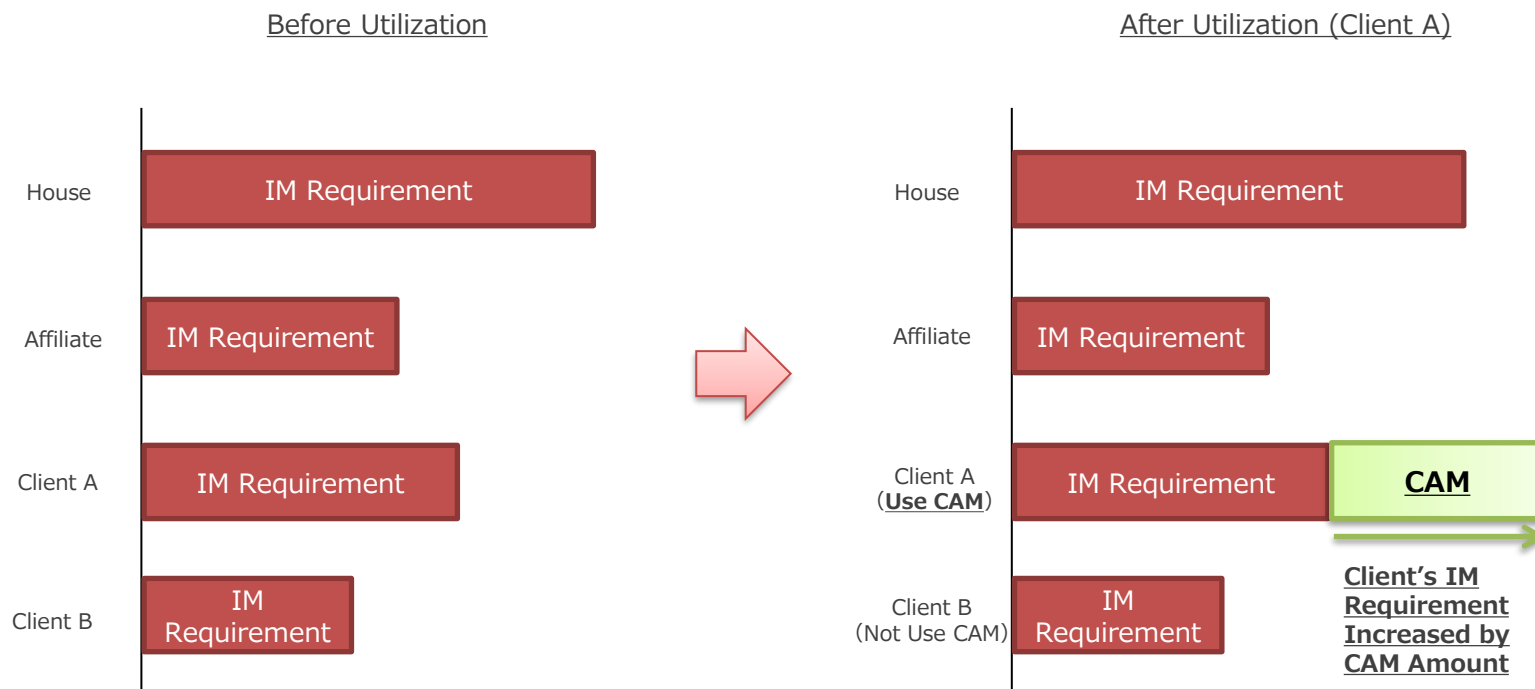


Outlines of Client Additional Margin Framework

- When an unaffiliated Customer (“Client”) agrees, Initial Margin (“IM”) requirement of the relevant Client will be calculated with a certain level of increase by a multiplier* (Client Additional Margin (CAM)).
- Applied CAM multiplier will be the value agreed between Client and Clearing Broker for each Client.
- Clients (and Clearing Brokers) using the framework are obliged to deposit increased IM requirement by CAM* with JSCC.

