

Chapter 1 General Provisions

(Article 1 Purpose)

These Rules set forth necessary matters concerning the Margin relating to the Futures and Option Contracts and the handling of the Unsettled Contracts in the event of the Suspension of Obligation Assumption due to Insolvency pursuant to the provisions of Paragraph 1 of Article 73-43 of the Business Rules.

(Article 2 Definitions)

- 1 In these Rules, the term, "Futures Contract," refers to a JGB Futures Contract, an Interest Rate Futures Contract, an Index Futures Contract or a Commodity Futures Contract.
- 2 In these Rules, the term, "Option Contract," refers to a Security Option Contract, an Option Contract on JGB Futures, an Index Option Contract or an Option Contract on Commodity Futures.
- 3 In these Rules, the term, "Designated Market Operator," refers to the Designated Market Operator operating the Designated Financial Instruments Market set forth in Item (2) through Item (6)-3 of Paragraph 2 of Article 3 of the Business Rules.
- 4 In these Rules, the term, "Trading Participant," refers to a person who has the trading qualification in respect of Futures Contract or Option Contract in the Financial Instruments Market operated by the Designated Market Operator.
- 5 In these Rules, the term, "Obligations Pertaining to Futures and Option Contracts" refers to the obligations to pay money in connection with the settlement of Futures and Option Contracts, the obligations to deliver securities, warehouse receipts^{*1} or Commodities^{*2} in connection with the Settlement by Physical delivery and Payment of Futures Contracts on JGB Futures, the Settlement by Delivery in connection with Commodity Futures Contracts, and the settlement resulting from the exercise of options under Security Option Contracts, and other obligations to be incurred with respect to Futures and Option Contracts.
(^{*1} including other documents to be delivered/received for the Settlement by Delivery)
(^{*2} referring to Commodities defined in Item 3-2 of Paragraph 24 of Article 2 of the Financial Instruments and Exchange Act^{*2-1}; the same applies hereinafter)
(^{*2-1} Act No. 25 of 1948; the same applies hereinafter)
- 6 In these Rules, the word, "Broker," refers to a customer that is a Financial Instruments Business Operator or a Registered Financial Institution and commissions a Trading Participant to execute Futures and Option Contracts, where such commission results from the brokerage of commission of Futures and Option Contracts to such Trading Participant.

- 7 In these Rules, the word, "Applicant," refers to a person who has submitted to a Broker an application for brokerage of commission.
- 8 In these Rules, the term, "Clearing Participant," refers to a person who has JGB Futures Clearing Qualification, Index Futures Clearing Qualification, Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification among the Clearing Participant stipulated in Paragraph 1 of Article 5 of the Business Rules.
- 9 In these Rules, the term, "Non-Clearing Participant," refers to the Index Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-2 of the Business Rules, the JGB Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-6 of the said rules, the Index Futures Non-Clearing Participant and the Petroleum Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-20 of the said rules, the Index Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-26 of the said rules and the Commodity Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-31-2 of the said rules.
- 10 In these Rules, the term, "Designated Clearing Participant," refers to a person designated by a Non-Clearing Participant as an entity to whom the Brokerage for Clearing of Securities, etc. in relation to Futures Contracts and Option Contracts is commissioned among the Designated Clearing Participant stipulated in Paragraph 1 of Article 6 of the Business Rules.
- 11 In these Rules, the phrase, "Suspension of Obligation Assumption due to Insolvency" refers to the measure taken to suspend assumption of obligations pursuant to the provisions of Paragraph 1 of Article 29^{*1} of the Business Rules or the measure taken to suspend assumption of obligations pursuant to the provisions of Paragraph 5 of Article 76 of the Business Rules.
- (^{*1} limited to the suspension due to a violation of the Instructions for Improvement on Position Holding pursuant to the provisions of Article 29-3 of the Business Rules)
- 12 In these Rules, the phrase, "Suspension of Transactions, etc. due to Insolvency" refers to: the measure to suspend the selling/buying, etc. of securities^{*1} or the commission of the Brokerage for Clearing of Securities, etc.^{*2} taken by the Designated Market Operator; or the measure to suspend the selling/buying, etc. of securities^{*3} or the commission of the Brokerage for Clearing of Securities, etc. taken by the Designated Market Operator in the event of suspension of assumption of obligations pursuant to the provisions of Paragraph 1 of Article 29^{*4} or Paragraph 5 of Article 76 of the Business Rules.
- (^{*1} excluding those pursuant to the Brokerage for Clearing of Securities, etc.)
- (^{*2} limited to measures taken due to the Designated Market Operator's determination that a Trading Participant is actually, or has the potential of becoming, unable to make payments)
- (^{*3} excluding those pursuant to the Brokerage for Clearing of Securities, etc.)
- (^{*4} limited to the suspension due to a violation of the Instructions for Improvement on Position Holding pursuant to the provisions of Article 29-3 of the Business Rules)

13 In these Rules, the “Trading Day” refers to the trading day prescribed by the Designated Market Operator in respect of Futures and Option Contracts.

14 In these Rules, the “Foreign Government Bonds” refers to the securities listed in Item (17) of Paragraph 1 of Article 2 of the Financial Instruments and Exchange Act that have characteristics described in Item (1) of Paragraph 1 of Article 2 of the said Act.

Rules on Margins, etc. for Futures and Option Contracts
Chapter 2 Margin

Section 1 General Clauses

(Article 3 Purpose of the Margin)

1 The purpose of the Margin is to ensure the performance of a Clearing Participant's payment or delivery Obligations Pertaining to Futures and Option Contracts owed to JSCC, a Non-Clearing Participant's payment or delivery Obligations Pertaining to Futures and Option Contracts owed to a Clearing Participant, or a customer's Obligations Pertaining to Futures and Option Contracts owed to a Trading Participant^{*1}, respectively, pursuant to the provisions of these Rules.

(^{*1} in the case where such customer is a Broker, including an Applicant's Obligations Pertaining to Futures and Option Contracts owed to such customer)

2 In the event of the occurrence of any default concerning the obligations set forth in the preceding Paragraph, JSCC, Clearing Participants, Non-Clearing Participants and the customers which are Brokers, as applicable, may exercise their respective rights concerning the Margin and appropriate it to the relevant obligations.

(Article 4 Amount Required for the Margin for Proprietary Account of Trading Participants)

The amount required for the Margin for proprietary account shall be an amount^{*1} equal to the amount of the Expected Loss Amount for proprietary account, reduced by the total amount of the net option value for proprietary account, plus the Delivery Clearing Margin for proprietary account aggregated by each type of Clearing Qualifications related to Futures and Options Contracts.—the terms used above shall have the meanings set forth in the following Items:

(^{*1} if measures of increasing an amount required for the Margin for the proprietary account are taken pursuant to the provisions of Paragraph 1 of Article 6-2 or Paragraph 1 of Article 6-3, the relevant add-on charge shall be added)

(1) Expected Loss Amount for proprietary account:

The amount calculated in accordance with the method prescribed by JSCC as the expected loss amount with respect to a Trading Participant's proprietary Position relating to Futures and Option Contracts^{*1}.

(^{*1} other than Position which becomes subject to a Cross Margining Request on the relevant Trading Day)

(2) Total amount of net option value for proprietary account:

The amount equal to the total amount of buying net option value for proprietary account, reduced by the total amount of selling net option value for proprietary account, set forth in A) or B) below:

A) The total amount of buying net option value for proprietary account shall be the total sum

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of the value calculated in accordance with the provisions of (a) through (d) below with respect to each issue whose buying Position for a Trading Participant's proprietary account exceeds its selling Position:

- (a) With respect to Security Option Contracts, the amount equal to the Net Buying Amount^{*1} for a Trading Participant's proprietary account, multiplied by the Settlement Price^{*2} of the relevant issue on the applicable day^{*3}, and then further multiplied by the Trading Unit^{*4} of the underlying securities of the relevant issue;

(*¹ referring to the difference between the amount of the Long Position and the amount of the Short Position where the amount of the Long Position exceeds the amount of the Short Position; the same applies hereinafter)

(*² referring to the Settlement Price stipulated in Article 7; the same applies hereinafter in this Article)

(*³ for Flexible Contract Months prescribed by the Designated Market Operator, the applicable trading day)

(*⁴ in the case where the Designated Market Operator has prescribed the ex-rights day of the selling/buying of underlying securities and where the relevant issue is the underlying securities of the Security Options subject to the Security Option Contract on or after such ex-right day, the amount equal to the Trading Unit of the underlying securities multiplied by the value prescribed by the Designated Market Operator; the same applies hereinafter)

- (b) With respect to Option Contracts on JGB Futures, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account, multiplied by the Settlement Price of the relevant issue on the applicable Trading Day, and then further multiplied by 1/100 of the face value of the JGB Futures Contract resulting from the exercise of 1 unit of the option on JGB Futures;

- (c) With respect to Index Option Contracts, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account, multiplied by the Settlement Price of the relevant issue on the applicable Trading Day, and then further multiplied by the Base Trading Amount^{*1} of the relevant issue; and

(*¹ referring to the base trading amount or trading unit prescribed by the Designated Market Operator as the amount by which the difference between the exercise price and the actual index is to be multiplied for the purpose of computing the amount of money to be paid/received upon the exercise of an option relating to the Index Option Contract; the same applies hereinafter)

- (d) With respect to Option Contracts on Commodity Futures, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account, multiplied by the Settlement Price of the relevant issue on the applicable Trading Day, and then further multiplied by the trading unit of the relevant issue.

- B) The total amount of selling net option value for proprietary account shall be the total sum

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of the value calculated in accordance with the provisions of (a) through (d) below with respect to each issue whose selling Position for a Trading Participant's proprietary account exceeds its buying Position:

- (a) With respect to Security Option Contracts, the amount equal to the Net Selling Amount^{*1} for a Trading Participant's proprietary account, multiplied by the Settlement Price of the relevant issue on the applicable day^{*2}, and then further multiplied by the Trading Unit of the underlying securities of the relevant issue;

(*¹ referring to the difference between the amount of the Short Position and the amount of the Long Position where the amount of the Short Position exceeds the amount of the Long Position; the same applies hereinafter)

(*² for Flexible Contract Months prescribed by the Designated Market Operator, the applicable Trading Day)

- (b) With respect to Option Contracts on JGB Futures, the amount equal to the Net Selling Amount for a Trading Participant's proprietary account, multiplied by the Settlement Price of the relevant issue on the applicable Trading Day, and then further multiplied by 1/100 of the face value of the JGB Futures Contract resulting from the exercise of 1 unit of the option on JGB Futures;

- (c) With respect to Index Option Contracts, the amount equal to the Net Selling Amount for a Trading Participant's proprietary account, multiplied by the Settlement Price of the relevant issue on the applicable Trading Day, and then further multiplied by the Base Trading Amount of the relevant issue; and

- (d) With respect to Option Contracts on Commodity Futures, the amount equal to the Net Selling Amount for a Trading Participant's proprietary account, multiplied by the Settlement Price of the relevant issue on the applicable Trading Day, and then further multiplied by the trading unit of the relevant issue.

(3) Delivery Clearing Margin for Proprietary Account

The amount calculated, as the Margin amount required when the settlement is performed by delivery, according to Appendix 3 "Table Concerning Calculation of Required Amount of Delivery Clearing Margin."

(Article 5 Amount Required for Customer's Margin)

1 Except for the case set forth in the following Paragraph, the provisions of the preceding Article shall apply *mutatis mutandis* to the amount required for the customer^{*1}'s Margin^{*2}. In such case, the phrase, "amount required for the Margin for proprietary account shall be," shall be deemed to be "amount required for the customer's Margin shall be"; the phrase, "Expected Loss Amount for proprietary account," shall be deemed to be "customer's Expected Loss Amount"; the phrase, "total amount of net option value for proprietary account," shall be deemed to be "total amount of the customer's net option value"; the phrase "Paragraph 1 of Article 6-2 and Paragraph 1 of Article 6-3," shall be deemed to be "Paragraph

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2 of Article 6-2"; the phrase, "for a Trading Participant's proprietary account" shall be deemed to be "as commissioned by the applicable customer"; the phrase, "total amount of buying net option value for proprietary account" shall be deemed to be "total amount of the customer's buying net option value"; the phrase, "total amount of selling net option value for proprietary account," shall be deemed to be "total amount of the customer's selling net option value; the phrase "the Delivery Clearing Margin for proprietary account" shall be deemed to be "the Delivery Clearing Margin for customer."

(*¹ referring to an applicant customer when a customer is an agency firm; the same applies hereinafter)

(*² when a customer deposits the amount of the preliminary add-on pursuant to the provisions of Paragraph 4 of Article 9-2, the portion of such amount of the preliminary add-on that relates to the relevant customer shall be added to the required amount; the same applies hereinafter)

- 2 The provisions of the preceding Article shall apply *mutatis mutandis* to the amount required for the Margin applicable to the voluntary breakdown unit of a customer*¹, if applicable, In such case, the phrase, "amount required for the Margin for proprietary account" shall be deemed to be "amount required for the Margin for Voluntary Breakdown Unit"; the phrase, "Expected Loss Amount for proprietary account," shall be deemed to be "Expected Loss Amount for Voluntary Breakdown Unit"; the phrase, "total amount of net option value for proprietary account," shall be deemed to be "total amount of the net option value for Voluntary Breakdown Unit"; the phrase "Paragraph 1 of Article 6-2 and Paragraph 1 of Article 6-3," shall be deemed to be "Paragraph 3 of Article 6-2"; the phrase "for a Trading Participant's proprietary account" shall be deemed to be "for Voluntary Breakdown Unit as commissioned by the customer"; the phrase "total amount of buying net option value for proprietary account" shall be deemed to be "total amount of the buying net option value for Voluntary Breakdown Unit"; and the phrase, "total amount of selling net option value for proprietary account," shall be deemed to be "total amount of the selling net option value for Voluntary Breakdown Unit"; the phrase "the Delivery Clearing Margin for proprietary account" shall be deemed to be "the Delivery Clearing Margin for Voluntary Breakdown Unit."

(*¹ hereinafter referred to as "Voluntary Breakdown Unit")

(Article 5-2 Amount Required for Margin for Account)

- 1 JSCC will calculate the amount required for Margin for accounts set forth in Article 46-3 and Article 46-4 of the Business Rules by each of the below-listed accounts by the methods set forth below:
- (1) Account set forth in Item (1) of Article 46-3 and Item (1) of Article 46-4 of the Business Rules:
Amount required for Margin calculated pursuant to Article 4;
 - (2) Account set forth in Item (2) a. and Item (3) a. of Article 46-3 and Item (2) a. of Article

46-4 of the Business Rules:

The amount required for Margin calculated, in respect of information of customer notified pursuant to the provisions of Article 25, pursuant to the provisions of Paragraph 1 of the preceding Article, and the amount required for Margin calculated, in respect of information of Voluntary Breakdown Unit notified pursuant to the provisions of Article 25, pursuant to the provisions of Paragraph 2 of the preceding Article, aggregated by each of the relevant account:

- (3) Account set forth in Article 46-3 and Article 46-4 of the Business Rules other than those listed in the preceding two Items:

Amount required for Margin calculated, in respect of the customer in the relevant account, pursuant to the provisions of Paragraph 1 of the preceding Article, or the amount required for Margin calculated, in respect of Voluntary Breakdown Unit under the relevant account, pursuant to the provisions of Paragraph 2 of the immediately preceding Article.

