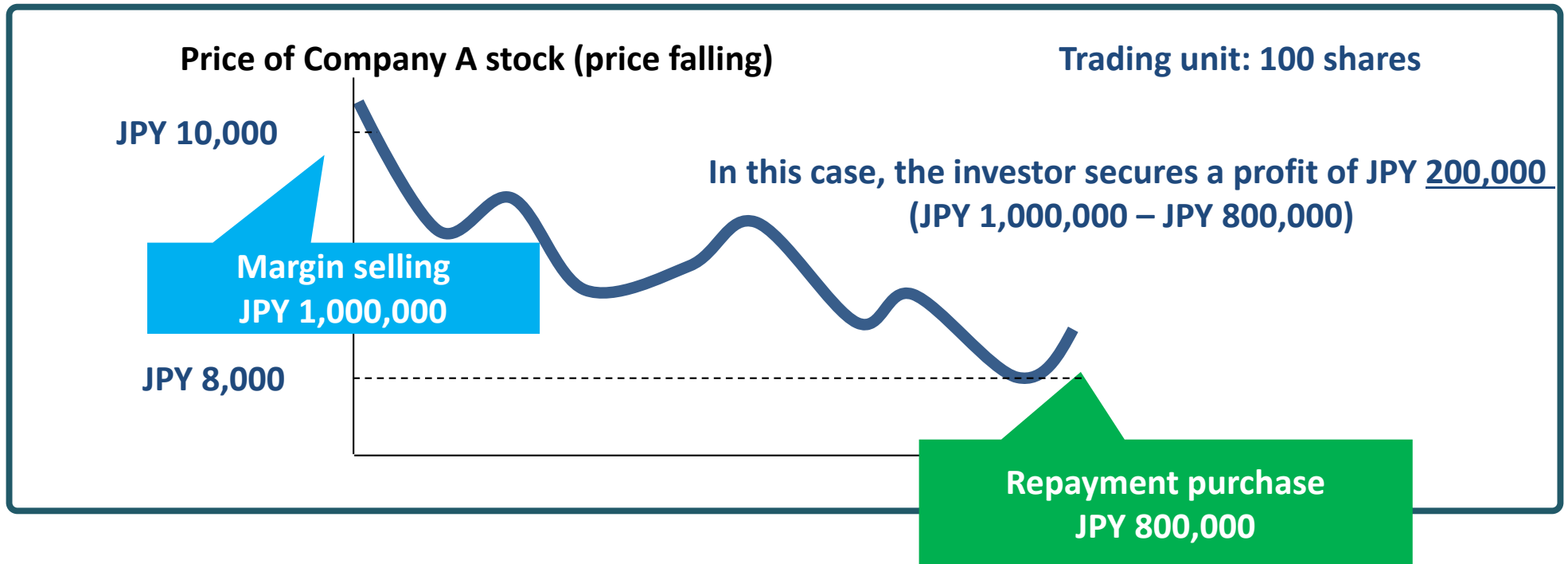
Advantage 1-2: Securities on hand can be used as security deposits
(securities in lieu of cash)



*In the case where the margin deposit ratio is 30%.

1. What is Margin Trading?

Advantage 2: Margin trading can start from selling



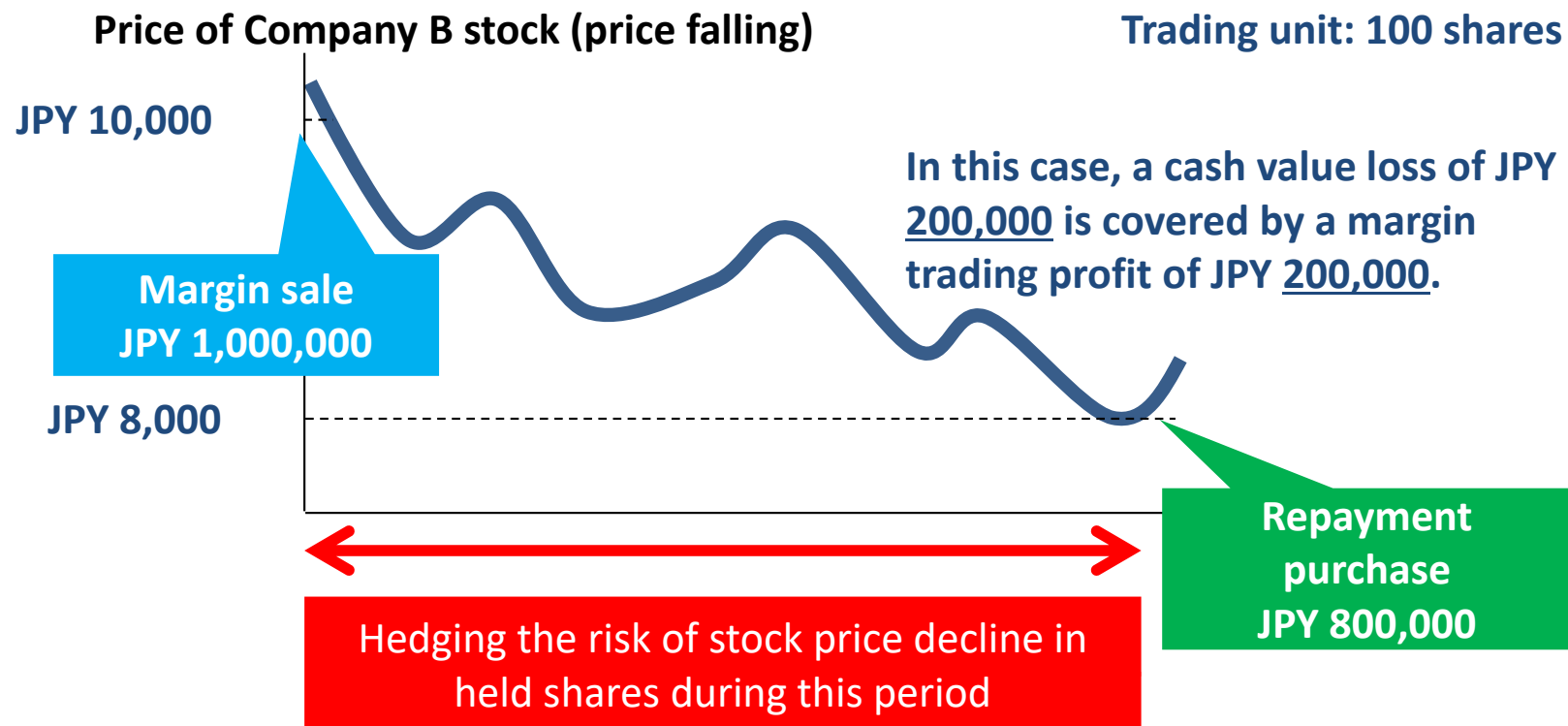
- In margin selling, an investor sells borrowed shares from a securities company and later repurchases them to repay the shares.
- In this case, profits are generated when the stock price falls (losses are generated when the stock price rises).

