

## Futures Contracts - Margin and Settlement Framework Overview

As of November 6, 2023  
Tokyo Commodity Exchange, Inc.  
Japan Securities Clearing Corporation

Tokyo Commodity Exchange, Inc. (TOCOM) has designated Japan Securities Clearing Corporation (JSCC) as the Commodity Clearing Organization related to the Futures Contracts. The clearing/settlement operations, such as settlements and acceptance of the Margin, related to the Futures Contracts executed on TOCOM are to be performed between JSCC and its Clearing Participants. This document outlines the margin and settlement frameworks.

Item	Description	Remarks
<p><b>I. Margin Framework</b></p> <p>1. Margin Provided or Deposited by Customers</p>	<ul style="list-style-type: none"> <li>• When commissioning trades in the Futures Contracts (Physical Settlement Futures Contracts and Cash Settlement Futures Contracts), a customer shall open an account for that purpose and provide or deposit a margin with the Trading Participant according to the procedures described below.</li> <li>• Out of a margin to be provided or deposited by a customer with the Trading Participant, cash, securities and warehouse receipts, other than cash provided as an amount equivalent to the Amount of Cash a Customer Supposed to Pay (Note 1), shall be deposited either as the Margin or as Customer Margin.</li> </ul> <p>(Note) 1. The Amount of Cash a Customer Supposed to Receive or Pay (i.e., either the Amount of Cash a Customer Supposed to Receive or the Amount of Cash a Customer Supposed to Pay) is the sum total of the Unrealized Profit or Loss (Note 2) and the Unsettled Future Profit or Loss (Note 3) for the Futures Contracts, less the amount to be charged to the customer and deemed necessary by a Trading Participant.</p>	<ul style="list-style-type: none"> <li>• When the Margin is deposited by the cash, securities or warehouse receipts in the amount at least equal to the cash, securities or warehouse receipts provided by a customer instead of depositing the cash, securities or warehouse receipts deposited by a customer, a margin provided by the customer shall be treated as Customer Margin. (See 2. (2) iii) and 3. (2) iii.)</li> <li>• The Unrealized Profit or Loss shall be obtained as a sum total (net) of all Futures Contracts positions (including those traded on the day).</li> </ul>

Item	Description	Remarks
(1) Margin Requirement	<p>2. The Unrealized Profit or Loss (i.e., Unrealized Profit or Unrealized Loss) is the amount calculated by deducting the amount of unrealized profit paid to a customer from the net balance between profit and loss arising from the market fluctuation in the Futures Contracts.</p> <p>3. The Unsettled Future Profit or Loss (i.e., Unsettled Future Profit or Unsettled Future Loss) and the Unsettled Option Premiums refer to the future profit or loss and the Option Premiums whose settlement has not been completed between the customer and the Trading Participant.</p> <ul style="list-style-type: none"> <li>• A customer's margin requirement shall be equal to the amount calculated by adding the Delivery Clearing Margin for the customer to the expected loss amount calculated by VaR Method based on the customer's open positions of the Futures Contracts trading.</li> </ul>	<ul style="list-style-type: none"> <li>• VaR Method refers to the methodology of calculation of the amount to cover certain level of portfolio profit/loss calculated based on the market data during certain period in the past.</li> <li>• When a position held by a customer is extremely large in light of the level of liquidity or position concentration, JSCC will charge the Margin requirement add-on for the customer position pursuant to the Rules on Margin for Business of Assuming Commodity Transaction Debts of JSCC (hereinafter referred to as "JSCC Margin Rules"). When a customer is subject to the Margin add-on, such add-on charge shall</li> </ul>