- 2 Notwithstanding the provisions of Item (2) of the preceding Paragraph, the amount required for Margin in respect of the account set forth in Item (2) a. and Item (3) a. of Article 46-3 and Item (2) a. of Article 46-4 of the Business Rules shall be determined by JSCC if the Clearing Participant fails to submit notification set forth in Article 25 or JSCC considers that submission of the notification is impossible or difficult.

(Article 6) Deleted

(Article 6-2 Measures of Increasing Amount Required for Margin according to Risk Amount)

- 1 When a value prescribed by JSCC as risk amount assumed to be owed in the Position for proprietary account of a Trading Participant related to Futures and Option Contracts exceeds the threshold for judgment prescribed by JSCC, JSCC may increase an amount required for Margin for the proprietary account of the relevant Trading Participant.
- 2 The provisions of the preceding Paragraph shall apply *mutatis mutandis* to the customer's Margin. In such case, the phrase, "for proprietary account" shall be deemed to be "as commissioned by a customer"; the phrase "an amount required for Margin for the proprietary account" shall be deemed to be "an amount required for customer's Margin."
- 3 Notwithstanding the provisions of the preceding Paragraph, the provisions of Paragraph 1 shall apply *mutatis mutandis* to the amount required for Margin for Voluntary Breakdown Unit. In such case, the phrase, "for proprietary account" shall be deemed to be "for Voluntary Breakdown Unit as commissioned by a customer"; the phrase "an amount required for Margin for the proprietary account" shall be deemed to be "an amount required for Margin for Voluntary Breakdown Unit."
- 4 The risk amount set forth in preceding three Paragraphs shall be calculated every Trading Day, and JSCC will make judgment on whether or not to increase an amount required for

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the Margin based on the results of such calculation of the risk amount.

(Article 6-3 Increase Amount Required for Margin by Default Contingent Margin during Default Settlement Period)

- 1 When the Default Contingent Margin considered to be owed by a Clearing Participant during the Default Settlement Period set forth in Paragraph 1 of Article 76-2 of the Business Rules breaches the requirement increase judgment threshold prescribed by JSCC, JSCC may increase the amount required for Margin for the proprietary account of the Clearing Participant.
- 2 For the judgment of the increase of the amount required for Margin set forth in the preceding Paragraph, the calculation shall be performed every Trading Day and the judgment shall be made based on the results of such calculation.
- 3 When JSCC increased the amount required for Margin for the proprietary account of the Clearing Participant as set forth in Paragraph 1, if the amount of Margin for the proprietary account deposited by the Clearing Participant with JSCC falls below the amount required for Margin for the proprietary account so increased, JSCC shall promptly notify such effect to the relevant Clearing Participant.
- 4 The Clearing Participant received the notification set forth in the preceding Paragraph must deposit the amount at least equal to such shortfall as the Margin for the proprietary account by 2:00 P.M. on the day it received the said notification. In such case, the Clearing Participant may deposit securities and warehouse receipts^{*1} in lieu of cash.

(^{*1} hereinafter referred to as "Securities and the Like")

(Article 7 Settlement Price Relating to Option Contracts)

On each Trading Day^{*1}, in accordance with the rules prescribed by JSCC, JSCC shall set the Settlement Price of each issue involved in Option Contracts as of each Trading Day from the initial trading day of each relevant issue prescribed by the Designated Market Operator through the day immediately preceding the Exercise Date.

(^{*1} in the case of a Security Option Contract^{*1-1}, every day)

(^{*1-1} excluding Flexible Contract Months prescribed by the Designated Market Operator)

(^{*2} in the case of an Option Contract on JGB Futures, through the expiration date of the Exercise Period)

(Article 7-2 Type of Currency)

Margin, Customer Margin and Brokerage Margin may only be deposited in any of the currencies designated by JSCC.

(Article 8 Securities Deposited in lieu of Cash)

- 1 Matters concerning the Securities and the Like to be deposited in lieu of cash^{*1} as the Margin,

the Customer Margin or Brokerage Margin shall be prescribed in the *Appendix 1*.

(*1 hereinafter referred to as "Securities Deposited in lieu of Cash")

- 2 Notwithstanding the provisions of the preceding Paragraph, when a Clearing Participant utilizes the foreign book-entry transfer institution^{*1} designated by JSCC for the deposit of such Securities and the Like, it shall be the value determined pursuant to the provisions of the contract among the relevant Clearing Participant, JSCC and the relevant foreign book-entry transfer institution.

(*1 referring to a person engaging in the book-entry transfer business or business of custody or book-entry transfer of bonds in a foreign country in accordance with the laws and regulations of a foreign country)

- 3 In addition to the provisions of the preceding two Paragraphs, matters concerning the Securities Deposited in lieu of Cash for the Margin, the Customer Margin or Brokerage Margin shall be prescribed by JSCC.
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Section 2 Margin Pertaining to Clearing Participants

(Article 9 Deposit of the Margin for Proprietary Account)

Upon the formation of selling/buying Futures Contracts, the formation of selling Option Contracts or the settlement by delivery of the Commodity Futures Contracts for proprietary account, a Clearing Participant shall deposit with JSCC, in accordance with the rules prescribed by JSCC, the Margin in an amount not less than the amount required for the Margin for proprietary account of the Trading Participant prescribed in Article 4^{*1}. In such event, Securities Deposited in lieu of Cash may be deposited as the relevant Margin.

(*¹ For the Clearing Participant submitted the notification set forth in Paragraph 5 of Article 19 of the Business Rules, this amount shall be the amount required for the Margin plus the amount of the preliminary Margin add-on set forth in the following Article)

(Article 9-2 Preliminary Margin Add-on)

- 1 The amount of the preliminary Margin add-on means the sum total of the amount obtained, with respect to all accounts of the Clearing Participant, by multiplying the amount calculated in accordance with the method prescribed by JSCC as the expected loss amount as of the day that is 2 days^{*1} preceding the day designated by the Designated Market Operator as the day on which it opens trading sessions on a Non-business Day^{*2} with respect to the position managed within an account of the Clearing Participant that relates to the Futures and Option Contracts of which the Designated Market Operator opens trading sessions on a Non-business Day by the rate prescribed by JSCC.

(*¹ excluding a Non-business Day that is not a Holiday Trading Day; provided, however, that when Holiday Trading Days are designated during consecutive Non-Business Days^{*1-1}, it shall be 2 days preceding the first day of the relevant Consecutive Holiday Trading Days)

(*¹⁻¹ including the case where there is a Non-business Day on which no trading session is opened during the consecutive Non-business Days; hereinafter referred to as "Consecutive Holiday Trading Days")

(*² hereinafter referred to as "Holiday Trading Day")

- 2 Notwithstanding the provisions of the preceding Paragraph, with respect to a customer related to the position managed in one of the accounts set forth in Item (2) or (3) of Article 46-2, or Item (2) of Article 46-4 of the Business Rules, when a Clearing Participant submitted the notification set forth in Paragraph 5 of Article 19 of the Business Rules notifies, in a manner prescribed by JSCC, its desire to exclude the account managing such customer from the calculation of the preliminary Margin add-on by reason of that customer not trading on any Holiday Trading Day, and JSCC acknowledges such notification, JSCC may exclude such account from the calculation of the amount of the preliminary Margin add-on set forth in the preceding Paragraph.

- 3 Notwithstanding the provisions of Paragraph 1, a Clearing Participant may agree, with a customer from whom the amount of the preliminary Margin add-on arises, that only the portion of the amount of the preliminary Margin add-on designated by JSCC as those attributable to that customer be deposited by cash of that customer.
- 4 When it agreed with a customer as prescribed in the provisions of the preceding Paragraph, the Clearing Participant shall submit a notification to such effect in a manner prescribed by JSCC. When JSCC acknowledges such notification, the Clearing Participant may deposit with JSCC the amount of the preliminary Margin add-on for the account related to the relevant customer as Margin for the relevant customer in a manner prescribed by JSCC. In such event, Securities Deposited in lieu of Cash may be deposited as the relevant Margin.

(Article 10 Deposit of the Margin for Customers' Account and the Margin Pertaining to the Brokerage for Clearing of Securities, etc.)

- 1 Upon the formation of selling/buying Futures Contracts, the formation of selling Option Contracts or the settlement by delivery of the Commodity Futures Contracts pursuant to the commissions by customers or the commissions of the Brokerage for Clearing of Securities, etc. by Non-Clearing Participant, a Clearing Participant shall deposit with JSCC the Margin in an amount not less than the amount required for the Margin for customers' account and the Margin pertaining to the Brokerage for Clearing of Securities, etc. stipulated in the provisions of Paragraph 2 of Article 24-2.
- 2 When the amount required for Margin for the proprietary account of a Non-Clearing Participant, for a customer or for Voluntary Breakdown Unit has been increased pursuant to the provisions of Article 6-2, a Clearing Participant may agree with the customer or the Non-Clearing Participant caused such increase that the deposit is made with the Clearing Participant's own fund.
- 3 When the Clearing Participant reached an agreement with the customer or the Non-Clearing Participant pursuant to the provisions of the preceding Paragraph, the Clearing Participant may deposit with JSCC the amount which constitutes a portion of the increase as prescribed by JSCC with the Clearing Participant's own fund as the Margin for the proprietary account of the Clearing Participant in a manner prescribed by JSCC. In such case, Securities Deposited in lieu of Cash may be deposited as such Margin.

(Article 11 Deposit of the Margin for Customers' Account)

- 1 A Clearing Participant shall deposit with JSCC, on behalf of the relevant customer, the entire amount of the Margin which is provided by the customer in accordance, with the rules prescribed by JSCC.
- 2 Notwithstanding the provisions of the preceding Paragraph, a Clearing Participant may deposit with JSCC as the Margin its own fund in an amount not less than an amount equal to the sum of the amount of money^{*1} and the Marked to Market Value^{*2} of the Securities and

the Like, which have been provided by the relevant customer as the Margin, in accordance with the rules prescribed by JSCC, during the four-day period commencing on the day on which the customer provides the Margin^{*3}. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

(*¹ when money is deposited in a foreign currency, referring to the amount appraised by converting such amount to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the relevant currency in the Tokyo foreign exchange market on the day which is two days before the day on which the Margin is deposited^{*1-1}; the same applies to the following Paragraph, and Paragraphs 2 and 3 of Article 13)

(*¹⁻¹ if such day falls on a Non-business Day, the day shall be the immediately preceding business day; the same applies hereinafter)

(*² referring to the value which is evaluated based on the market price^{*2-1} on the day which is two days before the day on which the Margin is deposited^{*2-2}; the same applies hereinafter in the immediately following Paragraph, and Paragraph 2 and Paragraph 3 of Article 13)

(*²⁻¹ referring to the market price stipulated in Paragraph 2 of the *Appendix 1*; the same applies hereinafter)

(*²⁻² in the case where the applicable Securities and the Like are the Foreign Government Bonds, an amount equal to their market price, converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the currency used for appraisal of each Foreign Government Bonds in the Tokyo foreign exchange market on the day which is two days before the day on which the Margin is deposited)

(*³ excluding Non-business Days; the same applies hereinafter when counting the number of days)

3 In the case where a customer deposits the Customer Margin, a Clearing Participant shall deposit with JSCC as the Margin its own fund in an amount not less than an amount equal to the sum of the amount of money and the Marked to Market Value of the Securities and the Like, which have been deposited as the Customer Margin by the relevant customer, in accordance with the rules prescribed by JSCC. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

4 When any of the preceding three Paragraphs applies, if the sum of the amount of money^{*1} and the value of the Securities and the Like valuated based on their substituting prices^{*2}, which have been deposited with or provided to the Clearing Participant by a customer as the Margin or the Customer Margin, is less than the amount required for the Margin^{*3} for the relevant customer, the Clearing Participant shall deposit with JSCC as the Margin its own fund in an amount not less than an amount equal to such amount required for Margin, deducting the value of the Margin and/or the Customer Margin deposited or provided by such customer, in accordance with the rules prescribed by JSCC. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

(*¹ when such money is denominated in a foreign currency, the amount appraised by

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converting such amount to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the relevant currency in the Tokyo foreign exchange market on the day which is two days before the day on which the Margin is deposited and multiplied by a certain rate determined by JSCC ; the same applies to Paragraph 4 of Article 13)

(*² referring to the amount equal to the market price on the day which is two days before the day on which the Margin is deposited, multiplied by the rate set forth in Paragraph 2 of the *Appendix 1*^{*2-1}; the same applies hereinafter in Paragraph 4 of Article 13)

(*²⁻¹ in the case where the applicable Securities and the Like are the Foreign Government Bonds, an amount equal to their market price, multiplied by the rate set forth in Paragraph 2 of the *Appendix 1*, and then converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the currency used for appraisal of each Foreign Government Bonds in the Tokyo foreign exchange market on the day which is two days before the day on which the Margin is deposited)

(*³ referring to the amount required for the customer's Margin^{*3-1} to which the provisions set forth in Article 4 is applied *mutatis mutandis* pursuant Article 5 after the relevant changes are made; the same applies hereinafter)

(*³⁻¹ in case where the provisions of Paragraph 2 of Article 5 apply, the sum of the amount required for Margin for each of the Voluntary Breakdown Units)

(Article 12 Special Provisions Concerning Deposit of the Margin Pertaining to Brokers)

Notwithstanding the provisions of Paragraph 1 of the preceding Article, in the case where a customer provides the Margin to a Clearing Participant on behalf of an Applicant, such Clearing Participant, on behalf of the relevant Applicant, shall deposit the entire amount thereof with JSCC.

(Article 13 Deposit of the Margin Pertaining to the Brokerage for Clearing of Securities, etc.)

1 A Clearing Participant shall deposit with JSCC the entire amount of the Margin provided by a Non-Clearing Participant, on behalf of the relevant Non-Clearing Participant or of a customer of the relevant Non-Clearing Participant, in accordance with the rules prescribed by JSCC.

