Handling of Rules on Margin and Transfer of Unsettled Contracts Pertaining to Futures/Options Contracts

(As of February 13, 2018)

Osaka Exchange, Inc.

Rule 1. Purpose

These rules shall, pursuant to Rules on Margin and Transfer of Unsettled Contracts Pertaining to Futures/Options Contracts (hereinafter referred to as the "Rules on Margin"), prescribe necessary matters specified by OSE.

Rule 1-2. Treatment of Foreign Currency

In cases where a Non-Clearing Participant submits foreign currency as Clearing Margin or deposits it as Non-Clearing Participant's Margin, prior consent from the Designated Clearing Participant shall be obtained.

Rule 2. Treatment of Securities, Bonds, etc.

1. In cases where a Non-Clearing Participant submits the securities enumerated in the following items to the Designated Clearing Participant as replacement securities of Clearing Margin or deposits them as replacement securities of the Non-Clearing Participant's Margin, such submission or deposit shall be made by book-entry transfer pursuant to the Act on Book Entry of Corporate Bonds and Shares (Act No.75 of 2001), and prior consent from the Designated Clearing Participant shall be obtained when making such submission or deposit.
    (1) Stocks (excluding foreign stocks), preferred equity contribution securities issued by cooperative structured financial institutions, investment trust beneficiary certificates, beneficiary certificates of a beneficiary certificate-issuing trust, bonds (excluding bonds with subscription warrants) and convertible bonds;
    (2) Investment securities that are listed on a domestic financial instruments exchange
2. In cases where a Non-Clearing Participant submits foreign stocks, foreign investment trust beneficiary certificates, foreign investment securities, foreign stock depositary receipts, or beneficiary certificates of a foreign beneficiary certificate-issuing trust to the Designated Clearing Participant as replacement securities of Clearing Margin or deposits them to the Designated Clearing Participant as replacement securities of the Non-Clearing Participant's Margin, such submission or deposit shall be made by book-entry transfer as prescribed in the

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"Business Rules Relating to the Depository and Book-Entry Transfers of Foreign Stock Certificates, etc." specified by JASDEC, and prior consent from the Designated Clearing Participant shall be obtained when making such submission or deposit.

Rule 3. Treatment of Foreign Government Bond Securities

In cases where a Non-Clearing Participant submits Foreign Government Bond Securities to the Designated Clearing Participant as replacement securities of Clearing Margin or deposits them to the Designated Clearing Participant as replacement securities of the Non-Clearing Participant's Margin, prior consent from the Designated Clearing Participant shall be obtained in each submission or deposit.

Rule 4. Contract Price, etc. at Time of Completion of Transfer of Positions

The contract price or contract figure specified by OSE prescribed in Rule 17, Paragraph 2 of the Rules on Margin shall be the settlement price or settlement figure for each contract month on the trading day before the trading day on which the position is transferred.

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