Item	Description	Remarks
(2) Calculation Method of Total Amount of Deposited Margin	<ul style="list-style-type: none"> <li>The total amount of the deposited margin is obtained by adding or deducting the Amount of Cash Customer is Supposed to Receive or Pay to or from the amount of cash, securities and warehouse receipts deposited by the customer as margin for the Futures Contracts.</li> </ul>	<p>form a part of the margin requirement of the relevant customer, in principle.</p> <p>With respect to a Clearing Participant submitted the notification for participation in Holiday Trading, when its customer deposits a part of the preliminary add-on margin attributable to such customer's position pursuant to the provisions of JSCC Margin Rules, such portion of the preliminary add-on margin attributable to the customer shall form a part of the margin requirement of the relevant customer.</p> <ul style="list-style-type: none"> <li>Appraisal value of foreign currency cash, securities and warehouse receipts to be used for the calculation of the total amount of the deposited margin shall be determined based on their market values on the previous day of the date of calculation (or, if such previous day is not a business day (including Holiday Trading Day; the same applies hereinafter), immediately preceding business day; the same applies hereinafter).</li> </ul>

Item	Description	Remarks
(3) Margin Call and Maintenance	<ul style="list-style-type: none"> <li>• When there is a Deficit in Total Amount of Deposited Margin (Note 1) or a Cash Margin Deficit (Note 2), a customer is required to deposit with a Trading Participant an additional margin in cash, securities or warehouse receipts in the amount equal to or greater than such deficit based on the claim of the Trading Participant.</li> </ul> <p>(Note) 1. Deficit in Total Amount of Deposited Margin refers to a deficit when the total amount of the deposited margin falls short of the margin requirement.</p> <p>2. Cash Margin Deficit refers to a deficit when the amount of cash provided by a customer falls short of the Amount of Cash Customer Supposed to Pay.</p>	<ul style="list-style-type: none"> <li>• Japanese yen cash as well as foreign currency cash are acceptable.</li> <li>• Scope of the acceptable foreign currency cash shall be prescribed by JSCC.</li> </ul>
(4) Deadline of Margin Deposit	<ul style="list-style-type: none"> <li>• A margin to be deposited by a customer shall be deposited to a Trading Participant by the time specified by the Trading Participant on or before the next day (or, if such next day is not a business day, the next business day; the same applies hereinafter) following the day on which there is Deficit in Total Amount of Deposited Margin or Cash Margin Deficit.</li> </ul> <p>However, when a customer is a non-Japanese resident (Note), the provision or deposit shall be made by the date and time designated by the Trading Participant which is no later than the second business day following the date on which there is such deficit.</p> <p>(Note) “Non-Japanese resident” refers to the “non-resident” defined under Article 6, Paragraph 1, Item (6) of the Foreign Exchange and Foreign Trade Act.</p>	
(5) Securities and Warehouse Receipts Acceptable as Margin	<ul style="list-style-type: none"> <li>• A customer may deposit securities and warehouse receipts as margin. However, in case of a Cash Margin Deficit, such amount shall be provided in cash.</li> <li>• The scope of the acceptable securities and warehouse receipts shall be prescribed</li> </ul>	<ul style="list-style-type: none"> <li>• The appraisal value of the securities and/or warehouse receipts provided or deposited as margin shall be</li> </ul>