2 Notwithstanding the provisions of the preceding Paragraph, until the day^{*1} immediately following the day on which a Non-Clearing Participant has provided the Margin for proprietary account, a Clearing Participant may deposit with JSCC as the Margin its own fund in an amount not less than an amount equal to the sum of the amount of money and the Marked to Market Value of the Securities and the Like, which have been provided by the relevant Non-Clearing Participant as the Margin, in accordance with the rules prescribed by JSCC. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

(*¹ if such day falls on a Non-business Day, the day shall be the immediately following

business day; the same applies hereinafter)

3 In the case where a Non-Clearing Participant deposits the Margin of the Non-Clearing Participant^{*1}, a Clearing Participant shall deposit with JSCC as the Margin its own fund in an amount not less than an amount equal to the sum of the amount of money and the Marked to Market Value of the Securities and the Like, which have been deposited as the Margin of the Non-Clearing Participant by the relevant Non-Clearing Participant in accordance with the rules prescribed by JSCC. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

(^{*1} referring to the Margin stipulated by the Designated Market Operator as the margin of a non-clearing participant; the same applies hereinafter)

4 When any of the preceding three Paragraphs applies, if the sum of the amount of money and the value of the Securities and the Like valued based on their substituting prices, which have been provided to or deposited with the Clearing Participant by a Non-Clearing Participant as the Margin or Margin of the Non-Clearing Participant is less than the amount which the Clearing Participant notified to the Non-Clearing Participant as the amount required for the Margin for the Brokerage for Clearing of Securities, etc. relating to such Non-Clearing Participant, the Clearing Participant shall deposit with JSCC as the Margin its own fund in an amount not less than an amount equal to such required amount, deducting the value of the Margin and/or the Margin of the Non-Clearing Participant provided or deposited by such Non-Clearing Participant in accordance with the rules prescribed by JSCC. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

(Article 14 Special Provisions Concerning Deposit of the Margin Pertaining to the Brokerage for Clearing of Securities, etc., which Constitutes the Margin Pertaining to Brokers)

Notwithstanding the provisions of Paragraph 1 of the preceding Article, in the case where a Non-Clearing Participant provides the Margin to a Clearing Participant on behalf of an Applicant, such Clearing Participant, on behalf of the relevant Applicant, shall deposit the entire amount thereof with JSCC.

(Article 15 Cutoff Time for Depositing the Margin)

The deposit of the Margin pursuant to the provisions of Article 9 through the preceding Article shall be completed by 11:00 A.M. on the day immediately following the day on which the Trading Day^{*1} on which a selling/buying Futures Contract or a selling Option Contract is formed ends or on the day immediately following the day on which the position subject to the Settlement by Delivery related to the Commodity Futures Contracts have been fixed.

(^{*1} in the case of a Security Option Contract^{*1-1}, the day on which a selling Option Contract is formed)

(^{*1-1} excluding Flexible Contract Months prescribed by the Designated Market Operator)

(Article 16 Maintenance of the Margin for Proprietary Account)

In the case where the sum of the amount of money^{*1} and the value of the Securities and the Like valuated based on their substituting price^{*2}, which have been deposited with JSCC by a Clearing Participant as the Margin for proprietary account, is less than the amount required for the Margin for proprietary account, such Clearing Participant shall additionally deposit with JSCC as the Margin for proprietary account an amount not less than the amount of such shortfall, in accordance with the rules prescribed by JSCC, at or before 11:00 A.M. on the day immediately following the day on which such shortfall occurs. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

(^{*1} when such money is denominated in a foreign currency, the amount appraised by converting such amount to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the relevant currency in the Tokyo foreign exchange market on the day which is the day before the date of calculation^{*1-1} and multiplied by a certain rate determined by JSCC ; the same applies to the following Article, Paragraph 2 of Article 18 and Paragraph 3 of Article 19)

(^{*1-1} if such day falls on a Non-business Day, the day shall be the immediately preceding business day; the same applies hereinafter)

(^{*2} referring to the amount equal to the market price on the day immediately preceding the day on which the calculation is made, multiplied by the rate set forth in Paragraph 2 of the *Appendix 1*^{*2-1}; the same applies hereinafter in the following Article, Paragraph 2 of Article 18 and Paragraph 3 of Article 19)

(^{*2-1} in the case where the applicable Securities and the Like are the Foreign Government Bonds, an amount equal to their market price, multiplied by the rate set forth in Paragraph 2 of the *Appendix 1*, and then converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the currency used for appraisal of each Foreign Government Bonds in the Tokyo foreign exchange market on the day immediately preceding the day on which the calculation is made)

(Article 17 Maintenance of the Margin for Customers' Account and the Margin Pertaining to the Brokerage for Clearing of Securities, etc.)

In the case where the sum of the amount of money and the value of the Securities and the Like valuated based on their substituting prices, which have been deposited with JSCC as the Margin for customers' account and the Margin pertaining to the Brokerage for Clearing of Securities, etc., is less than the amount required for the Margin for each account and the Margin pertaining to the Brokerage for Clearing of Securities, etc., which is set forth in Paragraph 2 of Article 24-2^{*1}, such Clearing Participant shall additionally deposit with JSCC as the Margin for customers' account and the Margin pertaining to the Brokerage for Clearing of Securities, etc. an amount not less than the amount of such shortfall, in accordance with the rules prescribed by JSCC, by 11:00 A.M. on the day immediately following the date on which such shortfall occurs. In such event, Securities and the Like may be deposited in lieu of cash

as the relevant Margin.

(*¹ if the measures of increasing the amount required for the Margin for customers' account and the Margin pertaining to the Brokerage for Clearing of Securities, etc. have been taken pursuant to the provisions of Paragraph 2 or 3 of Article 6-2, the relevant add-on charge shall be added)

(Article 18 Maintenance of the Margin for Customers' Account)

1 In the case where the sum of the amount of money^{*1} and the Marked to Market Value^{*2} of the Securities and the Like, which have been deposited with JSCC by a Clearing Participant as the Margin pertaining to a customer pursuant to the provisions of Paragraph 1 through Paragraph 3 of Article 11 or Article 12 is less than the sum of the amount of money and the Marked to Market Value of the Securities and the Like, which have been provided to or deposited with the Clearing Participant by the relevant customer as the Margin or Customer Margin, such Clearing Participant shall additionally deposit with JSCC as the Margin for the customer's account an amount not less than the amount of such shortfall, in accordance with the provisions of Paragraph 1 through Paragraph 3 of Article 11 or Article 12, by 11:00 A.M. on the day immediately following the day on which such shortfall occurs.

(*¹ when such money is denominated in a foreign currency, the amount appraised by converting such amount to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the relevant currency in the Tokyo foreign exchange market on the day which is the day before the date of calculation; the same applies in this Paragraph, to Paragraphs 2 and 3 of Article 13 to apply *mutatis mutandis* under Paragraph 1 of the following Article, Paragraph 2 of the following Article, Article 24 and Article 30)

(*² referring to the amount which is valued based on the market price on the day immediately preceding the day on which the calculation is made^{*2-1}; the same applies hereinafter in this Paragraph, Paragraph 2 and Paragraph 3 of Article 13 which are applied *mutatis mutandis* under Paragraph 1 of the immediately following Article, Paragraph 2 of the following Article, Article 24 and Article 30)

(*²⁻¹ in the case where the applicable Securities and the Like are the Foreign Government Bonds, an amount equal to their market price, converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the currency used for appraisal of each Foreign Government Bonds in the Tokyo foreign exchange market on the day immediately preceding the day on which the calculation is made)

2 In the case where the sum of the amount of money and the value of the Securities and the Like valued based on their substituting prices, which have been deposited or provided by a customer as the Margin or Customer Margin, is less than the amount required for the Margin for the relevant customer's account, the Clearing Participant shall additionally deposit with JSCC, as the Margin for the customer's account, an amount not less than the amount of such shortfall, in accordance with the provisions of Paragraph 4 of Article 11, by 11:00

A.M. on the day immediately following the day on which such shortfall occurs.

(Article 19 Maintenance of the Margin Pertaining to the Brokerage for Clearing of Securities, etc.)

- 1 In the case where a shortfall occurs with respect to the Margin to be provided to a Clearing Participant by a Non-Clearing Participant pursuant to the rules prescribed by the Designated Market Operator, and where the relevant Non-Clearing Participant additionally provides the Margin in an amount not less than the amount of such shortfall, such Clearing Participant shall additionally deposit the entire amount of such Margin with JSCC in accordance with the provisions of Paragraph 1 through Paragraph 3 of Article 13 or Article 14 by 11:00 A.M. on the day immediately following the day on which such shortfall occurs.
- 2 In the case where the sum of the amount of money and the Marked to Market Value of the Securities and the Like deposited with JSCC by a Clearing Participant as the Margin pertaining to a Non-Clearing Participant pursuant to the provisions of Paragraph 2 of Article 13^{*1} and Paragraph 3 of Article 13^{*2} is less than the sum of the amount of money and the Marked to Market Value of the Securities and the Like, which have been provided to or deposited with the Clearing Participant by the relevant Non-Clearing Participant as the Margin for proprietary account or the Margin of the Non-Clearing Participant, such Clearing Participant shall additionally deposit with JSCC as the Margin for the Non-Clearing Participant's proprietary account or the Margin of the Non-Clearing Participant's customer's account an amount not less than the amount of such shortfall, in accordance with the provisions of Paragraph 2 or Paragraph 3 of Article 13 which are applied *mutatis mutandis* under the provisions of the preceding Paragraph, by 11:00 A.M. on the day immediately following the day on which such shortfall occurs.

(^{*1} including the case where such provisions apply *mutatis mutandis* pursuant to the provisions of the preceding Paragraph)

(^{*2} including the case where such provisions apply *mutatis mutandis* pursuant to the provisions of the preceding Paragraph)
- 3 In the case where the sum of the amount of money and the value of the Securities and the Like valuated based on their substituting prices, which have been provided or deposited by a Non-Clearing Participant as the Margin or Margin of the Non-Clearing Participant, is less than the amount which the Clearing Participant notified to the Non-Clearing Participant as the amount required for the Margin for the Brokerage for Clearing of Securities, etc. relating to such Non-Clearing Participant, such Clearing Participant shall additionally deposit with JSCC as the Margin an amount not less than the amount of such shortfall, in accordance with the provisions of Paragraph 4 of Article 13, by 11:00 A.M. on the day immediately following the day on which such shortfall occurs.

(Article 20 Classification and Management Method Concerning the Margin)

1 The deposit of the Margin prescribed in Article 9 through Article 14 and Article 16 through the preceding Article shall be made based on the classification of the Margin set forth in the Items below:

- (1) The Margin deposited with JSCC by a Clearing Participant in connection with Futures and Option Contracts for its proprietary account^{*1*2};
 (*¹ hereinafter referred to as the "Clearing Participant's Proprietary Margin")
 (*² other than Margin set forth in the following Item)
- (2) The portion of the Clearing Participant's Proprietary Margin that is deposited for Futures and Option Contracts as commissioned by a customer or as a commission of Brokerage for Clearing of Securities, etc. of a Non-Clearing Participant pursuant to the provisions of Paragraph 3 of Article 10;
- (3) The portion of the Margin deposited with JSCC by a Clearing Participant in connection with Futures and Option Contracts pursuant to the commission by a customer^{*1}, which is provided as the Margin to the relevant Clearing Participant by the customer^{*2};
 (*¹ hereinafter referred to as the "Clearing Participant's Commissioned Margin")
 (*² excluding the Margin set forth in the immediately following Item; hereinafter referred to as the "Clearing Participant's Commissioned Margin (Direct Deposit)")
- (4) Where a Brokerage Margin is deposited with a customer by an Applicant, the portion of the Clearing Participant's Commissioned Margin which is provided to a Clearing Participant by the customer as the Margin equivalent to the relevant Brokerage Margin^{*1};
 (*¹ hereinafter referred to as the "Clearing Participant's Commissioned Margin (Replaced by Broker)")
- (5) The portion of the Clearing Participant's Commissioned Margin which is not described in the preceding two Paragraphs^{*1};
 (*¹ hereinafter referred to as the "Clearing Participant's Commissioned Margin (Replaced)")
- (6) The portion of the Margin deposited with JSCC by a Designated Clearing Participant in connection with Futures and Option Contracts pertaining to a Non-Clearing Participant's proprietary account^{*1}, which is provided as the Margin by the relevant Non-Clearing Participant to the relevant Designated Clearing Participant^{*2};
 (*¹ hereinafter referred to as the "Non-Clearing Participant's Proprietary Margin")
 (*² hereinafter referred to as the "Non-Clearing Participant's Proprietary Margin (Direct Deposit)")
- (7) The portion of the Non-Clearing Participant's Proprietary Margin which is not described in the immediately preceding Item^{*1};
 (*¹ hereinafter referred to as the "Non-Clearing Participant's Proprietary Margin (Replaced)")
- (8) The portion of the Margin deposited with JSCC by a Designated Clearing Participant in connection with Futures and Option Contracts pursuant to the commission by a Non-

Clearing Participant's customer^{*1}, which is provided as the Margin by the relevant customer to the relevant Non-Clearing Participant^{*2};

(*¹ hereinafter referred to as the "Non-Clearing Participant's Commissioned Margin")

(*² excluding the Margin set forth in the immediately following Item; hereinafter referred to as the "Non-Clearing Participant's Commissioned Margin (Direct Deposit)")

(9) Where a Brokerage Margin is deposited with a customer by an Applicant, the portion of the Non-Clearing Participant's Commissioned Margin, which is provided by such customer to the Non-Clearing Participant as the Margin equivalent to such Brokerage Margin^{*1}; and

(*¹ hereinafter referred to as the "Non-Clearing Participant's Commissioned Margin (Replaced by Broker)")

(10) The portion of the Non-Clearing Participant's Commissioned Margin which is not described in the preceding two Paragraphs^{*1}.

(*¹ hereinafter referred to as the "Non-Clearing Participant's Commissioned Margin (Replaced)")

2 The Margin deposited with JSCC pursuant to the provisions of Article 9 through Article 14 and Article 16 through the preceding Article shall be managed by JSCC in accordance with the classification described in the Items under the preceding Paragraph.