1. What is Margin Trading?

Advantage 3: Enables hedging against the risk of stock price decline in held shares



- I hold JPY 1,000,000 worth of Company B's shares.
- I think that the price of Company B's stock will decline.
- But I don't want to sell my shares in Company B.



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3. Points to Note Regarding Margin Trading

4. Information Related to Margin Trading

2. Outline of Margin Trading

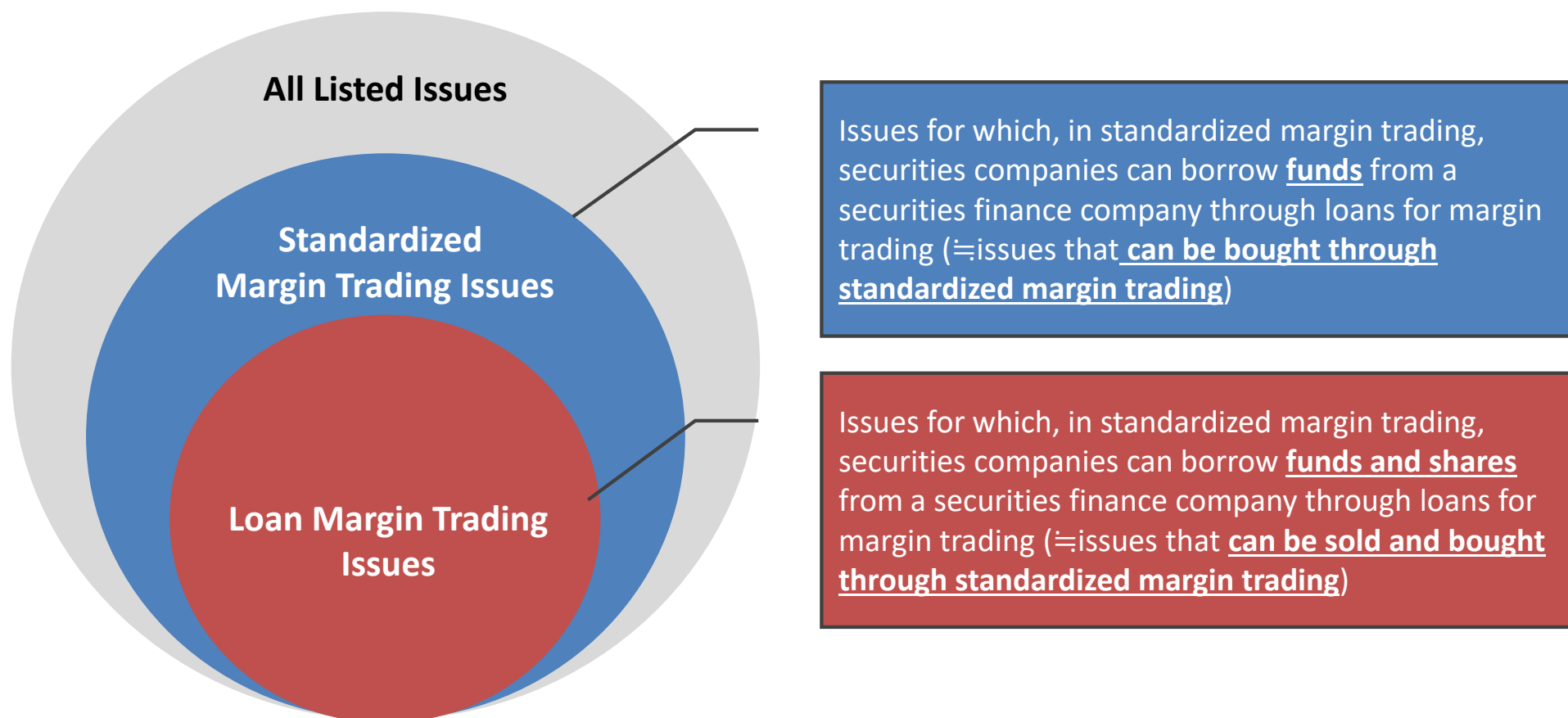
There are two types of margin trading.