Item	Description	Remarks
(6) Matters to be Made Clear when Clearing Broker is Providing/Depositing Margin	<p>by JSCC.</p> <ul style="list-style-type: none"> <li>When a customer is a Clearing Broker, it shall make clear to the Trading Participant that it is acting as a Clearing Broker, and whether a margin it deposits is those accepted from the Clearing Brokerage Customer, or its own cash, securities or warehouse receipts to be provided or deposited with a consent of the Clearing Brokerage Customer.</li> </ul>	<p>determined based on the market value as of the second business day preceding the date of deposit.</p> <ul style="list-style-type: none"> <li>“Clearing Brokerage Customer” refers to a person who requests brokerage activity for consignment of trades to a Trading Participant, and “Clearing Broker” refers to a person who accepts recommissioning of a brokerage activity for consignment of trades to a Trading Participant.</li> </ul>
(7) Restriction on Margin Withdrawal	<ul style="list-style-type: none"> <li>Unless the total amount of the deposited margin exceeds the margin requirement, a Trading Participant may not allow its customer to withdraw cash, securities or warehouse receipts provided or deposited by the customer as margin.</li> </ul>	
(8) Payment of Unrealized Profit	<ul style="list-style-type: none"> <li>If an Unrealized Profit arises in a customer's position due to a fluctuation in the prices of the Futures Contracts and the total amount of the deposited margin exceeds the margin requirement, a Trading Participant may pay the customer such Unrealized Profit up to the amount of such excess upon the customer's request.</li> </ul>	<ul style="list-style-type: none"> <li>A Trading Participant must segregate the Unrealized Profit or Loss which has not been paid out to customers in the same manner as other client assets.</li> </ul>
2. Margin Deposited by Non-Clearing Participants	<ul style="list-style-type: none"> <li>When concluded a short or long Futures Contract on its proprietary account or its customer account, the Non-Clearing Participant shall deposit the Margin by the date and time designated by the Designated Clearing Participant which is no later than 11:00 a.m. on the next day.</li> </ul>	<ul style="list-style-type: none"> <li>“Non-Clearing Participant” refers to a Trading Participant which does not hold the relevant JSCC Clearing Qualification.</li> </ul>



Item	Description	Remarks
<p>(2) Margin related to Customer Position</p> <p>i) Margin Requirement</p> <p>ii) Margin Deposit in case of Direct Deposit</p> <p>iii) Margin Deposit in case of Substitute Deposit</p>	<p>least equal to the difference between the Margin requirement and the deposited Margin by the date and time designated by the Designated Clearing Participant which is no later than 11:00 a.m. on the next day following the date on which there is such shortfall.</p> <ul style="list-style-type: none"> <li>• The Margin requirement related to a customer position shall be obtained by aggregating, for all customers, the Margin requirement calculated with respect to the Futures Contract position of each customer.</li> <li>• When the Designated Clearing Participant is submitting a report to JSCC, a Non-Clearing Participant shall, upon request of the Designated Clearing Participant, report each customer's position by instrument and submit other materials concerning the margin requirement calculation.</li> <li>• A Non-Clearing Participant shall provide cash, securities and warehouse receipts provided by its customer as the Margin with the Designated Clearing Participant as the Margin (Direct Deposit); provided, that, by the date that is the third business days following the date of the provision by the customer, the Non-Clearing Participant may provide or deposit, as the Margin (Substitute Deposit), cash, securities or warehouse receipts in the amount at least equal to the cash, securities and warehouse receipts provided by its customer instead of depositing the cash, securities or warehouse receipts provided by its customer as the Margin.</li> <li>• With a customer's consent, either in writing or via electronic method, a Non-Clearing Participant may provide or deposit, as the Margin (Substitute Deposit), cash, securities or warehouse receipts in the amount at least equal to the</li> </ul>	<ul style="list-style-type: none"> <li>• JSCC may ask its Clearing Participants to report the matters it considers necessary with respect to the Non-Clearing Participant's Futures Contracts. (See 3. (2) i.)</li> <li>• A Non-Clearing Participant shall perform provision and withdrawal of customer's Margin to and from the Designated Clearing Participant as an agent for a customer.</li> <li>• The scope of the acceptable foreign currency cash, securities and warehouse receipts for the Margin</li> </ul>