(Article 20-2 Deposit of Intraday Margin)

1 If the sum of the amount of money^{*1} and the value of the Securities and the Like evaluated based on their substituting prices^{*2}, which have been deposited with JSCC by a Clearing Participant as the Margin for proprietary account, is less than the amount required for the Intraday Margin stipulated in the immediately following Article, such Clearing Participant shall deposit with JSCC as the Margin for proprietary account an amount not less than the amount equal to such shortfall by 2 P.M. on the applicable day. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

(*¹ when such money is denominated in a foreign currency, the amount appraised by converting such amount to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the relevant currency in the Tokyo foreign exchange market on the day which is two days before the date of deposit of the Margin^{*1-1} and multiplied by a certain rate determined by JSCC; the same applies to Article 21)

(*² referring to the amount equal to the market price on the day which is two days before the date of deposit of the Margin, multiplied by the rate set forth in Paragraph 2 of the *Appendix 1*^{*2-1})

(*²⁻¹ in the case where the applicable Securities and the Like are the Foreign Government Bonds, an amount equal to their market price, multiplied by the rate set forth in Paragraph 2 of the *Appendix 1*, and then converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the currency used for appraisal of each Foreign

Government Bonds in the Tokyo foreign exchange market on the day which is the day before the date of calculation of the value obtained by multiplying the market value by the rate specified in Paragraph 2 of *Appendix 1*; the same applies to Article 21)

- 2 In the case where JSCC causes the Margin to be deposited pursuant to the provisions of the preceding Paragraph, JSCC shall provide the Clearing Participant with notice to that effect promptly.
- 3 Notwithstanding the provisions of Paragraph 1, if the amount obtained, in respect of a Clearing Participant, by deducting the amount required for Margin for the Clearing Participant's proprietary account applied at the time of the calculation of the amount required for Intraday Margin from the amount required for Intraday Margin is not more than 10 million yen, such Clearing Participant has no obligation of additional deposit of the Clearing Participant's Proprietary Margin.
- 4 The provisions of Paragraph 2 of the preceding Article shall apply *mutatis mutandis* to the Margin set forth in Paragraph 1.

(Article 20-3 Amount required for Intraday Margin)

- 1 The amount required for Intraday Margin shall be the Recalculated Intraday Risk Amount, adding the amount of the Intraday Value Equivalent to Differences Pertaining to Futures Contracts and the amount of the Intraday Value Equivalent to Option Contract Price if such amounts are to be paid, and deducting the foregoing amounts if such amounts are to be received, and then adding the sum of the Risk Amount Exceeding Collateral for each account set forth in Article 46-3 and Article 46-4 of the Business Rules^{*1} and the amount of the preliminary add-on set forth in Paragraph 1 of Article 9-2. In such event, the terms used above shall have the meanings set forth in the following Items:

(^{*1} other than account set forth in Item (1) of Paragraph 1 of Article 46-3 of the Business Rules; the same applies in this Article, to Article 22, Article 23-2, Article 23-3 and Article 24-2)

(1) Recalculated Intraday Risk Amount

An amount equal to the amount required for Margin for proprietary account which is calculated pursuant to the provisions of Article 4, after the following changes are made to the provisions of Article 4: the phrase, "Trading Participant's proprietary Position relating to Futures and Option Contracts" is deemed to be "a Trading Participant's proprietary Position at the end of the Morning Session on the day on which the relevant Trading Day ends with respect to JGB Futures Contract, Option Contract on JGB Futures and Interest Rate Futures Contract, at 11:00 A.M. on the applicable day^{*1} with respect to Security Option Contract, Index Futures Contract and Index Option Contract or at 11:00 A.M. on the applicable Trading Day with respect to Commodity Futures Contract and Option Contract on Commodity Futures "; the phrase, "Position which becomes subject to a Cross Margining Request on the relevant Trading Day"

Rules on Margins, etc. for Futures and Option Contracts is deemed to be "Position which becomes subject to a Cross Margining Request on the preceding Trading Day"; the phrase "buying Position for a Trading Participant's proprietary account" is deemed to be "buying Position for a Trading Participant's proprietary account at the end of the Morning Session on the day on which the relevant Trading Day ends with respect to Option Contract on JGB Futures, at 11:00 A.M. on the applicable day^{*1} with respect to Security Option Contract, Index Option Contracts or at 11:00 A.M. on the applicable Trading Day with respect to Option Contract on Commodity Futures"; the phrase, "With respect to Security Option Contracts, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account" shall be deemed to be "With respect to Security Option Contracts, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account at 11:00 A.M. on the applicable day^{*1}"; the phrase, "Settlement Price," is deemed to be "Intraday Settlement Price"; the phrase, "referring to the Settlement Price stipulated in Article 7," shall be deemed to be "referring to the Intraday Settlement Price stipulated in the next Article"; the phrase, "With respect to Option Contracts on JGB Futures, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account" shall be deemed to be "With respect to Option Contracts on JGB Futures, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account at the end of the Morning Session on the day on which the relevant Trading Day ends"; the phrase, "With respect to Index Option Contracts, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account" shall be deemed to be "With respect to Index Option Contracts, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account at 11:00 A.M. on the applicable day"; the phrase, "With respect to Option Contract on Commodity Futures, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account" shall be deemed to be "With respect to Option Contract on Commodity Futures, the amount equal to the Net Buying Amount for a Trading Participant's proprietary account at 11:00 A.M. on the applicable Trading Day"; and the phrase "selling position for a Trading Participant's proprietary account" shall be deemed to be "selling Position for a Trading Participant's proprietary account at the end of the Morning Session on the day on which the relevant Trading Day ends with respect to Option Contract on JGB Futures, at 11:00 A.M. on the applicable day^{*1} with respect to Security Option Contract, Index Option Contracts or at 11:00 A.M. on the applicable Trading Day with respect to Option Contract on Commodity Futures." (*¹ in the case of a Security Option Contract^{*1-1}, or an Index Option Contract, the applicable Trading Day)

(*¹⁻¹ limited to Flexible Contract Months prescribed by the Designated Market Operator)

- (2) Intraday Value Equivalent to Differences Pertaining to Futures Contracts

With respect to a Futures Contract, the sum of the amounts prescribed in (a) and (b) below.

- (a) Sum of the amounts prescribed in (i) through (iv) below:
 - (i) With respect to a JGB Futures Contract for proprietary account, which are concluded during the Night Session and by the end of the Morning Session on the applicable Trading Day^{*1}, an amount equal to the difference between its contract price and the Intraday Settlement Price.
 (*¹ including J-NET Transactions^{*1-1} concluded before the end of the Morning Session on the applicable Trading Day)
 (*¹⁻¹ referring to the J-NET Transactions prescribed by the Designated Market Operator; the same applies hereinafter)
 - (ii) With respect to an Interest Rate Futures Contract for proprietary account, which are concluded during the Night Session and by the end of the Morning Session on the applicable Trading Day^{*1}, an amount equal to the difference between its contract price and the Intraday Settlement Price.
 (*¹ including J-NET Transactions concluded before the end of the Morning Session on the applicable Trading Day)
 - (iii) With respect to an Index Futures Contract for proprietary account^{*1}, which are concluded in the night session and the daytime session before 11:00 A.M. of the applicable Trading Day, an amount equal to the difference between the contract price and the Intraday Settlement Price
 (*¹ including J-NET Transactions concluded before the 11:00 A.M. on the applicable Trading Day)
 - (iv) With respect to Commodity Futures Contract for proprietary account^{*1}, which are concluded in the night session and the daytime session before 11:00 A.M. of the applicable Trading Day, an amount equal to the difference between the contract price and the intraday Settlement Price
 (*¹ including J-NET Transactions concluded before 11:00 A.M. on the applicable Trading Day)
 - (b) With respect to a Position for proprietary account on the immediately preceding Trading Day, an amount equal to the difference between the Settlement Price on that preceding Trading Day and the Intraday Settlement Price.
- (3) Intraday Value Equivalent to Option Contract Price:
 The sum of the amounts prescribed in (a) through (c) below
- (a) An amount equal to the contract price relating to an Option Contract on JGB Futures for proprietary account, which are concluded before the end of the Morning Session on the day on which the relevant Trading Day ends ^{*1}.
 (*¹ including J-NET Transactions concluded before 11:00 A.M. on the applicable Trading Day)

- (b) An amount equal to the contract price relating to a Security/Index Option Contract for proprietary account, which is concluded before 11:00 A.M. of the Morning Session^{*1} on the applicable day^{*2}.

(^{*1} with respect to a Security Option Contract^{*1-1} and an Index Option Contract, before 11:00 A.M. of the Daytime Session on the applicable Trading Day)

(^{*1-1} limited to Flexible Contract Months prescribed by the Designated Market Operator)

(^{*2} including J-NET Transactions concluded before 11:00 A.M. on the applicable day or the applicable Trading Day)

- (c) With respect to an Option Contract on Commodity Futures, an amount equal to the contract price relating to an option contract for proprietary account, which is concluded in the night session and the daytime session before 11:00 A.M. of the applicable Trading Day^{*1}.

(^{*1} including J-NET Transactions concluded before 11:00 A.M. on the applicable Trading Day)

- (4) Sum of Risk Amount Exceeding Collateral for each account set forth in Article 46-3 and Article 46-4 of the Business Rules

Sum of the amount calculated as per *Appendix 2* by each account set forth in Article 46-3 and Article 46-4 of the Business Rules.

(Article 20-4 Intraday Settlement Price)

In the case where JSCC causes the Margin to be deposited pursuant to the provisions of Paragraph 1 of Article 20-2, JSCC will determine the Intraday Settlement Price in a manner prescribed by JSCC.

(Article 21 Deposit of Emergency Margin)

1 In the case where the prices of the JGB Futures Contracts, Index Futures Contracts, Precious Metal Futures Contracts or Oil Futures Contracts^{*1} fall under each Item below or where otherwise deemed necessary by JSCC, if the sum of the amount of money and the value of the Securities and the Like valuated based on their substituting prices, which have been deposited with JSCC by a Clearing Participant as the Margin for proprietary account, is less than the amount required for the Emergency Margin stipulated in the immediately following Article, such Clearing Participant shall deposit with JSCC as the Margin for proprietary account an amount not less than the amount equal to such shortfall by 4 P.M. on the applicable day. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

(^{*1} referring to the transactions listed in Item 1 or Item 2 of Paragraph 3 of Article 2 of the Commodity Derivatives Act (Act No. 239 of 1950) that relate to oil; the same applies hereinafter)

- (1) Where the extent of fluctuations in the prices of the JGB Futures Contracts exceeds the thresholds prescribed by JSCC in the Afternoon Session,
 - (2) Where the extent of fluctuations in the prices of the Index Futures Contracts exceeds the thresholds prescribed by JSCC in the daytime session,
 - (3) Where the extent of fluctuations in the prices of the Precious Metal Futures Contracts exceeds the thresholds prescribed by JSCC in the daytime session.
 - (4) Where the extent of fluctuations in the prices of the Oil Futures Contracts exceeds the thresholds prescribed by JSCC in the daytime session.
- 2 In the case where JSCC causes the Margin to be deposited pursuant to the provisions of the preceding Paragraph, JSCC shall provide the Clearing Participant with notice to that effect promptly.
- 3 Notwithstanding the provisions of Paragraph 1, if the amount obtained, in respect of a Clearing Participant, by deducting the amount required for Margin for the Clearing Participant's proprietary account applied at the time of the calculation of the required amount for Emergency Margin from the required amount for Emergency Margin is not more than 10 million yen, such Clearing Participant has no obligation of additional deposit of the Clearing Participant's Proprietary Margin
- 4 The provisions of Paragraph 2 of Article 20 shall apply *mutatis mutandis* to the Margin set forth in Paragraph 1.

(Article 22 Amount Required for Emergency Margin)

The amount required for the Emergency Margin shall be the Recalculated Risk Amount, adding the amount of the Value Equivalent to Differences Pertaining to Futures Contracts and the amount of the Value Equivalent to Option Contract Price if such amounts are to be paid, and deducting the foregoing amounts if such amounts are to be received, and then adding the Risk Amount Exceeding Collateral for each account set forth in Article 46-3 and Article 46-4 of the Business Rules and the amount of the preliminary add-on set forth in Paragraph 1 of Article 9-2. In such event, the terms used above shall have the meanings set forth in the following Items:

(1) Recalculated Risk Amount:

An amount equal to the Margin requirement for proprietary account which is calculated pursuant to the provisions of Article 4, after the following changes are made to the provisions of Article 4: the phrase, "Trading Participant's proprietary Position relating to Futures and Option Contracts" is deemed to be "Trading Participant's proprietary Position at 1:00 P.M. on the day on which the relevant Trading Day ends with respect to the JGB Futures Contract, Option Contract on JGB Futures and Interest Rate Futures Contract, at 1:00 P.M. on the applicable day^{*1} with respect to the Security Option Contract, Index Futures Contract and Index Option Contract or at 1:00 P.M. on the applicable Trading Day with respect to Commodity Futures Contract and Option Contract on Commodity Futures"; the phrase, "Position which becomes subject to a Cross Margining Request on the relevant

Trading Day” is deemed to be “Position which becomes subject to a Cross Margining Request on the immediately preceding Trading Day”; the phrase, “buying Position for a Trading Participant’s proprietary account” is deemed to be “buying Position for a Trading Participant’s proprietary account at 1:00 P.M. on the day on which the relevant Trading Day ends with respect to Option Contract on JGB Futures, at 1:00 P.M. on the applicable day^{*1} with respect to Security Option Contract Index Option Contracts or at 1:00 P.M. on the applicable Trading Day with respect to Option Contract on Commodity Futures”; the phrase, “With respect to Security Option Contracts, the amount equal to the Net Buying Amount for a Trading Participant’s proprietary account” shall be deemed to be “With respect to Security Option Contracts, the amount equal to the Net Buying Amount for a Trading Participant’s proprietary account at 1:00 P.M. on the applicable day”; the phrase, “Settlement Price,” is deemed to be “Emergency Settlement Price”; the phrase, “referring to the Settlement Price stipulated in Article 7,” shall be deemed to be “referring to the Emergency Settlement Price stipulated in the next Article”; the phrase, “With respect to Option Contracts on JGB Futures, the amount equal to the Net Buying Amount for a Trading Participant’s proprietary account” shall be deemed to be “With respect to Option Contracts on JGB Futures, the amount equal to the Net Buying Amount for a Trading Participant’s proprietary account at 1:00 P.M. on the day on which the relevant Trading Day ends”; the phrase, “With respect to Index Option Contracts, the amount equal to the Net Buying Amount for a Trading Participant’s proprietary account” shall be deemed to be “With respect to Index Option Contracts, the amount equal to the Net Buying Amount for a Trading Participant’s proprietary account at 1:00 P.M. on the applicable day^{*1}”; the phrase, “With respect to Option Contract on Commodity Futures, the amount equal to the Net Buying Amount for a Trading Participant’s proprietary account” shall be deemed to be “With respect to Option Contract on Commodity Futures, the amount equal to the Net Buying Amount for a Trading Participant’s proprietary account at 1:00 P.M.”; and the phrase, “selling position for a Trading Participant’s proprietary account” shall be deemed to be “selling Position for a Trading Participant’s proprietary account at 1:00 P.M. on the day on which the relevant Trading Day ends with respect to Option Contract on JGB Futures, at 1:00 P.M. on the applicable day^{*1} with respect to Security Option Contract and Index Option Contracts or at 1:00 P.M. on the applicable Trading Day with respect to Option Contract on Commodity Futures.”