	Standardized margin trading	Negotiable margin trading	(Reference) Cash trading
Purchase consideration / shares to sell	Borrow from securities company (Make security deposit)	Borrow from securities company (Make security deposit)	Owned by investor
Issues available for trading	Selected by the exchange	Selected by securities company (in principle, all listed issues)	All listed issues
Term limit	Up to 6 months	Determined by securities company	None
Transaction costs	Brokerage commissions, interest rates, stock lending fees, premium charges, etc.	Brokerage commissions, interest rates, stock lending fees, premium charges, etc.	Brokerage commissions, etc.
Premium charges	Determined by the exchange	Determined by securities company	None
Dividend	Equivalent of dividend paid by seller to buyer	Processed according to rules of securities company	Dividends received
Shareholder rights	In principle, processed in cash Voting rights and shareholder benefits are not covered.		All shareholder rights

- It is not possible to change from standardized margin trading to negotiable margin trading or vice versa partway through.
- Securities companies can use “loans for margin trading” only in standardized margin trading.

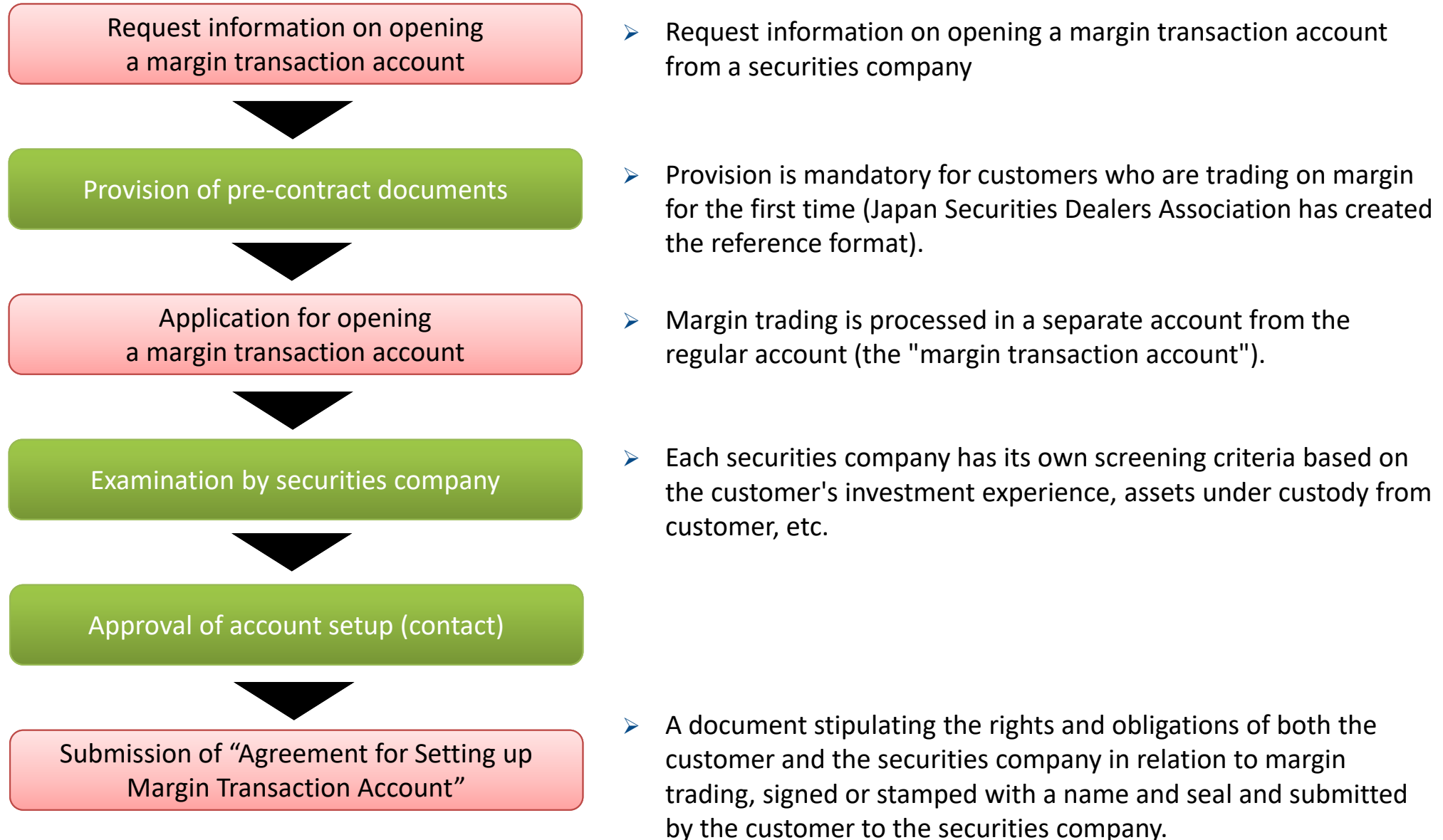
2. Outline of Margin Trading

In negotiable margin trading, investors can use margin trading for listed stocks handled by securities companies.
In standardized margin trading, investors can use margin trading for issues selected as Standardized Margin Trading Issues.