Item	Description	Remarks
iv) Margin Deposit	<p>cash, securities and warehouse receipts provided by its customer instead of providing/depositing the cash, securities or warehouse receipts provided by its customer. (In this case, the cash, securities or warehouse receipts provided by a customer shall be deemed to have been deposited with the Non-Clearing Participant as Customer Margin.)</p> <ul style="list-style-type: none"> <li>When the amount of the Margin (Direct Deposit) or the Margin (Substitute Deposit) a Non-Clearing Participant provided or deposited with its Designated Clearing Participant falls short of the margin requirement for a customer, the Non-Clearing Participant shall provide or deposit cash, securities or warehouse receipts in the amount at least equal to the difference between the Margin requirement and the deposited Margin as the Margin (Substitute Deposit) by the date and time designated by the Designated Clearing Participant which is no later than 11:00 a.m. on the next day following the date on which there is such shortfall.</li> </ul>	<p>(Substitute Deposit), and their appraisal method, are the same as those under Margin Provided or Deposited by Customers.</p> <ul style="list-style-type: none"> <li>A Non-Clearing Participant must segregate the cash, securities and warehouse receipts deposited by its customer as Customer Margin in the same manner as other client assets.</li> </ul>
3. Clearing Participant's Margin  (1) Margin for Proprietary Account  i) Margin Requirement	<ul style="list-style-type: none"> <li>Upon conclusion of a short or long Futures Contract on its proprietary account or for its customers, a Clearing Participant shall deposit the Margin by 11:00 a.m. on the next business day.</li> <li>The Margin requirement for proprietary account shall be an amount equal to the expected loss amount calculated by VaR Method based on the Futures Contracts position on its proprietary account, plus the Delivery Clearing Margin calculated for the position on its proprietary account.</li> </ul>	<ul style="list-style-type: none"> <li>When a position is extremely large in light of the level of liquidity or position concentration, JSCC will increase an amount required for the Margin for the Clearing Participant's proprietary account pursuant to the</li> </ul>



Item	Description	Remarks
<p>ii) Securities and Warehouse Receipts Acceptable as Margin</p> <p>iii) Additional Deposit of Margin</p>	<ul style="list-style-type: none"> <li>• A Clearing Participant may provide securities or warehouse receipts as the Margin for its proprietary account.</li> <li>• The scope of the acceptable Securities in lieu of Cash shall be prescribed by JSCC.</li> <li>• When the deposited balance of the Margin for its proprietary account with JSCC falls short of the required amount of the Margin for its proprietary position, the Clearing Participant shall deposit cash, securities or warehouse receipts in the amount at least equal to the difference between the Margin requirement and the deposited Margin with JSCC by the deadline for deposit designated by JSCC on the</li> </ul>	<p>provisions of JSCC “Rules on Margin for Business of Assuming Commodity Transaction Debts”. When this measure is taken, such add-on charge shall form a part of the Margin requirement for the proprietary account of the Clearing Participant, in principle.</p> <ul style="list-style-type: none"> <li>• With respect to a Clearing Participant submitted the notification for participation in Holiday Trading, the preliminary add-on margin pursuant to the provisions of JSCC “Rules on Margin for Business of Assuming Commodity Transaction Debts shall form a part of the Margin requirement for its proprietary account.</li> </ul>

Item	Description	Remarks
<p>(2) Margin related to Customer Position and Non-Clearing Participant's Position</p> <p>i) Margin Requirement</p>	<p>next day following the date on which there is such shortfall.</p> <ul style="list-style-type: none"> <li>• When the amount of the Margin for its proprietary account deposited with JSCC falls short of the Margin requirement, the Clearing Participant shall deposit the Margin in the amount at least equal to the difference between the Margin requirement and the deposited Margin with JSCC by 11:00 a.m. on the next day following the date on which there is such shortfall.</li> <li>• The Margin requirement for customer position and Non-Clearing Participant's position (i.e., trades under consignment of Commodity Clearing Transactions of a Non-Clearing Participant) shall be the sum total of the aggregate, for all customers, of the Margin requirement calculated with respect to the Futures Contract position of each customer, and the aggregate, for all Non-Clearing Participants, of the Margin requirement related to each Non-Clearing Participant's proprietary position and customer positions in the Futures Contracts.</li> <li>• A Clearing Participant shall deposit the Margin by each account classification for the management with JSCC, in the amount at least equal to the Margin requirement related to the customer position and Non-Clearing Participant's position (i.e., trades under consignment of Commodity Clearing Transactions of Non-Clearing Participant).</li> <li>• When JSCC considers necessary, a Clearing Participant shall, upon JSCC's request, report the position by instrument on each customer account, each Non-Clearing Participants' proprietary account and each customer account of each Non-Clearing Participants, and submit other materials concerning the Margin requirement</li> </ul>	<ul style="list-style-type: none"> <li>• There is no Non-Clearing Participant's Margin requirement for Proprietary Clearing Participants.</li> <li>• An account classification refers to an account classification set forth in JSCC's Business Rules on Business of Assuming Commodity Transaction Debts (hereinafter referred to as "Business Rules").</li> <li>• An Agency Clearing Participant may have its Non-Clearing Participants</li> </ul>

