Outlines of Client Additional Margin Framework

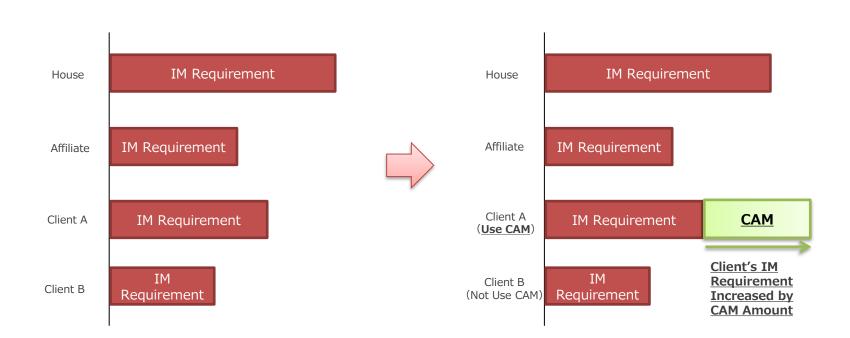
Before Utilization

- 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.

After Utilization (Client A)

1

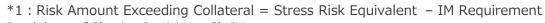
- Clients (and Clearing Brokers) using the framework are obliged to deposit increased IM requirement by CAM* with JSCC.
 - * : CAM multiplier will also be applied to calculation of Intraday Margin requiremet, Margin Required to Clear.

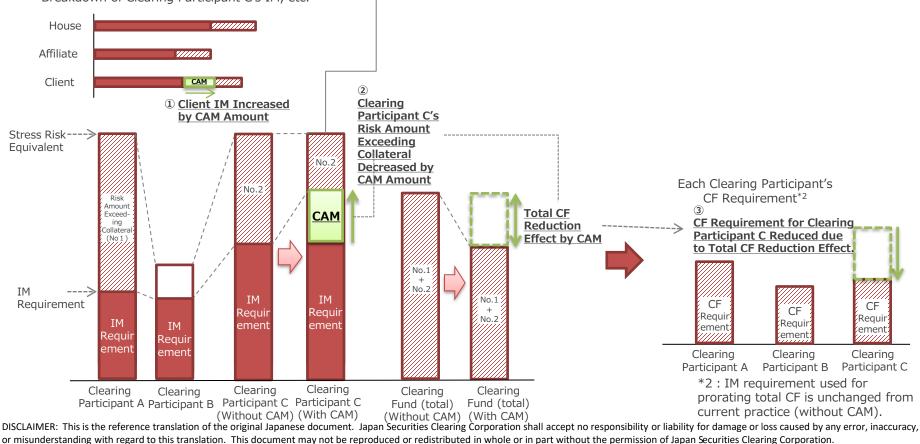


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Outlines of Handling of Client Additional Margin for Clearing Fund

- As Client's IM requirement increases through CAM, Risk Amount Exceeding Collateral^{*1} of the relevant Client decreases, and, as a result, Risk Amount Exceeding Collateral of the Clearing Broker, including the relevant Client's portion, also decreases.
- When the relevant Clearing Broker is one of the top two firms in Risk Amount Exceeding Collateral in calculating Clearing Fund ("CF"), total CF amount will also decrease.
- If total CF decreases, the difference between total CF when CAM applies and total CF without CAM (=total CF decrease due to CAM) will be <u>deducted from Expected Stressed Loss Share (</u>"CF Requirement") <u>of the relevant Clearing Broker</u> (without CAM).





Breakdown of Clearing Participant C's IM, etc.

²