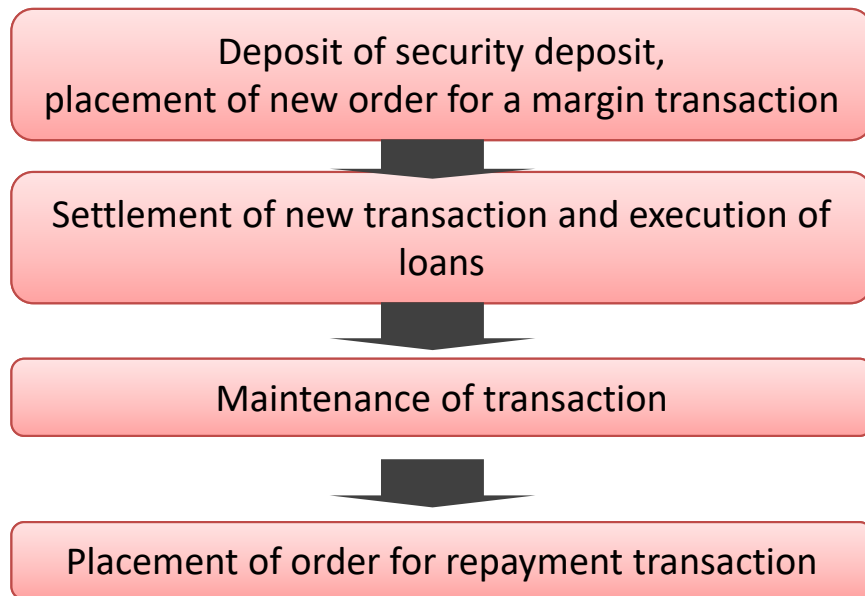
2. Outline of Margin Trading

When investors start margin trading, opening a “**margin transaction account**” at a securities company is required.

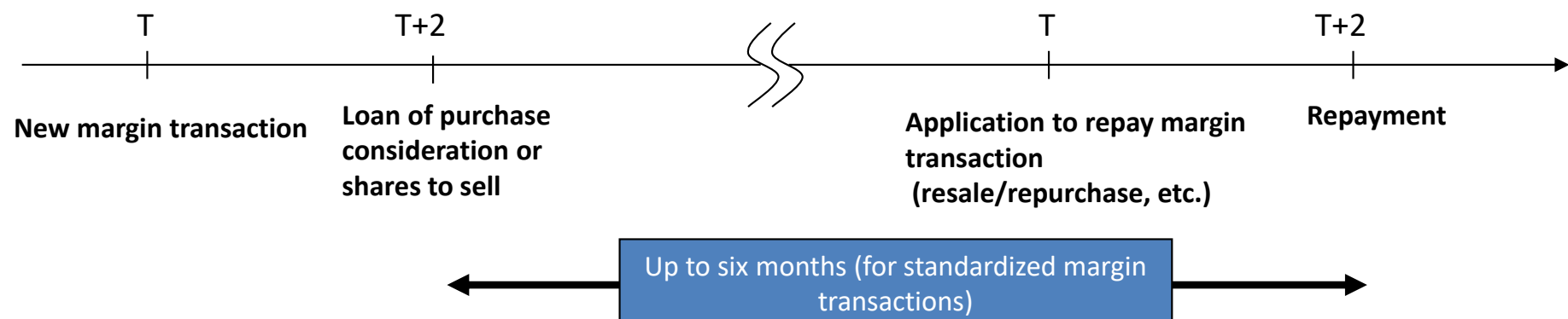


2. Outline of Margin Trading

Understanding the margin trading flow



- Clearly indicate that it is a new margin transaction and whether it is a standardized or negotiable margin transaction.
- Deposit security deposits (by noon on T+2)
- Due to fluctuations in the market price, costs to maintain the transaction are incurred such as additional security deposits.
- Apply for repayment of money or shares borrowed from a securities company (settlement through repayment transactions (offsetting transactions) or actual receipt/delivery of shares)
- Repayment is due within 6 months for standardized margin trading.



2. Outline of Margin Trading

Repayment of a margin transaction is the repayment of money or shares borrowed from the securities company when trading on margin.

Offsetting transaction (resale/repurchase)

Resale (repayment of margin purchases)

- Selling (reselling) shares purchased through margin trading in the market
- Proceeds from the sale are used to repay money borrowed from the securities company.

Repurchase (repayment of margin sales)

- Purchase (repurchase) shares of the same issue and amount sold in margin trading
- Purchased shares are used to repay shares borrowed from the securities company.

Actual receipt/delivery of shares

Actual receipt of shares (repayment of margin purchases)

- The investor uses their own money to repay the money borrowed from the securities company.
- Shares purchased on margin are received from the securities company.

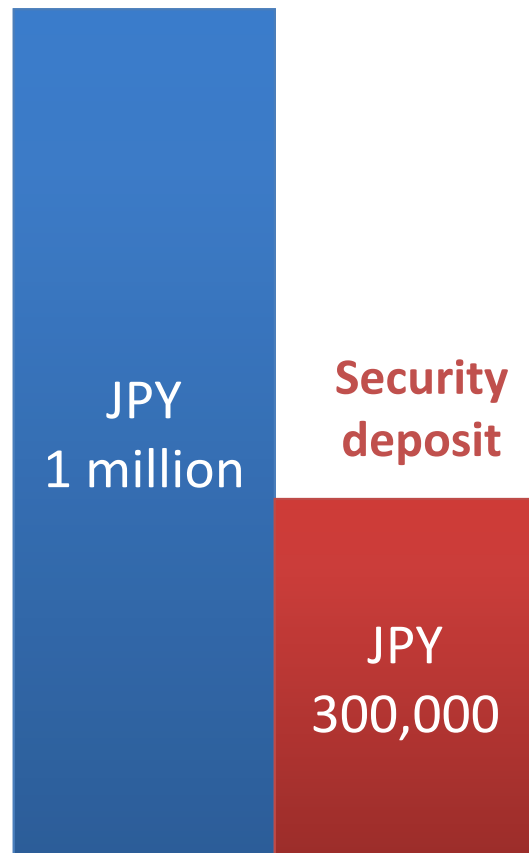
Actual delivery of shares (repayment of margin sales)

- The investor repays shares borrowed from the securities company using their own shares of the same issue and amount.
- Proceeds from the margin sale are received from the securities company.