(^{*1} in the case of a Security Option Contract^{*1-1} or an Index Option Contract, the applicable Trading Day)

(^{*1-1} limited to Flexible Contract Months prescribed by the Designated Market Operator)

(2) Value Equivalent to Differences Pertaining to Futures Contracts:

With respect to a Futures Contract, the sum of the amounts prescribed in (a) and (b) below.

(a) Sum of the amounts prescribed in (i) through (iv) below:

- (i) With respect to a JGB Futures Contract for proprietary account which are concluded during the Night Session, Morning Session and Afternoon Session before 1:00 P.M. on the applicable Trading Day^{*1}, an amount equal to the difference between its contract price and the Emergency Settlement Price.
(*¹ including J-NET Transactions concluded before 1:00 P.M. on the applicable Trading Day)
- (ii) With respect to an Interest Rate Futures Contract for proprietary account which are concluded during the Night Session, Morning Session and Afternoon Session before 1:00 P.M. on the applicable Trading Day^{*1}, an amount equal to the difference between its contract price and the Emergency Settlement Price
(*¹including J-NET Transactions concluded before 1:00 P.M. on the applicable Trading Day)
- (iii) With respect to an Index Futures Contract for proprietary account^{*1} which are concluded in the night session and the daytime session before 1:00 P.M. on the applicable Trading Day, an amount equal to the difference between the contract price and the Emergency Settlement Price
(*¹ including J-NET Transactions concluded before the 1:00 P.M. on the applicable Trading Day; the same applies hereinafter in this (ii))
- (iv) With respect to Commodity Futures Contract for proprietary account which are concluded during the night session and daytime session before 1:00 P.M. on the applicable Trading Day^{*1}, an amount equal to the difference between its contract price and the Emergency Settlement Price.
(*¹ including J-NET Transactions concluded before 1:00 P.M. on the applicable Trading Day)
- (b) With respect to a Position for proprietary account on the immediately preceding Trading Day, an amount equal to the difference between the Settlement Price on that preceding Trading Day and the Intra-Day Settlement Price.
- (3) Value Equivalent to Option Contract Price:
The sum of the amounts prescribed in (a) through (c) below
 - (a) An amount equal to the contract price relating to an Option Contract on JGB Futures for proprietary account, which are concluded before 1:00 P.M. on the day on which the applicable Trading Day ends^{*1}.
(*¹ including J-NET Transactions concluded before 1:00 P.M. on the day on which the applicable Trading Day ends)
 - (b) An amount equal to the contract price relating to a Security/Index Option Contract for proprietary account, which is concluded during the Afternoon Session before 1:00 P.M.^{*1} on the applicable day^{*2}.
(*¹ with respect to a Security Option Contract^{*1-1} and an Index Option Contract, before 1:00 P.M. of the Daytime Session on the applicable Trading Day)

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(*1-1 limited to Flexible Contract Months prescribed by the Designated Market Operator)

(*2 including J-NET Transactions concluded before 1:00 P.M. on the applicable day or Trading Day)

(c) An amount equal to the contract price relating to an Option Contract on Commodity Futures*¹ for proprietary account, which are concluded in the night session and the daytime session before 1:00 P.M. on the applicable Trading Day.

(*¹ including J-NET Transactions concluded before 1:00 P.M. on the applicable Trading Day)

(4) Risk Amount Exceeding Collateral for each account set forth in Article 46-3 and Article 46-4 of the Business Rules

Sum of the amount calculated as per *Appendix 2* by each account set forth in Article 46-3 and Article 46-4 of the Business Rules.

(Article 23 Emergency Settlement Price)

In the event that JSCC causes the Margin to be deposited pursuant to the provisions of Paragraph 1 of Article 21, JSCC shall determine the Emergency Settlement Price in accordance with the rules prescribed by JSCC.

(Article 23-2 Deposit of Emergency Margin for Specified Party)

1 JSCC may increase the amount required for Margin in respect of the Clearing Participant falling under any of the criteria set forth in either of the following Items:

(1) For any of the accounts of the Clearing Participant set forth in Article 46-3 and Article 46-4, the ratio of the Risk Equivalent under Normal Market Conditions by each account set forth in Article 46-3 and Article 46-4 of the Business Rules to the Expected Margin*¹ for the relevant account exceeds the value prescribed by JSCC; or

(*¹ the amount calculated in a manner prescribed by JSCC as the amount expected to be deposited as Margin; the same applies in the following Item)

(2) The value obtained by dividing the Total Risk Equivalent under Normal Market Conditions of the relevant Clearing Participant set forth in Paragraph 2 of the following Article by the Expected Margin for proprietary account exceeds the value prescribed by JSCC according to the amount of the relevant Clearing Participant's net worth*¹ or its financial condition such as cash, etc.

(*¹ in the case of an entity other than Financial Instruments Business Operator, the amount of its net assets)

2 JSCC shall provide the Clearing Participant falling under either of the Items of the preceding Paragraph with notice to that effect and the amount of shortfall promptly.

3 The Clearing Participant received the notice set forth in the preceding Paragraph shall additionally deposit with JSCC as the Clearing Participant's Proprietary Margin an amount

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not less than the amount of such shortfall within 3 hours after the notice is given. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

- 4 Notwithstanding the provisions of the preceding Paragraph, when JSCC specifically admits taking into consideration operating hours of the fund settlement infrastructures and other circumstances, such as deposit operations, JSCC may change the deposit deadline and/or the relevant amount.
- 5 The provisions of Paragraph 2 of Article 20 shall apply *mutatis mutandis* to the Margin set forth in Paragraph 3.

(Article 23-3 Risk Equivalent under Normal Market Conditions)

- 1 The Risk Equivalent under Normal Market Conditions for each account set forth in Article 46-3 and Article 46-4 of the Business Rules shall be the Recalculated Risk Amount as per *Appendix 2*, adding the amount of the Value Equivalent to Differences Pertaining to Futures Contracts and the amount of the Value Equivalent to Option Contract Price if such amounts are to be paid, and deducting the foregoing amounts if such amounts are to be received.
- 2 The Total Risk Equivalent under Normal Market Conditions shall be the sum of the value^{*1} obtained, for accounts set forth in Article 46-3 and Article 46-4 of the Business Rules, by deducting the expected amount of Margin deposit from the value obtained according to the preceding Paragraph for the relevant account, and then adding the amount calculated according to the provisions of the preceding Paragraph in respect of the account set forth in Item (1) of Article 46-3 of the Business Rules.
(*¹ positive value only)
- 3 In the case where JSCC causes the Margin to be deposited pursuant to the provisions of the Paragraph 3 of Article 23-2, JSCC shall determine Monitoring Settlement Price..

(Article 24 Right to Claim a Refund of the Margin)

- 1 The entity referenced in one of the following Items shall have the right to claim a refund of such portion of the Clearing Participant's Commissioned Margin deposited with JSCC in connection with each customer of the Clearing Participant, which is described in the applicable Item; provided, however, that the amount of the refund shall not exceed the total of: the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Clearing Participant's Commissioned Margin (Direct Deposit); and the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited by the relevant customer as the Customer Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Clearing Participant's Commissioned Margin (Replaced)^{*1}.

(*¹ including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the

period ending upon the deposit of such Margin with JSCC; hereinafter referred to as the “Total Sum of Clearing Participant’s Margin Pertaining to Customer’s Actual Deposit” in this Paragraph)

(1) The relevant customer

An amount equal to the Total Sum of Clearing Participant’s Margin Pertaining to Customer’s Actual Deposit, deducting an amount equal to the yet-to-be performed Obligations Pertaining to Futures and Option Contracts owed by the relevant customer to the Clearing Participant.

(2) The Clearing Participant

An amount equal to the Total Sum of Clearing Participant’s Margin Pertaining to Customer’s Actual Deposit, deducting the amount set forth in the preceding Item, and further deducting an amount equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Clearing Participant to JSCC, where such contracts are pursuant to the commission by the relevant customer.

2 Notwithstanding the provisions of the preceding Paragraph, in the case where the customer of the Clearing Participant is a Broker, the entity referenced in one of the following Items shall have the right to claim a refund of such portion of the Clearing Participant’s Commissioned Margin deposited with JSCC in connection with an Applicant, which is described in the applicable Item; provided, however, that the amount of the refund shall not exceed the total of: the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC by the relevant Applicant as the Clearing Participant’s Commissioned Margin (Direct Deposit); the sum of the amount of money and the Marked to Market Value of the securities which have been deposited by the relevant Applicant as the Brokerage Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Clearing Participant’s Commissioned Margin (Replaced by Broker); and the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited by the relevant Applicant as the Brokerage Margin or the Customer Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the securities which have been deposited with JSCC as the Clearing Participant’s Commissioned Margin (Replaced)*¹.

(*¹ including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as the “Total Sum of Clearing Participant’s Margin Pertaining to Applicant’s Actual Deposit” in this Paragraph)

(1) The relevant Applicant

An amount equal to the Total Sum of Clearing Participant’s Margin Pertaining to Applicant’s

Actual Deposit, deducting an amount equal to the yet-to-be performed Obligations Pertaining to Futures and Option Contracts owed by the relevant Applicant to the relevant customer.

(2) The relevant customer

An amount equal to the Total Sum of Clearing Participant's Margin Pertaining to Applicant's Actual Deposit, deducting the amount set forth in the preceding Item, and further deducting an amount equal to the yet-to-be performed Obligations Pertaining to Futures and Option Contracts owed by the relevant customer to the Clearing Participant, where such contracts are pursuant to the commission by the relevant Applicant.

(3) The Clearing Participant

An amount equal to the Total Sum of Clearing Participant's Margin Pertaining to Applicant's Actual Deposit, deducting the amounts set forth in the preceding two Items, and further deducting an amount equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Clearing Participant to JSCC, where such contracts are pursuant to the commission by the relevant Applicant.

3 Notwithstanding the provisions of Paragraph 1, in the case where the customer of the Clearing Participant is a Broker, the entity referenced in one of the following Items shall have the right to claim a refund of such portion of the Clearing Participant's Commissioned Margin deposited with JSCC in connection with a Broker, which is described in the applicable Item; provided, however, that the amount of the refund shall not exceed the total of: the amount deposited with JSCC in excess of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited by the relevant Applicant as the Brokerage Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Clearing Participant's Commissioned Margin (Replaced by Broker); and the amount deposited with the Clearing Participant as the Customer Margin in excess of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited by the relevant Applicant as the Brokerage Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Clearing Participant's Commissioned Margin (Replaced)*¹.

(*¹ including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as the "Total Sum of Clearing Participant's Margin Pertaining to Broker's Actual Deposit" in this Paragraph)

(1) The relevant customer

An amount equal to the Total Sum of Clearing Participant's Margin Pertaining to Broker's Actual Deposit, deducting an amount*¹ equal to the yet-to-be performed Obligations

Pertaining to Futures and Option Contracts owed by the relevant customer to the Clearing Participant.

(*¹ excluding the amount which is deducted pursuant to the provisions of Item (2) of the preceding Paragraph)

(2) The Clearing Participant

An amount equal to the Total Sum of Clearing Participant's Margin Pertaining to Broker's Actual Deposit, deducting the amount set forth in the preceding Item, and further deducting an amount*¹ equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Clearing Participant to JSCC, where such contracts are pursuant to the commission by the relevant customer.

(*¹ excluding the amount which is deducted pursuant to the provisions of Item (3) of the preceding Paragraph)

- 4 The entity referenced in one of the following Items shall have the right to claim a refund of such portion of the Non-Clearing Participant's Commissioned Margin deposited with JSCC in connection with a customer of the Non-Clearing Participant, which is described in the applicable Item; provided, however, that the amount of the refund shall not exceed the total of: the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Direct Deposit); and the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited by the relevant customer as the Customer Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced)*¹.

(*¹ including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as the "Total Sum of Non-Clearing Participant's Margin Pertaining to Customer's Actual Deposit" in this Paragraph)

(1) The relevant customer

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Customer's Actual Deposit, deducting an amount equal to the yet-to-be performed Obligations Pertaining to Futures and Option Contracts owed by the relevant customer to the Non-Clearing Participant.

(2) The Non-Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Customer's Actual Deposit, deducting the amount set forth in the preceding Item, and further deducting an amount equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Non-Clearing Participant to the Designated Clearing Participant, where such contracts are pursuant to

the commission by the relevant customer.

(3) The Designated Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Customer's Actual Deposit, deducting the amounts set forth in the preceding two Items, and further deducting an amount equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Designated Clearing Participant to JSCC, where such contracts are pursuant to the commission by the relevant customer.

5 Notwithstanding the provisions of the immediately preceding Paragraph, in the case where the customer of the Non-Clearing Participant is a Broker, the entity referenced in one of the following Items shall have the right to claim a refund of such portion of the Non-Clearing Participant's Commissioned Margin deposited with JSCC in connection with an Applicant, which is described in the applicable Item; provided, however, that the amount of the refund shall not exceed the total of: the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC by the relevant Applicant as the Non-Clearing Participant's Commissioned Margin (Direct Deposit); the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited by the relevant Applicant as the Brokerage Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced by Broker); and the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited by the relevant Applicant as the Brokerage Margin or Customer Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced)*¹.

(*¹ including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as the "Total Sum of Non-Clearing Participant's Margin Pertaining to Applicant's Actual Deposit" in this Paragraph)

(1) The relevant Applicant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Applicant's Actual Deposit, deducting an amount equal to the yet-to-be performed Obligations Pertaining to Futures and Option Contracts owed by the relevant Applicant to the relevant customer.

(2) The relevant customer

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Applicant's Actual Deposit, deducting the amount set forth in the preceding Item, and further deducting an amount equal to the yet-to-be performed Obligations Pertaining to

Futures and Option Contracts owed by the relevant customer to the Non-Clearing Participant, where such contracts are pursuant to the commission by the relevant Applicant.

(3) The Non-Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Applicant's Actual Deposit, deducting the amounts set forth in the preceding two Items, and further deducting an amount equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Non-Clearing Participant to the Designated Clearing Participant, where such contracts are pursuant to the commission by the relevant Applicant.

(4) The Designated Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Applicant's Actual Deposit, deducting the amounts set forth in the preceding three Items, and further deducting an amount equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Designated Clearing Participant to JSCC, where such contracts are pursuant to the commission by the relevant Applicant.

6 Notwithstanding the provisions of Paragraph 4, in the case where the customer of the Non-Clearing Participant is a Broker, the entity referenced in one of the following Items shall have the right to claim a refund of such portion of the Non-Clearing Participant's Commissioned Margin deposited with JSCC in connection with a Broker, which is described in the applicable Item; provided, however, that the amount of the refund shall not exceed the total of: the amount deposited with JSCC in excess of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which has been deposited by the relevant Applicant as the Brokerage Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which has been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced by Broker); and the amount deposited with the Non-Clearing Participant as the Customer Margin in excess of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited by the relevant Applicant as the Brokerage Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the securities which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced)*¹.