Item	Description	Remarks
<p>ii) Margin Deposit related to Customer Position in case of Direct Deposit</p> <p>iii) Margin Deposit related to Customer Position in case of Substitute Deposit</p> <p>iv) Margin Deposit related to Non-Clearing Participant's</p>	<p>calculation.</p> <ul style="list-style-type: none"> <li>• A Clearing Participant shall deposit with JSCC, as the Margin (Direct Deposit), the cash, securities and warehouse receipts provided by its customer as the Margin. However, that up to the third business day following the date of provision by the customer, the Clearing Participant may provide or deposit, as the Margin (Substitute Deposit), cash, securities or warehouse receipts in the amount at least equal to the cash, securities and warehouse receipts provided by its customer instead of depositing the cash, securities or warehouse receipts provided by its customer as the Margin.</li> <li>• With a customer's consent, either in writing or via electronic method, a Clearing Participant may provide or deposit with JSCC, as the Margin (Substitute Deposit), cash, securities or warehouse receipts in the amount at least equal to the cash, securities and warehouse receipts provided by its customer instead of depositing the cash, securities or warehouse receipts provided by its customer as the Margin. (In this case, cash, securities or warehouse receipts provided by the customer shall be deemed to have been deposited with the Clearing Participant as Customer Margin.)</li> <li>• A Clearing Participant shall deposit with JSCC, as the Margin for Non-Clearing Participants' proprietary position, the cash, securities and warehouse receipts provided by Non-Clearing Participants as the Margin related to their proprietary</li> </ul>	<p>report the position by instrument on its proprietary account and each customer account and submit other materials concerning the Margin requirement calculation. (See 2. (2) i))</p> <ul style="list-style-type: none"> <li>• A Clearing Participant will perform a deposit and a withdrawal of customer's Margin with or from JSCC as an agent for a customer.</li> <li>• The scope of the acceptable foreign currency, Securities in lieu of Cash for the Margin (Substitute Deposit), and their appraisal method, are the same as those under Margin provided or deposited by customers.</li> <li>• A Clearing Participant must segregate the cash, securities and warehouse receipts deposited by its customers as</li> </ul>