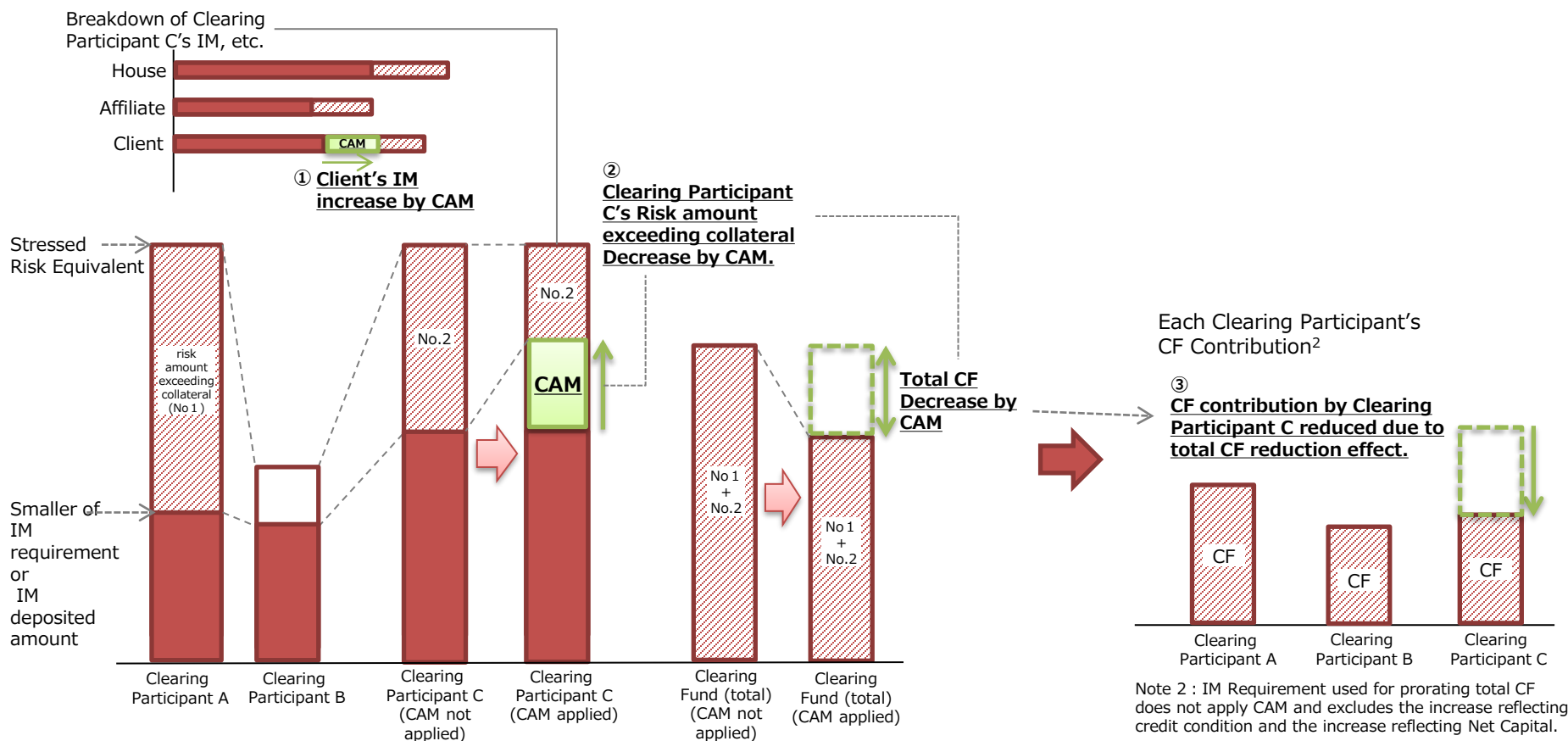
* : CAM multiplier will also be applied to calculation of Intraday Margin requirement, Margin Required to Clear.



Outlines of Handling of Client Additional Margin for Clearing Fund

- When IM requirement not applying Client Additional Margin (CAM) is smaller than IM deposited amount, as Client's IM requirement increases due to CAM, risk amount exceeding collateral of the relevant Client¹ will decrease. As a result, risk amount exceeding collateral of a Clearing Broker Participant, including the relevant Client's portion will also decrease.
- When the relevant Clearing Broker is one of top two firms in risk amount exceeding collateral in calculating CF, total CF amount will also decrease.
- If total CF decreases, the difference between total CF applying CAM and that not applying CAM (=total CF reduction amount due to CAM) will be deducted from CF requirement of the relevant Clearing Broker Participant (not applying CAM).

Note 1 : Risk amount exceeding collateral = Stressed risk equivalent - Smaller of IM requirement or IM deposited amount



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