(*¹ including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as the "Total Sum of Non-Clearing Participant's Margin Pertaining to Broker's Actual Deposit" in this Paragraph)

(1) The relevant customer

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Broker's Actual Deposit, deducting an amount^{*1} equal to the yet-to-be performed Obligations Pertaining to Futures and Option Contracts owed by the relevant customer to the Non-Clearing Participant.

(*1 excluding the amount which is deducted pursuant to the provisions of Item (2) of the preceding Paragraph)

(2) The Non-Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Broker's Actual Deposit, deducting the amount set forth in the preceding Item, and further deducting an amount^{*1} equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Non-Clearing Participant to the Designated Clearing Participant, where such contracts are pursuant to the commission by the relevant customer.

(*1 excluding the amount which is deducted pursuant to the provisions of Item (3) of the preceding Paragraph)

(3) The Designated Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Broker's Actual Deposit, deducting the amounts set forth in the preceding two Items, and further deducting the amount^{*1} equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Designated Clearing Participant to JSCC, where such contracts are pursuant to the commission by the relevant customer.

(*1 excluding the amount which is deducted pursuant to the provisions of Item (4) of the preceding Paragraph)

- 7 The entity referenced in one of the following Items shall have the right to claim a refund of such portion of the Non-Clearing Participant's Proprietary Margin and Non-Clearing Participant's Commissioned Margin deposited with JSCC with respect to a Non-Clearing Participant, which is set forth in the applicable Item; provided, however, that the amount of the refund shall not exceed the total^{*1} of: the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Proprietary Margin (Direct Deposit); the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been provided as the Margin to the Clearing Participant by the relevant Non-Clearing Participant, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Proprietary Margin (Replaced); the amount deposited with JSCC in excess of the sum of the amount^{*2} of money and the Marked to Market Value of the Securities and the Like which have been deposited with the Non-Clearing Participant as the Customer Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the

Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced); and the amount deposited with the Clearing Participant as the Margin of the Non-Clearing Participant in excess of the sum of the amount^{*3} of money and the Marked to Market Value of the Securities and the Like which have been deposited with the Non-Clearing Participant as the Customer Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced).

(*¹ hereinafter referred to as the "Total Sum of Non-Clearing Participant's Margin Pertaining to its own Actual Deposit" in this Paragraph)

(*² including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the period ending upon the deposit of such Margin with JSCC)

(*³ including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the period ending upon the deposit of such Margin with JSCC)

(1) The relevant Non-Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to its own Actual Deposit, deducting an amount^{*1} equal to the entire amount of the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Non-Clearing Participant to the Designated Clearing Participant.

(*¹ excluding the amounts which are deducted pursuant to the provisions of Item (2) of Paragraph 4, Item (3) of Paragraph 5 and Item (2) of the preceding Paragraph)

(2) The Designated Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to its own Actual Deposit, deducting the amount set forth in the preceding Item, and further deducting an amount^{*1} equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the Designated Clearing Participant to JSCC, where such contracts are pursuant to the relevant Non-Clearing Participant's commission of the Brokerage for Clearing of Securities, etc.

(*¹ excluding the amounts which are deducted pursuant to the provisions of Item (3) of Paragraph 4, Item (4) of Paragraph 5 and Item (3) of the preceding Paragraph)

8 A Clearing Participant shall have the right to claim a refund of such portion of the Clearing Participant's Proprietary Margin and Clearing Participant's Commissioned Margin deposited with JSCC with respect to such Clearing Participant, which is equal to the Total Sum of Clearing Participant's Margin Pertaining to its own Actual Deposit deducting an amount^{*1} equal to the entire amount of the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Clearing Participant to JSCC; provided, however, that the amount of the refund shall not exceed the total^{*2} of: the

sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Clearing Participant's Proprietary Margin; the amount deposited with JSCC in excess of the sum^{*3} of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with the Clearing Participant as the Customer Margin which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Clearing Participant's Commissioned Margin (Replaced); the amount deposited with JSCC in excess of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been provided as the Margin to the Clearing Participant by the relevant Non-Clearing Participant, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Proprietary Margin (Replaced); and the amount deposited with JSCC in excess of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with the Clearing Participant as the Margin of the Non-Clearing Participant by the relevant Non-Clearing Participant, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced).

(*¹ excluding the amounts which are deducted pursuant to the provisions of Item (2) of Paragraph 1, Item (3) of Paragraph 2, Item (2) of Paragraph 3, Item (3) of Paragraph 4, Item (4) of Paragraph 5, Item (3) of Paragraph 6 and Item (2) of the preceding Paragraph)

(*² hereinafter referred to as the "Total Sum of Clearing Participant's Margin Pertaining to its own Actual Deposit" in this Paragraph)

(*³ including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the period ending upon the deposit of such Margin with JSCC)

9 The right to claim a refund of the Margin shall be exercised in the manner prescribed by the following Items:

- (1) With respect to a Clearing Participant's right to claim a refund, the relevant Clearing Participant shall exercise such right to claim a refund after notifying JSCC that such right is being exercised;
- (2) With respect to a Non-Clearing Participant's right to claim a refund, the Designated Clearing Participant shall exercise it on behalf the relevant Non-Clearing Participant;
- (3) With respect to a Trading Participant's customer's right to claim a refund, the relevant Trading Participant^{*1} shall exercise it on behalf of such customer; and

(*¹ in the event that the relevant Trading Participant is a Non-Clearing Participant, the relevant Non-Clearing Participant and its Designated Clearing Participant)

- (4) With respect to an Applicant's right to claim a refund, the Trading Participant^{*1} to which the

Futures and Option Contracts pursuant to the commission by the relevant Applicant is re-commissioned by a customer shall exercise it on behalf of the relevant Applicant.

(*¹ in the event that the relevant Trading Participant is a Non-Clearing Participant, the relevant Non-Clearing Participant and its Designated Clearing Participant)

(Article 24-2 Notification of Amount Required for Margin)

- 1 JSCC shall, on each Trading Day^{*1}, notify a Clearing Participant of the amount required for the Margin for its proprietary account on such Trading Day^{*2} after the process for fixing Positions^{*3}.

(*¹ in the case of a Security Option Contract^{*1-1}, every day)

(*¹⁻¹ excluding Flexible Contract Months prescribed by the Designated Market Operator)

(*² in the case of a Security Option Contract^{*2-1}, such day)

(*²⁻¹ excluding Flexible Contract Months prescribed by the Designated Market Operator)

(*³ referring to the process to subtract the quantity and the amount notified o pursuant to the provisions of Articles 73-2, 73-6, 73-16, 73-20, 73-26, 73-31-2 and 73-31-63 of the Business Rules as the amount pertaining to the settlement and the process to add or subtract the Positions along with the exercise of option and the assignment of quantity pursuant to the provisions of Article 73-19 of the Business Rules; the same applies in this Article)

- 2 For each Trading Day^{*1}, JSCC shall notify Clearing Participants the amount required for Margin set forth in Article 5-2 for each account set forth in Article 46-3 and Article 46-4 of the Business Rules as the amount required for Margin for customer and for Brokerage for Clearing of Securities, etc. for the applicable Trading Day^{*2} after completion of the process of fixing Position of the applicable Trading Day.

(*¹ in the case of a Security Option Contract^{*1-1}, every day)

(*¹⁻¹ excluding Flexible Contract Months prescribed by the Designated Market Operator)

(*² the applicable day in respect of Security Option Contracts^{*2-1}, the same applies in this Section)

(*²⁻¹ excluding Flexible Contract Months prescribed by the Designated Market Operator)

(Article 25 Notification of Position for Customers' Account and Brokerage for Clearing of Securities, etc.)

On each Trading Day^{*1}, for each issue and by the cutoff time prescribed by JSCC, a Clearing Participant shall notify JSCC of information related to Short Position and Long Position for each customer or for Voluntary Breakdown Unit in respect of the relevant issue, by each account set forth in Item (2) a. of Article 46-3, Item (3) a. of Article 46-3 and Item (2) a. of Article 46-4 of the Business Rules. In this case, only in respect of information related to Short Position and Long Position under commission of the Brokerage for Clearing of Securities, etc., the Clearing Participant may have the Non-Clearing Participant submit notification in lieu of the submission

by itself.

(*¹ in the case of a Security Option Contract^{*1-1}, every day)

(*¹⁻¹ excluding Flexible Contract Months prescribed by the Designated Market Operator)

(Article 26 Obligation to Report Matters Concerning Futures and Option Contracts pursuant to the Commission by Customers and pursuant to the Non-Clearing Participants' Commission of the Brokerage for Clearing of Securities, etc.)

In the event that JSCC requests that a Clearing Participant submit a report setting forth the quantity of the Position pursuant to the commission by customers or other matters concerning Futures and Option Contracts pursuant to the commission by customers, the quantity of the Position pursuant to the commission of the Brokerage for Clearing of Securities, etc. and other matters concerning Futures and Option Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are deemed necessary by JSCC, the Clearing Participant shall immediately submit a document setting forth such matters to JSCC.

Chapter 2-2 Delivery Payments and the Like

(Article 26-2 Deposit of Delivery Payments for Proprietary Account)

In the case where Commodity Futures Contracts on the proprietary account is settled by delivery and such settlement is carried out in the form of Monies, warehouse receipts or other consideration, a Clearing Participant may deposit with JSCC the amount in Monies, warehouse receipts or other consideration^{*1} for the Settlement by Delivery in accordance with the rules prescribed by JSCC.

(*1 hereinafter referred to as "Delivery Payment")

(Article 26-3 Deposit of Delivery Payment for Customer Account)

When a customer provides the Delivery Payment with a Clearing Participant, the Clearing Participant may deposit with JSCC, on behalf of the relevant customer, such Delivery Payment in accordance with the rules prescribed by JSCC.

(Article 26-4 Special Provisions concerning Deposit of Delivery Payment pertaining to Brokers)

Notwithstanding the provisions of the preceding Article, in the case where a customer provides the Delivery Payment to a Clearing Participant on behalf of an Applicant, such Clearing Participant, on behalf of the relevant Applicant, may deposit such Delivery Payment with JSCC in accordance with the rules prescribed by JSCC.

(Article 26-5 Special Provisions concerning Deposit of Delivery Payment for Brokerage for Clearing of Securities, etc.)

1 A Clearing Participant may deposit with JSCC the Delivery Payment provided by a Non-Clearing Participant, on behalf of the relevant Non-Clearing Participant or of a customer of the relevant Non-Clearing Participant, in accordance with the rules prescribed by JSCC.

2 Notwithstanding the provisions of the preceding Paragraph, in the case where a Non-Clearing Participant provides the Delivery Payment to a Clearing Participant on behalf of an Applicant, such Clearing Participant, on behalf of the relevant Applicant, may deposit such Delivery Payment with JSCC.

(Article 26-6 Right to Claim Refund of Delivery Payment)

1 A Clearing Participant shall have the right to claim a refund of the Delivery Payment deposited with JSCC for the Clearing Participant.

- 2 A Non-Clearing Participant shall have the right to claim a refund of the Delivery Payment for the proprietary account of the Non-Clearing Participant deposited with JSCC.
- 3 A customer of a Clearing Participant shall have the right to claim a refund of the Delivery Payment for the Customer Account for the customer of the Clearing Participant deposited with JSCC.
- 4 When a customer of a Clearing Participant is a Broker, the Applicant shall have the right to claim a refund of the Delivery Payment for the Customer Account of the Clearing Participant for the relevant Applicant deposited with JSCC.
- 5 A customer of a Non-Clearing Participant shall have the right to claim a refund of the Delivery Payment for the Customer Account of the Non-Clearing Participant for such customer.
- 6 When a customer of a Non-Clearing Participant is a Broker, the Applicant shall have the right to claim a refund of the Delivery Payment for the Customer Account of the Non-Clearing Participant for the relevant Applicant deposited with JSCC.
- 7 The right to claim a refund of the Delivery Payment shall be exercised in the manner prescribed in the following Items:
 - (1) With respect to a Clearing Participant's right to claim a refund, the relevant Clearing Participant shall exercise such right to claim a refund after notifying JSCC that such right is being exercised;
 - (2) With respect to a Non-Clearing Participant's right to claim a refund, the Designated Clearing Participant shall exercise it on behalf the relevant Non-Clearing Participant;
 - (3) With respect to a Clearing Participant's customer's right to claim a refund, the Clearing Participant shall exercise it on behalf of such customer;
 - (4) In the case where a Clearing Participant's customer is a Broker, with respect to an Applicant's right to claim a refund, the Clearing Participant to which the Commodity Futures Contracts pursuant to the commission by the relevant applicant is re-commissioned by a Broker shall exercise it on behalf of the relevant Applicant.
 - (5) With respect to a Non-Clearing Participant's customer's right to claim a refund, the relevant Non-Clearing Participant and its Designated Clearing Participant shall exercise it on behalf of such customer; and
 - (6) In the case where a Non-Clearing Participant's customer is a Broker, with respect to an Applicant's right to claim a refund, the Non-Clearing Participant to which the Commodity Futures Contracts pursuant to the commission by the relevant Applicant is re-commissioned by a Broker and its Designated Clearing Participant

shall exercise it on behalf of the relevant Applicant.

Chapter 3 Handling, etc. of Unsettled Contracts in the case of
Suspension of Obligation Assumption due to Insolvency

Section 1 Handling of Unsettled Contracts

(Article 27 Handling of Unsettled Contracts for the Clearing Participants' Proprietary Account)

1 In the event that JSCC implements the Suspension of Obligation Assumption due to Insolvency, JSCC may cause other Clearing Participants designated by JSCC to implement an Offsetting-Sale or Offsetting-Purchase, or exercise options, in connection with the Unsettled Contracts^{*1} for the Clearing Participant's proprietary account subject to the Suspension of Obligation Assumption due to Insolvency.

(*¹ excluding the Unsettled Contracts relating to contract month contracts remaining after the Last Trading Day of the contract month contracts whose Last Trading Day has arrived; the same applies hereinafter in this Chapter)

2 When the preceding Paragraph applies, an entrustment agreement shall be deemed to have been formed between the other Clearing Participants designated by JSCC and the Clearing Participant subject to the Suspension of Obligation Assumption due to Insolvency.

(Article 28 Handling of Unsettled Contracts pursuant to the Commission by the Clearing Participants' Customers)

In the event that a Designated Market Operator implements the Suspension of Transactions, etc. due to Insolvency with respect to a Clearing Participant, JSCC shall cause those Unsettled Contracts between JSCC and the Clearing Participant subject to the Suspension of Transactions, etc. due to Insolvency^{*1}, which are pursuant to the commission by the relevant Clearing Participant's customers, to be transferred to other Clearing Participants, or cause other necessary arrangements to be made, depending on the details of the measure taken by the relevant Designated Market Operator.