Item	Description	Remarks
Proprietary Position	account.	Customer Margin in the same manner as other client assets.
v) Margin Deposit related to Non-Clearing Participant's Customer Position	<ul style="list-style-type: none"> <li>A Clearing Participant shall deposit with JSCC, as the Margin related to Non-Clearing Participants' customer account, the cash, securities and warehouse receipts provided by its Non-Clearing Participants as the Margin related to Non-Clearing Participants' customer position.</li> </ul>	<ul style="list-style-type: none"> <li>A Clearing Participant shall perform a deposit and a withdrawal of Non-Clearing Participant's Margin with/from JSCC as an agent for the Non-Clearing Participant.</li> </ul>
vi) Additional Deposit of Margin	<ul style="list-style-type: none"> <li>When the deposited balance of the Margin for customer account and Non-Clearing Participants' account with JSCC falls short of the required amount of the Margin for the customer account and Non-Clearing Participants' account, the Clearing Participant shall deposit, as the Margin, the cash, securities or warehouse receipts in the amount at least equal to the difference between the Margin requirement and the deposited Margin with JSCC by the deposit deadline designated by JSCC on the next day following the date on which there is such shortfall.</li> </ul>	<ul style="list-style-type: none"> <li>A Clearing Participant shall perform a deposit and a withdrawal of the customer's Margin with/from JSCC as an agent for the customer of the Non-Clearing Participant.</li> </ul>
4. Margin Deposit Method		
(1) Position Reporting	<ul style="list-style-type: none"> <li>A Clearing Participant shall report the position related to the omnibus account (including the position of Non-Clearing Participants) to JSCC by the cutoff time designated by JSCC.</li> <li>A Non-Clearing Participant shall report the position related to the omnibus account to the Designated Clearing Participant by the cutoff time designated by the Designated Clearing Participant.</li> </ul>	<ul style="list-style-type: none"> <li>Omnibus account refers to an omnibus account set forth in Business Rules.</li> </ul>
(2) Margin Deposit Classification	<ul style="list-style-type: none"> <li>When a Clearing Participant deposits the Margin with JSCC, the deposit shall be made according to the following classifications:</li> </ul>	<ul style="list-style-type: none"> <li>JSCC manages the Margin deposited by Clearing Participants according to</li> </ul>

Item	Description	Remarks
<p>5. Intraday Margin</p> <p>i) Deposit of Intraday Margin</p> <p>ii) Intraday Margin Requirement</p>	<p>i) Clearing Participant_House;</p> <p>ii) Clearing Participant_House (For Client Account);</p> <p>iii) Clearing Participant_Client (Direct Deposit);</p> <p>iv) Clearing Participant_Client (Replaced by Indirect Broker);</p> <p>v) Clearing Participant_Client (Substitute Deposit);</p> <p>vi) Non-Clearing Participant_House (Direct Deposit);</p> <p>vii) Non-Clearing Participant_Client (Direct Deposit);</p> <p>viii) Non-Clearing Participant_Client (Replaced by Indirect Broker); and</p> <p>ix) Non-Clearing Participant_Client (Substitute Deposit).</p> <ul style="list-style-type: none"> <li>• When a Non-Clearing Participant provides or deposits the Margin with a Clearing Participant, the deposit shall be made by clarifying which of the following classifications it falls under: <ul style="list-style-type: none"> <li>i) Non-Clearing Participant_House;</li> <li>ii) Non-Clearing Participant_Client (Direct Deposit);</li> <li>iii) Non-Clearing Participant_Client (Replaced by Indirect Broker); and</li> <li>iv) Non-Clearing Participant_Client (Substitute Deposit).</li> </ul> </li> <li>• If, as of 11:00 a.m., the amount of the Margin for its proprietary position falls short of the Intraday Margin requirement, the Clearing Participant shall deposit with JSCC the amount at least equal to such shortfall as its proprietary Margin.</li> <li>• Intraday Margin requirement shall be an amount equal to the expected loss amount calculated by VaR Method based on the Futures Contracts position on the Clearing Participant's proprietary account as of 11:00 a.m., plus the Margin requirement add-on and the preliminary add-on Margin related to the proprietary account, plus/minus Mark to Market Margin equivalent for the Futures Contracts related to</li> </ul>	<p>the classifications listed on the left.</p> <ul style="list-style-type: none"> <li>• When a Margin add-on mentioned in Remarks column of 1. (1), 2. (1) i) and 3. (1) i) is charged, a Clearing Participant may, with a consent of the customer or Non-Clearing Participant, deposit the amount equivalent to such add-on charge according to the classification ii) by Clearing Participant's own cash or Securities in lieu of Cash. In this case, such add-on amount shall be deducted from the Margin requirement.</li> <li>• When a deposit of Intraday Margin is required, JSCC promptly gives notice to the Clearing Participant.</li> <li>• "Risk Amount Exceeding Collateral" refers to the amount obtained with respect to each account through the methods prescribed in Appendix 1 to JSCC "Rules on Margin for</li> </ul>