2. Outline of Margin Trading

The security deposit is collateral required for a new margin transaction.

New margin transaction



- At least 30% of the contract value for new transactions (minimum JPY 300,000) is required.
- The security deposit can be substituted with securities instead of cash.
- Securities in lieu of cash are calculated at market value and valued at a certain percentage of their price.

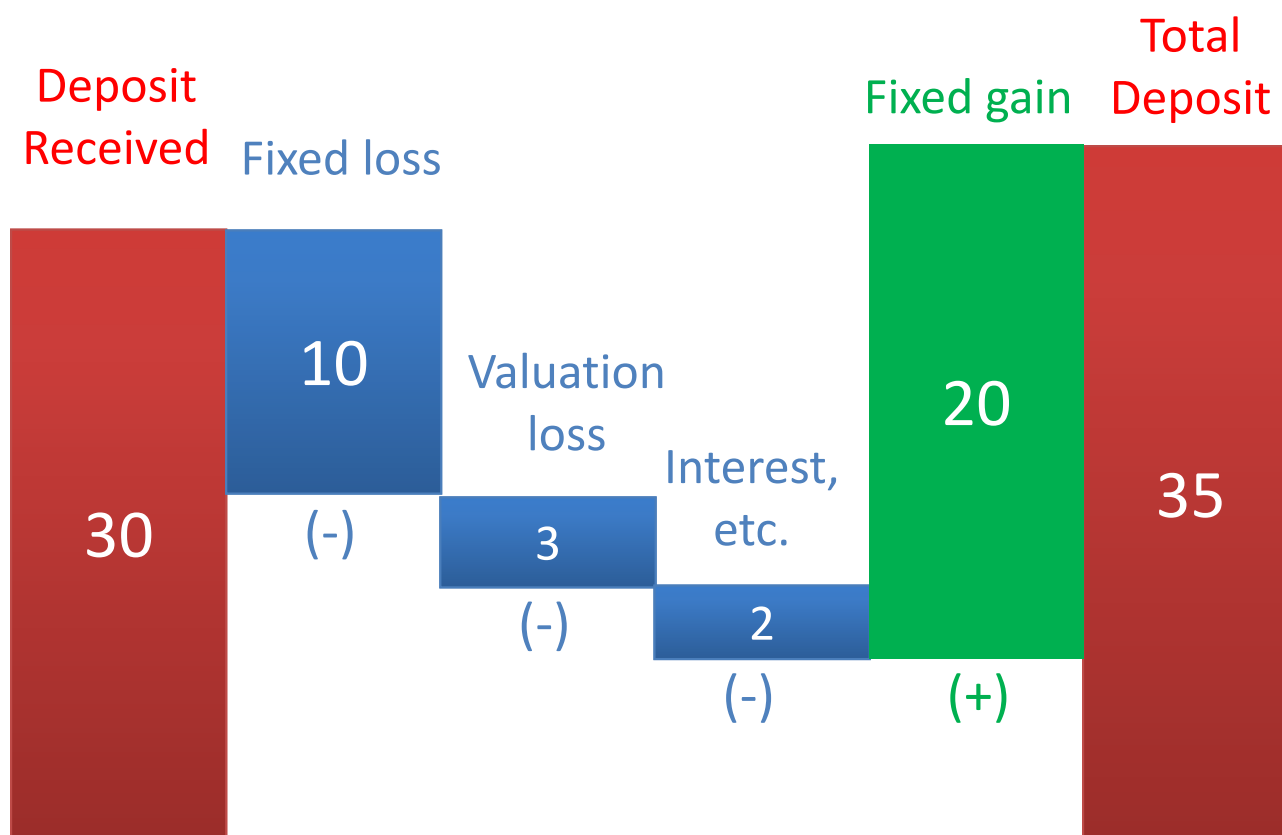
(For new margin trading of leveraged double-inverse ETFs and ETNs, a security deposit of at least 60% of the contract price is required.)

2. Outline of Margin Trading

If a security deposit has already been made, the total amount of security deposit deemed to be deposited is calculated (valued) as follows.

Total Deposit

$$= \text{Deposit Received} - \text{Fixed Loss} - \text{Valuation Loss}^1 - \text{Interest, etc.} + \text{Fixed Gain}^2$$