(*¹ hereinafter referred to as the "Insolvent Clearing Participant")

(Article 29 Handling of Unsettled Contracts pursuant to the Commission of the Brokerage for Clearing of Securities, etc.)

1 In the event that a Designated Market Operator implements the Suspension of Transactions, etc. due to Insolvency with respect to a Non-Clearing Participant, JSCC shall cause those Unsettled Contracts between JSCC and the Designated Clearing

Participant of the Non-Clearing Participant subject to the Suspension of Transactions, etc. due to Insolvency, which are pursuant to the relevant Non-Clearing Participant's commission of the Brokerage for Clearing of Securities, etc., to be transferred to other Clearing Participants, or cause other necessary arrangements to be made, depending on the details of the measure taken by the relevant Designated Market Operator.

- 2 In the event that, as a result of a Designated Clearing Participant becoming subject to the Suspension of Obligation Assumption due to Insolvency, a measure is taken by the Designated Market Operator with respect to the Non-Clearing Participant which is suspended from commissioning the Brokerage for Clearing of Securities, etc., under which those Unsettled Contracts between JSCC and the relevant Designated Clearing Participant, which constitute Unsettled Contracts involving the relevant Non-Clearing Participant, are transferred to other Clearing Participants or other necessary arrangements are made, the Designated Clearing Participant's right to act as an agent stipulated in Item (2) of Paragraph 9 of Article 24 shall be extinguished.

Section 2 Handling of the Clearing Participant's Commissioned Margin

(Article 30 Handling of Margin for Customers' Account)

1 In the event that the Unsettled Contracts pursuant to the commission by the Insolvent Clearing Participant's customers are transferred to other Clearing Participants^{*1} pursuant to the provisions of Article 28^{*2}, JSCC shall deem the Margin^{*3} for the customer's account, which has been deposited with JSCC by such Insolvent Clearing Participant in connection with the relevant customer, to be deposited with JSCC by the relevant Transferee Clearing Participant in the case of Insolvency^{*4} acting as an agent on the day on which the relevant Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency is implemented.

(^{*1} each of such other Clearing Participants, to which the transfer is made, is hereinafter referred to as the "Transferee Clearing Participant in the case of Insolvency")

(^{*2} hereinafter referred to as the "Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency")

(^{*3} limited to the portion with respect to which the relevant customer or its Applicant has the right to claim a refund pursuant to the provisions of Article 24; the same applies hereinafter in the following Paragraph)

(^{*4} in the case where the Transferee Trading Participant in the case of Insolvency prescribed by the Designated Market Operator is a Non-Clearing Participant, the relevant Transferee Trading Participant in the case of Insolvency and the Transferee Clearing Participant in the case of Insolvency which is its Designated Clearing Participant)

2 The amount deposited as the Clearing Participant's Commissioned Margin (Replaced), which is a part of the Margin for customers' account pertaining to the relevant customer and is deemed to have been deposited with JSCC pursuant to the provisions of the preceding Paragraph, shall be the lesser of the amounts set forth in the following Items:

- (1) An amount equal to the sum of the amount of money and the Marked to Market Value of the Securities and the Like deposited with the Insolvent Clearing Participant by the customer as the Customer Margin; or
- (2) An amount equal to the Clearing Participant's Commissioned Margin (Replaced) deposited with JSCC by the Insolvent Clearing Participant, deducting the amount of expenses required for the acquisition of Japanese yen cash in exchange for the funds which has been deposited by the Insolvent Clearing Participant in foreign

currency as the Clearing Participant's Commissioned Margin (Replaced) or for the conversion into cash by JSCC of the Securities and the Like, which had been deposited by the Insolvent Clearing Participant in lieu of cash as the Clearing Participant's Commissioned Margin (Replaced) pursuant to the provisions of the immediately following Article, and then apportioned pro-rata according to the amount equal to the sum of the amount of money and the Marked to Market Value of the Securities and the Like deposited with such Insolvent Clearing Participant by each customer as the Customer Margin.

(Article 31 Conversion into Cash of the Margin (Replaced), etc.)

- 1 In the event that a Designated Market Operator causes an Offsetting-Sale, Offsetting-Purchase or exercise of options to be implemented with respect to the Unsettled Contracts pursuant to the commission by the Insolvent Clearing Participant's customers, or causes the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency pursuant to the commission by the Insolvent Clearing Participant's customers to be implemented, JSCC may acquire Japanese yen cash in exchange for all or a part of the funds deposited in foreign currency as the Clearing Participant's Commissioned Margin (Replaced) or convert some or all of the Securities and the Like deposited in lieu of cash as the Clearing Participant's Commissioned Margin (Replaced) into cash, using a method deemed appropriate by JSCC. In such event, an entrustment agreement shall be deemed to have been formed among the Insolvent Clearing Participant, the customer and JSCC.
- 2 When the preceding Paragraph applies, if the customer is a Broker and if it is an entity who is deemed by the Designated Market Operator as the customer whose Obligations Pertaining to Futures and Option Contracts owed to the Insolvent Clearing Participant have become immediately due and payable, or as the customer which is not appropriate for implementing the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency, JSCC may acquire Japanese yen cash in exchange for all or a part of the funds deposited in foreign currency as the Clearing Participant's Commissioned Margin (Replaced by Broker), or convert some or all of the Securities and the Like deposited in lieu of cash as the Clearing Participant's Commissioned Margin (Replaced by Broker) into cash, using a method deemed appropriate by JSCC. In such event, an entrustment agreement shall be deemed to have been formed among the Insolvent Clearing Participant, the customer, its Applicant and JSCC.

(Article 32 Special Provisions Concerning the Handling of the Margin (Replaced), etc.)

1 In the event that JSCC has acquired Japanese yen cash in exchange for the fund in foreign currency and/or converted the Securities and the Like into cash pursuant to the provisions of Paragraph 1 of the preceding Article, the Clearing Participant's Commissioned Margin (Replaced) shall be the sum of the amount of money, other than the funds in foreign currency subject to such acquisition, and the Securities and the Like, other than those subject to such conversion, which had been deposited with JSCC by the Insolvent Clearing Participant as the Clearing Participant's Commissioned Margin (Replaced), and the amount arising from such acquisition, deducting the amount of expenses required for such acquisition, and the amount arising from such conversion, deducting the amount of expenses required for such conversion.

2 In the event that JSCC has acquired Japanese yen cash in exchange for the funds in foreign currency, and/or converted the Securities and the Like into cash pursuant to the provisions of Paragraph 2 of the preceding Article, the Clearing Participant's Commissioned Margin (Replaced by Broker) shall be the sum of the amount of money, other than the funds subject to such acquisition and the Securities and the Like, other than those subject to such conversion, which had been deposited with JSCC by the Insolvent Clearing Participant as the Clearing Participant's Commissioned Margin (Replaced by Broker), and the amount arising from such acquisition, deducting the amount of expenses required for such acquisition, and the amount arising from such conversion, deducting the amount of expenses required for such conversion.

(Article 33 Special Provisions Concerning the Right to Claim a Refund of the Margin for Customers' Account)

1 The right of a customer to claim a refund of the Margin for customers' account, which is deemed to have been deposited with JSCC pursuant to the provisions of Paragraph 1 of Article 30, shall be exercised by the Transferee Clearing Participant in the case of Insolvency set forth in Paragraph 1 of Article 30 acting as an agent.

2 In the event that a Designated Market Operator causes an Offsetting-Sale, Offsetting-Purchase or exercise of options to be implemented with respect to the Unsettled Contracts pursuant to the commission by the Insolvent Clearing Participant's customers, or causes the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency pursuant to the commission by the Insolvent Clearing Participant's customers to be implemented, the right to claim a refund of the Margin for customers' account pertaining to the Insolvent Clearing Participant's customers*¹

may be exercised directly against JSCC. In such event, if the Margin for customers' account pertaining to the relevant customers has been deposited as the Clearing Participant's Commissioned Margin (Replaced), the amount of such refund shall be limited to the lesser of the amounts set forth in the Items under Paragraph 2 of Article 30.

(*1 excluding any customer who has implemented the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency)

3 In the event that the Insolvent Clearing Participant's customer directly exercises the right to claim a refund of the Margin for customers' account against JSCC pursuant to the provisions of the preceding Paragraph, in accordance with the contract classification set forth in the following Items, JSCC shall cause such customer to notify JSCC of the matters deemed necessary by JSCC, after the day set forth in the applicable Item:

(1) JGB Futures Contract

The day on which an Offsetting-Sale, Offsetting-Purchase, Final Settlement or Settlement by Physical Delivery and Payment is implemented with respect to the Unsettled Contract pursuant to the commission by the relevant customer;

(2) Interest Rate Futures Contract

The day on which an Offsetting-Sale, Offsetting-Purchase or Final Settlement is implemented with respect to the Unsettled Contract pursuant to the commission by the relevant customer;

(3) Index Futures Contract

The day on which an Offsetting-Sale, Offsetting-Purchase or Final Settlement is implemented with respect to the Unsettled Contract pursuant to the commission by the relevant customer;

(4) Security Option Contract and Index Option Contract

The day on which an Offsetting-Purchase is implemented, or the Exercise Date, with respect to the Unsettled Contract pursuant to the commission by the relevant customer;

(5) Option Contract on JGB Futures

The day on which an Offsetting-Purchase is implemented, the day on which the assignment of exercised option is implemented, or the expiration date of the Exercise Period, with respect to the Unsettled Contract pursuant to the commission by the relevant customer;

(6) Commodity Futures Contracts

The day on which an Offsetting-Sale, Offsetting-Purchase, final settlement or

Settlement by Delivery is implemented with respect to the Unsettled Contracts pursuant to the commission by the relevant customer; and

(7) Option Contract on Commodity Futures

The day on which an Offsetting-Purchase is implemented, or the exercise date, with respect to the Unsettled Contract pursuant to the commission by the relevant customer.

- 4 When the preceding Paragraph applies, if JSCC receives a demand for a refund of the Margin deposited as the Clearing Participant's Commissioned Margin (Replaced) pertaining to the relevant customer, JSCC shall make the refund in the form of cash.

(Article 34 Special Provisions Concerning the Right to Claim a Refund of the Margin for Customers' Account Pertaining to Brokers)

- 1 In the event that a Designated Market Operator causes an Offsetting-Sale, Offsetting-Purchase or exercise of options to be implemented with respect to the Unsettled Contracts pursuant to the brokerage of the commission by an Applicant of the Insolvent Clearing Participant's customer, if the Broker is an entity who is deemed by the Designated Market Operator as the customer whose Obligations Pertaining to Futures and Option Contracts owed to the Insolvent Clearing Participant became immediately due and payable, or as the customer which is not appropriate for implementing the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency, the Applicant of the relevant Broker may, after the date prescribed in each of the Items under Paragraph 3 of the preceding Article, request JSCC's approval of the direct exercise against JSCC of the right to claim a refund of the Margin for customers' account, after notifying JSCC of the fact that the relevant Broker is an entity who is deemed by the Designated Market Operator as the customer whose Obligations Pertaining to Futures and Option Contracts owed to the Insolvent Clearing Participant became immediately due and payable, or as the customer which is not appropriate for implementing the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency and of the amount pertaining to the relevant Applicant's right to claim a refund.
- 2 When the preceding Paragraph applies, JSCC shall confirm the matters set forth in the relevant notification by requiring the Insolvent Clearing Participant to submit documents deemed necessary by JSCC.
- 3 After confirmation is made pursuant to the provisions of the preceding Paragraph, JSCC shall approve the direct exercise of the relevant right to claim a refund.
- 4 When Paragraph 1 applies, the amount relating to the right to claim a refund of the

Margin^{*1} for customers' account pertaining to the relevant Applicant shall be limited to the lesser of the amounts set forth in the following Items:

(^{*1} excluding the Margin deposited with JSCC as the direct deposit by the relevant Applicant)

(1) An amount equal to the sum of the amount of money^{*1} and the Marked to Market Value^{*2} of the Securities and the Like which have been deposited by the Applicant of the customer with the customer as the Brokerage Margin or with the Insolvent Clearing Participant as the Customer Margin; or

(^{*1} when such money is denominated in a foreign currency, the amount appraised by converting such amount to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the relevant currency in the Tokyo foreign exchange market on the day immediately preceding the day on which the Suspension of Transactions, etc. due to Insolvency is implemented)

(^{*1} referring to the value which is valued based on the market price on the day immediately preceding the day on which the Designated Market Operator implements the Suspension of Transactions, etc. due to Insolvency^{*1-1}; the same applies hereinafter in this Paragraph)

(^{*1-1} in the case where the applicable Securities and the Like are the Foreign Government Bonds, an amount equal to their market price, converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the currency used for appraisal of each Foreign Government Bonds in the Tokyo foreign exchange market on the day immediately preceding the day on which such Suspension of Transactions, etc. due to Insolvency is implemented)

(2) An amount equal to the sum of A) and B) below, apportioned pro-rata according to the amount equal to the sum of the amount of money and the Marked to Market Value of the Securities and the Like deposited with or provided to the customer as the Brokerage Margin or Customer Margin by each Applicant of such customer:

A) An amount equal to the Clearing Participant's Commissioned Margin (Replaced) stipulated in Paragraph 1 of Article 32, apportioned pro-rata according to the amount^{*1} equal to the sum of the amount of money and the Marked to Market Value of the Securities and the Like deposited with the Insolvent Clearing Participant as the Customer Margin by each customer; and

(^{*1} including the sum of the amount of money and the Marked to Market Value of the Securities and the Like provided by the customer as the relevant Margin, during the period ending upon the deposit of such Margin by the relevant

Insolvent Clearing Participant with JSCC)

B) The amount of the Clearing Participant's Commissioned Margin (Replaced by Broker) stipulated in Paragraph 2 of Article 32.

5 In the event that JSCC receives the claim for a refund set forth in the preceding Paragraph, JSCC shall make the refund in the form of cash, except for the directly-deposited Margin.

(Article 35 Refund, etc. of the Margin Pertaining to Transferred Position in the case of Insolvency)

A Transferee Clearing Participant in the case of Insolvency, when it intends to receive a refund of the Margin which is deemed to have been deposited with JSCC pursuant to the provisions of Paragraph 1 of Article 30, shall notify JSCC of the matters deemed necessary by JSCC.