Item	Description	Remarks
iii) Deadline of Intraday Margin Deposit	<p>the proprietary account, plus the sum of the Risk Amount Exceeding Collateral for each account other than the Clearing Participant's proprietary account.</p> <ul style="list-style-type: none"> <li>The deadline of the Intraday Margin deposit shall be 2:00 p.m. on the same day.</li> <li>Securities and warehouse receipts are acceptable as the Intraday Margin.</li> </ul>	<p>Business of Assuming Commodity Transaction Debts".</p> <ul style="list-style-type: none"> <li>The scope of the acceptable foreign currency and Securities in lieu of Cash is the same as those for ordinary Margin.</li> </ul>
6. Emergency Margin		
i) Deposit of Emergency Margin	<ul style="list-style-type: none"> <li>When the market moves beyond the predetermined range at 1:00 p.m. or otherwise JSCC deems it necessary, and if the amount of the Margin deposited for its proprietary account falls short of the Emergency Margin requirement, the Clearing Participant shall deposit the amount at least equal to such shortfall with JSCC as its proprietary Margin.</li> </ul>	<ul style="list-style-type: none"> <li>When a deposit of Emergency Margin is required, JSCC promptly gives notice to the Clearing Participant.</li> </ul>
ii) Emergency Margin Requirement	<ul style="list-style-type: none"> <li>Emergency Margin requirement shall be an amount equal to the expected loss amount calculated by VaR Method based on the Futures Contracts position on its proprietary account as of 1:00 p.m., plus the Margin requirement add-on and the preliminary add-on Margin related to the proprietary account, plus/minus Mark to Market Margin equivalent for the Futures Contracts related to the proprietary account, plus the sum of the Risk Amount Exceeding Collateral for each account other than the Clearing Participant's proprietary account.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Amount Exceeding Collateral is the same as the Risk Amount Exceeding Collateral under the Intraday Margin.</li> </ul>
iii) Deadline of Emergency Margin Deposit	<ul style="list-style-type: none"> <li>The deadline of the Emergency Margin deposit shall be 4:00 p.m. on the same day.</li> <li>Securities and warehouse receipts are acceptable as the Emergency Margin.</li> </ul>	<ul style="list-style-type: none"> <li>The scope of the acceptable foreign currency and Securities in lieu of Cash is the same as those for ordinary Margin.</li> </ul>

Item	Description	Remarks
<p><b>II. Settlement Framework</b></p> <p>1. Clearing Participants' and Non-Clearing Participants' Settlement of Futures Contracts</p> <p>(1) Settlement of Mark to Market Margin between Clearing Participants and JSCC</p> <p>(2) Settlement by Physical Delivery and Payment of Commodity Futures Contracts (Physical Settlement Futures Contracts)</p>	<ul style="list-style-type: none"> <li>• The Futures Contracts position shall be marked-to-market between Clearing Participants and JSCC on a daily basis. A Clearing Participant shall calculate the Mark to Market Margin for each account classification for the management with JSCC. The difference between the gross payment amount and the gross receiving amount related to the Futures Contracts by unit prescribed in JSCC Business Rules at the same Clearing Participant shall be settled between the Clearing Participant and JSCC.</li> <li>• As to the settlement of the Mark to Market Margin between Clearing Participants and JSCC, the payments from the paying Clearing Participants shall be made by 11:00 a.m. on the next day following the date on which the Mark to Market Margin arises, and the payments from JSCC to the receiving Clearing Participants will be made promptly after 1:00 p.m. on the next day following the date on which Mark to Market Margin arises.</li> <li>• For the Commodity Futures Contracts (Physical Settlement Futures Contracts) position for which no offsetting sale or purchase has been executed by the last trading day, the settlement by physical delivery of delivery goods and payment of funds shall be performed in accordance with the rules prescribed for each Commodity.</li> </ul>	<ul style="list-style-type: none"> <li>• The Mark to Market Margin for the Futures Contracts (including the cash settlement amount related to the final settlement of the Cash Settlement Futures Contracts; the same applies hereinafter) shall be netted with the Mark to Market Margin related to Give-up/Take-up correction to be paid or received upon settlement.</li> <li>• See “Operational Procedures for Settlement by Delivery related to Commodity Futures Contracts” for the settlement by physical delivery and payment of the Commodity Futures Contracts (Physical Settlement Futures).</li> </ul>