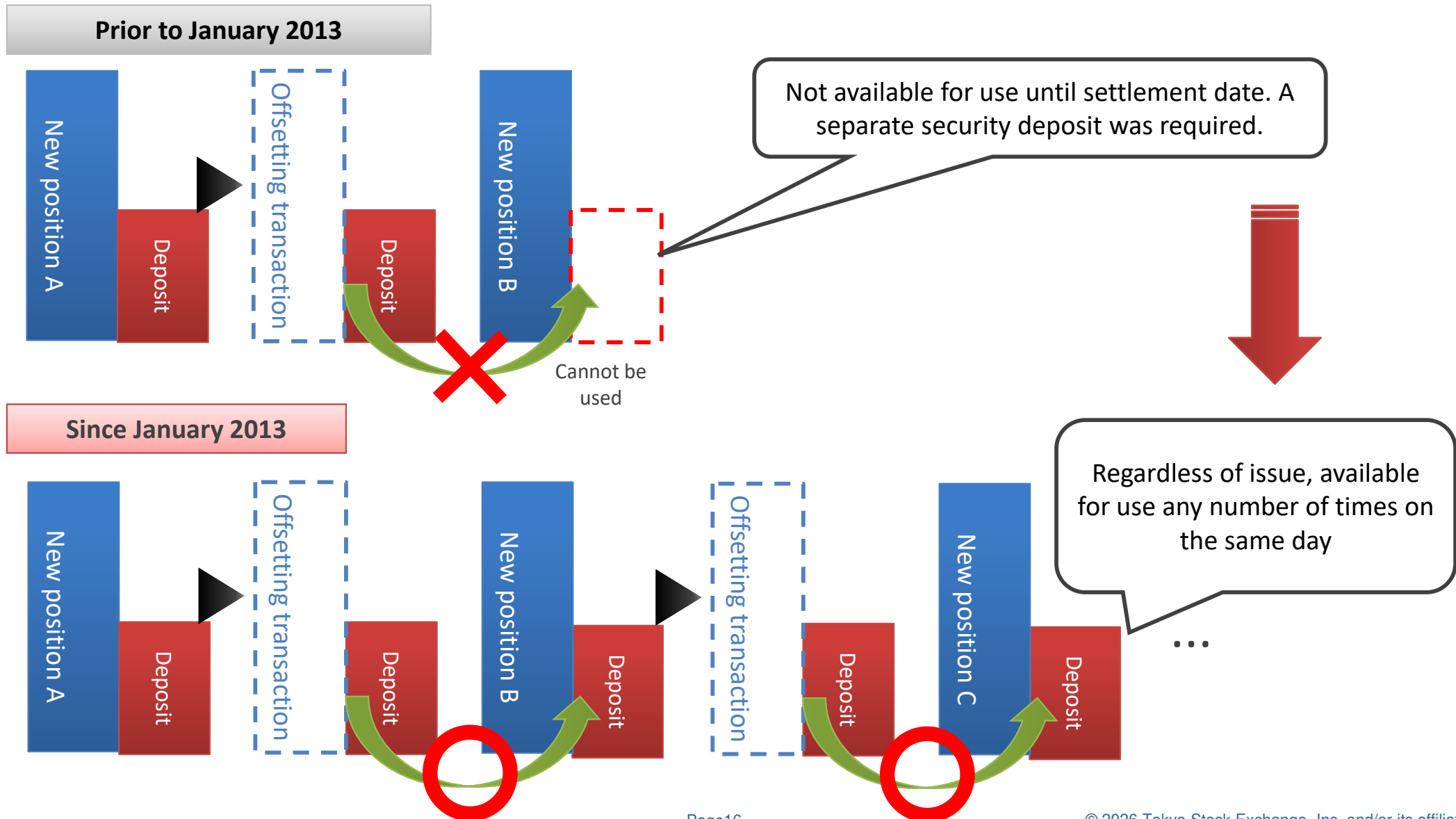
Fixed gain can be added from the time the repayment order is executed.

¹ Valuation losses can be offset against valuation gains. However, it is not possible to achieve a net gain through this process.

² Only when the customer and securities company have agreed to deposit the relevant gains as security deposit at the time of settlement.

2. Outline of Margin Trading

In 2013, security deposit calculation was revised.



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2. Outline of Margin Trading

3. Points to Note Regarding Margin Trading

4. Information Related to Margin Trading

3. Points to Note Regarding Margin Trading

The following points should be noted for margin trading.

Notes on Margin Trading in General

Losses in Excess of Funds on Hand	Leveraged trading may result in losses greater than the amount of funds on hand.
Costs	There are costs inherent in margin trading, such as interest and premium charges.
Additional Margin	If the amount of the security deposit falls below a certain percentage, an additional security deposit (additional margin) will be required to be deposited to the securities company.
Trading Regulations	Margin trading regulations may be imposed, such as a raise in the security deposit ratio.

Special Note on Margin Selling

No Cap on Maximum Loss	The maximum loss is unlimited, as losses are incurred when the stock price rises. (given there is no upper limit to stock prices)
Short Selling Restrictions	Margin sales are a type of short selling and are therefore subject to the restrictions imposed by short selling regulations.

- It is necessary to understand before trading that there is a possibility of incurring large losses if the stock price moves in the opposite direction to the investment decision.

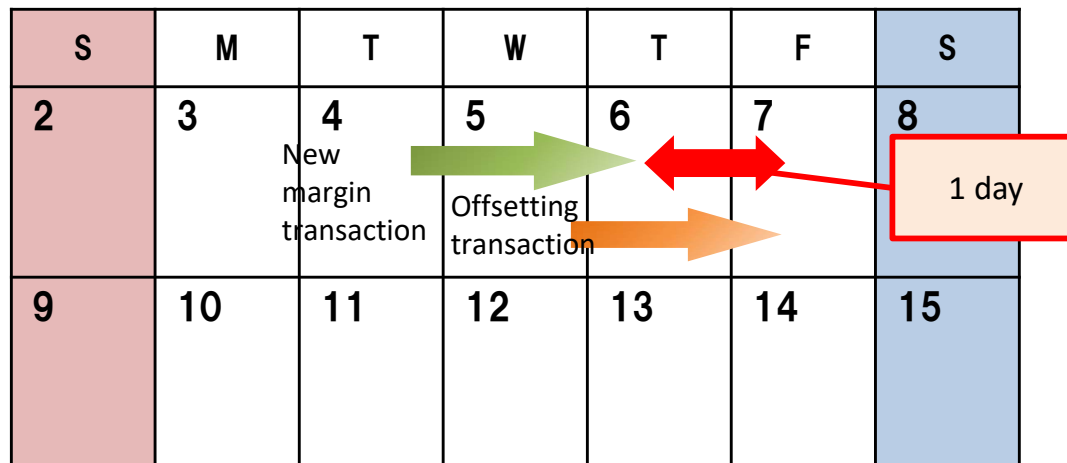
3. Points to Note Regarding Margin Trading

Margin trading incurs costs not associated with cash trading.