Item	Description	Remarks
(3) Final Settlement of Commodity Futures Contracts (Cash Settlement Futures Contracts)	<ul style="list-style-type: none"> <li>For the Commodity Futures Contracts (Cash Settlement Futures Contracts) position for which no offsetting sale or purchase has been executed by the last trading day and no closeout quantity report has been submitted by the settlement day, the final settlement shall be performed on the Final Settlement Day.</li> </ul>	
(4) Settlement between Non-Clearing Participant and Clearing Participant	<ul style="list-style-type: none"> <li>The payment of the Mark to Market Margin by a Non-Clearing Participant to a Designated Clearing Participant shall be made by the time and date designated by the Designated Clearing Participant, which is no later than 11:00 a.m. on the next day following the date on which the Mark to Market Margin arises.</li> </ul>	
2. Customer's Settlement of Futures Contracts		
(1) Money to be Paid/Received for Settlement	<ul style="list-style-type: none"> <li>In the Futures Contracts, the money to be paid/received for the settlement between a Trading Participant and a customer (excluding the Price for Settlement by Delivery related to the Physical Settlement Futures Contracts) are the money in the amount equivalent to the difference between the short contract price and the long contract price for the settlement via offsetting sale or purchase, the money in the amount equivalent to the difference between the contract price and the delivery settlement price when performing the settlement by physical delivery and payment related to the Physical Settlement Futures Contracts, and the money in the amount equivalent to the difference between the contract price and the final settlement price when performing the final settlement related to the Cash Settlement Futures Contracts, as applicable.</li> </ul>	
(2) Settlement Cutoff Time	<ul style="list-style-type: none"> <li>In the Futures Contracts (Physical Settlement Futures Contracts), if the amount a</li> </ul>	



Item	Description	Remarks
	<p>customer has deposited with a Trading Participant falls short of the amount required for the customer's settlement, the customer shall provide the amount of the shortfall by the time and date designated by the Trading Participant, which is no later than the next day following the date of the offsetting sale or purchase, or the next day following the last trading day, as applicable; provided, that if a customer is a non-Japanese resident, the customer shall deposit such amount by the time and date designated by the Trading Participant, which is no later than the day that is the second business day following the date of the offsetting sale or purchase or the second business day following the last trading day, as applicable.</p> <ul style="list-style-type: none"> <li>• In the Futures Contracts (Cash Settlement Futures Contracts), if the amount a customer has provided with a Trading Participant falls short of the amount required for the customer's settlement, the customer shall provide the amount of the shortfall by the time and date designated by the Trading Participant, which is no later than the next day following the date of the offsetting sale or purchase, or the Final Settlement Day, as applicable.</li> </ul> <p>However, if a customer is a non-Japanese resident, the customer shall provide the funds by the time and date designated by the Trading Participant, which is no later than the day that is the second business day following the date of the offsetting sale or purchase or the next business day following the Final Settlement Day, as applicable.</p> <ul style="list-style-type: none"> <li>• Realized losses for futures shall be settled after offsetting with the available amount of cash (including cash provided in response to cash margin shortfalls), amounts withdrawable from implicit profits for futures, unsettled realized profits for futures, and transactions on the settlement date for the purpose of calculating the total amount of posted margin.</li> </ul>	