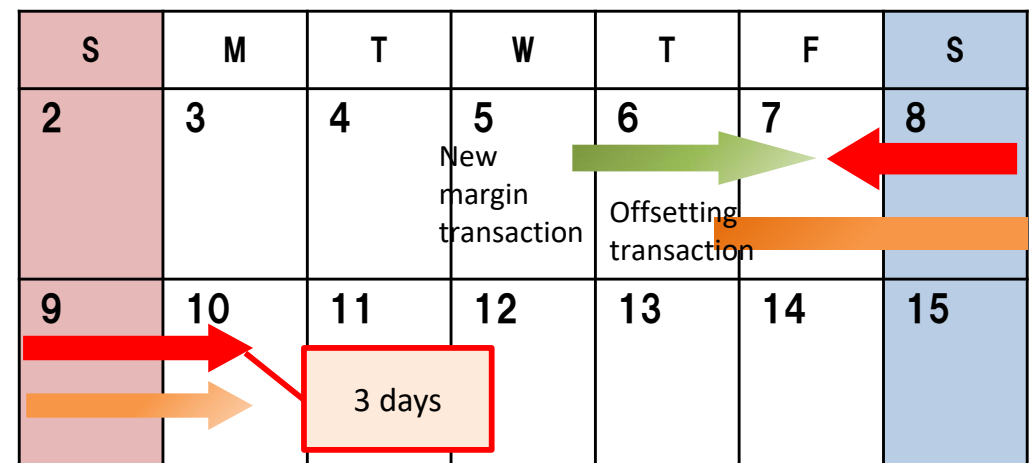
- **Interest** - the cost of money lending for **margin purchase** (**buying interest**)
- **Stock lending fee** – the cost of stock lending for **margin sales** (**selling interest**)
- **Premium charge** – the additional cost of stock lending for **margin sales**
- Other fees for account management and handling of rights processing, etc.

Calculation of Premium Charge

1. Normal cases



2. Cases that involve non-business days



Even for next-day repayment, some delivery dates may fall on holidays (Saturdays, Sundays, and national holidays). Pay attention to the delivery date.

3. Points to Note Regarding Margin Trading

TSE monitors the usage of margin trading, and if necessary, designates issues as "Issues Subject to Daily Publication" or implements "regulatory measures (measures to raise the security deposit ratio)".

Designation of Issues Subject to Daily Publication

- Implemented to prevent excessive use of margin trading
- Publication of outstanding margin transactions and margin trading ratios for issues which are being traded on margin to a certain degree

Regulatory Measures

- Implemented when the use of margin trading is deemed excessive
- <Details of the main regulatory measures>
- Raise in the security deposit ratio, restrictions on securities in lieu of cash (requirement of a certain amount of cash)

Example of first-stage regulation: 50% security deposit ratio (including 20% cash)

- TSE implements regulatory measures, etc. in line with its Guidelines.
- For more information, please visit the JPX website.

<https://www.jpx.co.jp/english/rules-participants/rules/doc/agreement/index.html>

3. Points to Note Regarding Margin Trading

Japan Securities Finance (JSF) monitors usage of loans for margin trading, and if necessary, implements a "Notice for Precaution" or "Restriction/Suspension of Stock Lending Applications" to securities companies.

Notice for Precaution

- When there is a risk that the use of a specific issue for stock lending through loans for margin trading will increase due to an increase in margin sales, making it difficult for JSF to obtain stocks
- JSF issues a notice for precaution to the securities company.

Restriction/Suspension of Stock Lending Applications

- When the use of a specific issue for stock lending through loans for margin trading increases due to an increase in margin sales, making it difficult for JSF to obtain stocks
- JSF implements measures on the securities company to restrict or suspend the acceptance of new stock lending applications.

- For more information, please visit the JSF website.

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2. Outline of Margin Trading

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TSE and JSF publish the following information to help investors make investment decisions.

	Information	Contents	Publication time (approximate)
T S E	Outstanding Margin Trading of Issues Subject to Daily Publication	➤ Issues for which it is necessary to provide investors with detailed margin trading conditions and require them to make prudent investment decisions, based on the usage conditions of margin trading for individual issues. ➤ Aggregate outstanding margin trading as of the previous business day	4:00 p.m. every business day (Issues subject to TSE and JSF regulatory measures, etc.)
	Outstanding Margin Trading by Issue	➤ Outstanding margin trading for each individual issue as of the previous business day (all issues are included in the aggregation).	4:00 p.m. every business day
	Current Outstanding Margin Trading	➤ Aggregates market-wide outstanding margin trading as of the end of the previous week ➤ Total outstanding trading on the two markets of TSE and Nagoya Stock Exchange and outstanding trading of TSE	4:00 p.m. on the second business day
J S F	Outstanding balance of loans for margin transactions (stock lending balance and money lending balance)	➤ Daily outstanding positions by issue, total outstanding positions	Preliminary data: around 7:00 p.m. Finalized data: around 11:00 p.m.
	Premium Charges	➤ Premium Charges rate for each issue after balance of loans for margin transactions is determined ➤ TSE also announces Premium Charges.	

4. Information Related to Margin Trading

How to check the data on outstanding margin trading and loans for margin trading (JPX website)

Outstanding Margin Trading, etc.

Outstanding Margin Trading of Issues Subject to Daily Publication	Outstanding Margin Trading by Issue	Premium Charges	Margin Trading Ratio	Current Outstanding Margin Trading	Historical Data on Outstanding Margin Trading
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As of Jul. 29, 2026; application based



■ Published Information

- ✓ Outstanding Margin Trading of Issues Subject to Daily Publication
- ✓ Outstanding Margin Trading by Issue
- ✓ Premium charges
- ✓ Margin Trading Ratio
- ✓ Current outstanding margin trading
- ✓ Historical data on outstanding margin trading

Data & Statistics

Statistics (Equities)

Daily Report

Monthly Statistics Report

Monthly Quotations

Outstanding Margin Trading,
etc.

Short Selling Value

Trading by Type of Investors

Program/Arbitrage Trading

Other Statistics

Other Reports

4. Information Related to Margin Trading

How to check the status of restrictions on margin trading, etc. (JPX website)

Daily Publication, etc., Concerning Margin Trading

Daily Publication

Issues subject to Special Notification

Issues are subject to daily publication of outstanding margin transactions to alert investors on the use of margin trading. They do not implement regulatory measures on margin trading.

Issues Subject to Daily Publication

Issue Name	Code	Designation Date
Ficha Inc.	4052	Sep. 10, 2026
WITZ Corporation	4440	Sep. 10, 2026
Howa Machinery,Ltd.	6203	Sep. 10, 2026
	2330	Sep. 09, 2026
	3653	Sep. 08, 2026
*TIER IV,Inc.	593A	Sep. 03, 2026
*Dynamic Map Platform Co.,Ltd.	336A	Sep. 02, 2026
Delta-Fly Pharma,Inc.	4598	Sep. 02, 2026

■ Published Information

- ✓ Daily publication of margin trading
- ✓ Regulatory measures, etc. concerning margin trading
- ✓ Information on treatment of rights

Data & Statistics

Equities

Trading Halts

Alerts Regarding Unclear Information

Equities Market Summary

Ranking by Trading Value

JGB Base Price

ToSTNeT Trading Super-Large Lot Execution Information

Off-Auction Distribution Information

Off-Auction Own Share Repurchase Transaction Information

Short Selling Regulation-Information

[Daily Publication, etc., Concerning Margin Trading](#)

Regulatory Measures, etc., Concerning Margin Trading

4. Information Related to Margin Trading

How to check the list of standardized/loan margin trading issues, etc. (JPX website)

List of Standardized/Loan Margin Trading Issues

Selected Issues

Disqualified Issues

Loan Margin Trading issues in grace period for disqualification

Listed Companies

Other Information

Ex-dividend/Ex-rights

[List of Standardized/Loan Margin Trading Issues](#)

Extensions for Submission of Annual Securities Reports

Adverse Opinions, Qualified Opinions, and Disclaimers of Opinion

List of Companies That Meet the Conditions for a Mandatory Interim Review

List of Standardized/Loan Margin Trading Issues (As of Sep. 01, 2026)

Published Information

- ✓ List of Standardized/Loan Margin Trading Issues
- ✓ Issues Selected for Standardized/Loan Margin Trading
- ✓ Issues Disqualified from Standardized/Loan Margin Trading
- ✓ Loan Margin Trading issues in grace period for disqualification

Issues Selected for Standardized Margin Trading (105)

Selection Date	Issue Name	Code	Market Segment/Product
Oct. 01, 2026	* KYUDEN Holdings Inc.	642A	Prime
Oct. 01, 2026	* NOK Group Corporation	641A	Prime
Oct. 01, 2026	ASNOVA Companies Inc.	640A	Growth
	NEXT FUNDS Solactive Global Memory Index		

4. Information Related to Margin Trading

How to check if an individual issue is a Loan Margin Trading Issue (Standardized Margin Trading Issue) (JPX website)

Equities Related Information



Listed Company Announcements



Listed Company Search

Company Name/ Code



Advanced Search [↗](#) Stock Data Search [↗](#)

My Portfolio [↗](#)

Securities Under Supervision & Securities to be Delisted [↗](#)

Securities on Special Alert [↗](#)

Loan Margin Trading issues are indicated by ● in these fields

Code	ISIN Code	Market Segment	Industry	Fiscal year-end	Trading unit
72030	JP3633400001	Prime	Transportation Equipment	March,31	100
Date of incorporation		Address of main office		Listed exchange	Investment unit as of the end of last month
1937/08/27		Aichi		Tokyo Nagoya	275,950
Earnings results announcement (scheduled)		First quarter (scheduled)		Second quarter (scheduled)	Third quarter (scheduled)
2024/05/05		2024/08/01		-	-
Date of general shareholders meeting (scheduled)		Title of representative		Name of representative	Date of listing
2024/06/18		取締役社長		佐藤 恒治	1949/05/16
Alert, etc.		No. of listed shares (as of the end of July)		No. of issued shares (as of the end of July)	Registration with J-IRISS
		15,794,987,460		15,794,987,460	registered
Loan issue		Membership of Financial Accounting Standards Foundation		Notes on going concern assumption	Information on controlling shareholder(s), etc.
●		Membership		No	No
Margin issue					
●					

While margin trading has advantages such as improved capital efficiency and the ability to start trading from selling, there are some points to keep in mind that are not present in cash trading. When trading on margin, it is necessary to fully understand how it works.

Some securities companies may have their own rules regarding the handling of security deposits and various regulations.

Please check and understand the terms and conditions of margin trading.

Cautionary statement regarding this document

- This material is for informational purposes only and is not intended as a solicitation to invest or as a recommendation to trade with any particular securities company. It is not a disclosure document under the Financial Instruments and Exchange Act.
- Tokyo Stock Exchange will not be liable for any losses incurred based on this document.
- While every effort has been made to ensure the information provided in this document, we cannot guarantee its completeness.
- This document is current as of September 2026. Thereafter, the contents of this document may be subject to change without notice due to system upgrades or other reasons.
- While this document explains and describes the margin trading system in plain language, it does not cover all of its contents.
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