Section 3 Handling of the Non-Clearing Participant's Commissioned Margin

(Article 36 Handling of the Margin for Customers' Account)

The provisions of Article 30 through the preceding Article shall apply *mutatis mutandis* to the handling of the Non-Clearing Participant's Commissioned Margin in the case where such Non-Clearing Participant becomes subject to the Suspension of Transactions, etc. due to Insolvency implemented by a Designated Market Operator. In such event, the phrase, "Article 28," shall be deemed to be "Article 29"; the phrase, "Insolvent Clearing Participant," shall be deemed to be "Non-Clearing Participant subject to the Suspension of Transactions, etc. due to Insolvency"; the phrase, "Clearing Participant's Commissioned Margin (Replaced)," shall be deemed to be "Non-Clearing Participant's Commissioned Margin (Replaced)"; the phrase, "Offsetting-Sale, Offsetting-Purchase or exercise of options," shall be deemed to be "commission of an Offsetting-Sale, Offsetting-Purchase or exercise of options"; the phrase, "among the Insolvent Clearing Participant, its customer and JSCC" shall be deemed to be "among the Insolvent Clearing Participant's Designated Clearing Participant, the Non-Clearing Participant subject to the Suspension of Transactions, etc. due to Insolvency, its customer and JSCC"; the phrase, "if the customer is a Broker, and if it is an entity who is deemed by the Designated Market Operator as a customer whose Obligations Pertaining to Futures and Option Contracts owed to the Insolvent Clearing Participant have become immediately due and payable, or as the customer which is not appropriate for the implementing the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency," shall be deemed to be "if the customer is a Broker, and if it is an entity who is deemed by the Designated Market Operator as a customer whose Obligations Pertaining to Futures and Option Contracts owed to the Insolvent Clearing Participant have become immediately due and payable"; the phrase, "Clearing Participant's Commissioned Margin (Replaced by Broker)" shall be deemed to be "Non-Clearing Participant's Commissioned Margin (Replaced by Broker)"; and the phrase, "among the Insolvent Clearing Participant, the customer, its Applicant and JSCC" shall be deemed to be "among the Insolvent Clearing Participant's Designated Clearing Participant, the Non-Clearing Participant subject to the Suspension of Transactions, etc. due to Insolvency, the customer, its Applicant and JSCC."

Chapter 3-2 Handing of Customer's Delivery Payment

(Article 36-2 Special Provisions concerning Right to Claim Refund related to Delivery Payment)

1 In the case where a Clearing Participant has become subject to Suspension of Obligation Assumption due to Insolvency imposed by JSCC or in the case where a Non-Clearing Participant has become subject to Suspension of Transactions, etc. due to Insolvency imposed by the Designated Market Operator, the right to claim a refund of the Delivery Payment for the Customer Account for a customer of the Clearing Participant^{*1}, or a customer of Non-Clearing Participant^{*1*2}, may be exercised directly to JSCC.

(^{*1} referring to an Applicant when the customer is an Applicant)

(^{*2} hereinafter referred to as "Customer and the Like" in this Article)

2 In the case where the right to claim a refund of the Delivery Payment for Customer Account is exercised by Customer and the Like directly to JSCC under the preceding Paragraph, JSCC may require the reports to be submitted concerning matters deemed necessary and shall refund the Delivery Payment to the Customer and the Like at the head office of JSCC when JSCC deemed the report appropriate. Moreover, the exercise of such right to claim a refund may occur subsequent to the settlement of all Unsettled Contracts relating to the Customer and the Like.

Section 4 Miscellaneous Clauses

(Article 37 Handling of Other Matters Relating to Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency, etc.)

In addition to the matters prescribed in Article 27 through the preceding Article, matters necessary for the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency shall be prescribed by JSCC on a case-by-case basis.

Chapter 4 Miscellaneous Provisions

(Article 38 Application to the Brokerage for Clearing of Securities, etc.)

With respect to the brokerage of the commission of the Brokerage for Clearing of Securities, etc. pertaining to Futures and Option Contracts, the Trading Participant commissioning the Brokerage for Clearing of Securities, etc. shall be deemed as the entity who conducts the brokerage of the relevant Futures and Option Contracts, and the provisions of Chapter 2 and Chapter 3 shall apply accordingly.

(Article 39 Determination of Necessary Matters Relating to the Margin and Handling of Unsettled Contracts, etc.)

In addition to the matters prescribed in these Rules, when necessary in connection with the Margin pertaining to Futures and Option Contracts and the handling of the Unsettled Contracts in the case of Suspension of Obligation Assumption due to Insolvency, etc., JSCC may prescribe rules concerning the required operations.

(Article 40 Authority to Make Amendments)

Amendments to these Rules shall be made by resolutions adopted at the meetings of the board of directors; provided, however, that the foregoing shall not apply when the amendments are not material.

Supplementary Provisions

- 1 These Rules shall come into effect on February 2, 2004.
- 2 The convertible bonds or the corporate bonds with stock acquisition rights for which the provisions then in force still remain applicable pursuant to the provisions of Paragraph 1 of Article 7 of the Supplementary Provisions of the Law Partially Amending the Commercial Code, Etc. (Law No. 128 of 2001) shall be treated as Convertible Bonds or corporate bonds with stock acquisition rights that are not Convertible Bonds, respectively, and these Rules shall be applied to them accordingly.

Supplementary Provisions

- 1 These revised Rules shall come into effect on the day set by JSCC*.
- 2 The Marked to Market Value or the market price, in the event that such market price before the Effective Date is to be used for the calculation of the substituting price, of the securities registered by the Japan Securities Dealers Association on the day immediately preceding the day on which these revised Rules come into effect*¹ shall be, notwithstanding the amended provisions of Paragraph 2 of the *Appendix*, the last selling/buying price at 3 P.M. published by the Japan Securities Dealers Association.

(*¹ hereinafter referred to as the “Effective Date”)

- 3 With respect to the application of the provisions of Paragraph 3 of the *Appendix* relating to the issues*¹ registered by the Japan Securities Dealers Association on the day immediately preceding the Effective Date, the selling/buying volume of the relevant issue in the OTC market operated by the Japan Securities Dealers Association shall be deemed to constitute the selling/buying volume of the relevant issue in Jasadq Securities Exchange, Inc.

(*¹ limited to the issues listed on Jasadq Securities Exchange, Inc. on the Effective Date)

(*Note) The date set by JSCC in Paragraph 1 is December 13, 2004.

Supplementary Provisions

These revised Rules shall come into effect on May 1, 2006.

Rules on Margins, etc. for Futures and Option Contracts

Supplementary Provisions

These revised Rules shall come into effect on September 30, 2007.

Supplementary Provisions

These revised Rules shall come into effect on January 15, 2008.

Supplementary Provisions

These revised Rules shall come into effect on June 16, 2008.

Supplementary Provisions

These revised Rules shall come into effect on January 5, 2009.

Supplementary Provisions

These revised Rules shall come into effect on March 23, 2009.

Supplementary Provisions

These revised Rules shall come into effect on September 28, 2009.

Supplementary Provisions

These revised Rules shall come into effect on the day prescribed by JSCC*.

(*Note) The “day prescribed by JSCC” is October 5, 2009.

Supplementary Provisions

These revised Rules shall come into effect on December 30, 2009.

Supplementary Provisions

These revised Rules shall come into effect on February 28, 2011; provided, however,

that the revised provisions of (*4) of Paragraph 2 of the *Appendix* shall come into effect on January 1, 2011.

Supplementary Provisions

These revised Rules shall come into effect on November 21, 2011.

Supplementary Provisions

These revised Rules shall come into effect on January 30, 2012.

Supplementary Provisions

These revised Rules shall come into effect on January 4, 2013.

Supplementary Provisions

These revised Rules shall come into effect on February 12, 2013.

Supplementary Provisions

These revised Rules shall come into effect on July 16, 2013.

Supplementary Provisions

These revised Rules shall come into effect on September 24, 2013.

Supplementary Provisions

These revised Rules shall come into effect on January 10, 2014.

Supplementary Provisions

1 These revised Business Rules shall come into effect on March 24, 2014.

2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence

of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Business Rules shall come into effect on the day set by JSCC which is not earlier than March 24, 2014.

Supplementary Provisions

These revised Rules shall come into effect on July 22, 2014.

Supplementary Provisions

These revised Rules shall come into effect on September 22, 2014.

Supplementary Provisions

These revised Rules shall come into effect on January 19, 2015.

Supplementary Provisions

These revised Rules shall come into effect on July 6, 2015.

Supplementary Provisions

- 1 These revised Rules shall come into effect on September 24, 2015.
- 2 Notwithstanding the provisions of the immediately preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than September 24, 2015.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on October 13, 2015.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC

deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Business Rules shall come into effect on the day set by JSCC which is not earlier than October 13, 2015.

Supplementary Provisions

These revised Rules shall come into effect on January 18, 2016.

Supplementary Provisions

These revised Rules shall come into effect on July 4, 2016.

Supplementary Provisions

These revised Rules shall come into effect on July 19, 2016.

Supplementary Provisions

These revised Rules shall come into effect on January 10, 2017.

Supplementary Provisions

These revised Rules shall come into effect on April 10, 2017.

Supplementary Provisions

These revised Rules shall come into effect on July 10, 2017.

Supplementary Provisions

These revised Rules shall come into effect on October 10, 2017.

Supplementary Provisions

These revised Rules shall come into effect on January 9, 2018.

Supplementary Provisions

1. These revised Rules shall come into effect on February 13, 2018, except for the provisions of Articles 23-2 and 23-3 which shall come into effect on the day set by JSCC which is not earlier than the date these revised Rules become effective.
2. Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than February 14, 2018.

Supplementary Provisions

These revised Rules shall come into effect on April 9, 2018.

Supplementary Provisions

These revised Rules shall come into effect on May 1, 2018.

Supplementary Provisions

1. These revised Rules shall come into effect on June 25, 2018.
2. Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than June 25, 2018.

Supplementary Provisions

These revised Rules shall come into effect on July 9, 2018.

Supplementary Provisions

These revised Rules shall come into effect on October 9, 2018.

Supplementary Provisions

These revised Rules shall come into effect on January 15, 2019.

Supplementary Provisions

These revised Rules shall come into effect on April 8, 2019.

Supplementary Provisions

These revised Rules shall come into effect on July 8, 2019.

Supplementary Provisions

These revised Rules shall come into effect on October 7, 2019.

Supplementary Provisions

These revised Rules shall come into effect on January 14, 2020.

Supplementary Provisions

These revised Rules shall come into effect on July 13, 2020.

Supplementary Provisions

1. These revised Rules shall come into effect on July 27, 2020.
2. Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to

conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than July 27, 2020.

3. Notwithstanding the provisions of Paragraph 1, in the application of the provisions of Paragraph 2 through Paragraph 4 of Article 11 as revised, in the case where a customer of a Clearing Participant which is a “Specified Member (*tokutei kaiin*)” prescribed in Article 4, Paragraph 1 of the Supplementary Provisions of the Act for Partial Revision of the Financial Instruments and Exchange Act, etc (Act No. 86 of 2012), the phrase “its own fund” shall be deemed to be “money.”

Supplementary Provisions

These revised Rules shall come into effect on October 5, 2020.

Supplementary Provisions

These revised Rules shall come into effect on January 12, 2021.

Supplementary Provisions

These revised Rules shall come into effect on April 5, 2021.

Supplementary Provisions

These revised Rules shall come into effect on July 5, 2021.

Supplementary Provisions

1. These revised Rules shall come into effect on September 21, 2021.
2. Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than September 21, 2021.

Supplementary Provisions

These revised Rules shall come into effect on October 11, 2021.

Supplementary Provisions

These revised Rules shall come into effect on January 11, 2022.

Supplementary Provisions

These revised Rules shall come into effect on April 4, 2022.

Supplementary Provisions

These revised Rules shall come into effect on July 4, 2022.

Supplementary Provisions

1. These revised Rules shall come into effect on September 21, 2022.
2. Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than September 21, 2022.
3. Any matter that is necessary for the enforcement of these revised Rules shall be separately prescribed by JSCC.

Supplementary Provisions

These revised Rules shall come into effect on October 11, 2022.

Supplementary Provisions

1. These revised Rules shall come into effect on May 29, 2023.
2. Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than May 29, 2023.

Supplementary Provisions

1. These revised Rules shall come into effect on November 6, 2023.
2. Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than November 6, 2023.

<Appendix 1> Table Concerning Types of Securities Deposited in lieu of Cash and their Substituting Prices, etc.

1 The substituting price of the Securities Deposited in lieu of Cash as the Margin, Customer Margin or Brokerage Margin shall be the amount*¹ equal to their market price as of the day*² which is two days before the day of delivery or the day of deposit with respect to the relevant Securities and the Like, multiplied by a rate prescribed by JSCC; provided, however, that JSCC may change the substituting price when deemed particularly necessary by JSCC, due to significant fluctuations in the market, etc.

(*¹⁻¹ in the case where the applicable Securities and the Like are the Foreign Government Bonds, an amount equal to their market price, multiplied by a rate prescribed by JSCC, converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the currency used for appraisal of each Foreign Government Bonds in the Tokyo foreign exchange market on the day which is two days before the day on which the Margin is deposited)

(*¹⁻² in the case of the substituting price of the Securities Deposited in lieu of Cash as Customer Margin or Brokerage Margin, an amount not in excess of the amount resulting from the multiplication by the rate prescribed by JSCC)

(*² if such day falls on a Non-business Day, it shall be the immediately preceding business day)

2 The types of securities, their market prices and the rates prescribed by JSCC referenced in the preceding Paragraph shall be as follows:

Type of Securities and the Like		Market Price	The rate by which the market price is to be multiplied
Japanese Government Bonds (For Inflation-Indexed Bonds, only those eligible for Clearing under OTC JGB Clearing Service)	Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association	Average of the relevant Reference Statistical Prices for OTC Bond Transactions (For Inflation-Indexed Bonds, the value obtained by multiplying such average by the indexation coefficient published by the Ministry of Finance)	The rate which is prescribed by JSCC, obtained by calculating past 10-year price decline rate reflecting price fluctuation rate at time of substantial interest rate fluctuation depending on type of Japanese Government Bonds and years to maturity, then deducting its minimum amount covering 99% confidence level (*8) from 1, with fraction less than 0.01 rounded down and the maximum value capped at 0.99.

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

	Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published	The closing price (* 1) at the Financial Instruments Exchange (* 2)	
Bonds guaranteed by the Japanese Government Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act (* 3)	Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association	Average of the relevant Reference Statistical Prices for OTC Bond Transactions	The rate which is prescribed by JSCC, obtained by calculating past 10-year price decline rate reflecting price fluctuation rate at time of substantial interest rate fluctuation depending on years to maturity, then deducting its minimum amount covering 99% confidence level (*8) from 1, with fraction less than 0.01 rounded down and the maximum value capped at 0.99.
	Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published	The closing price (* 1) in the Financial Instruments Exchange (* 2)	
Foreign Government Bonds	U.S. Treasury Bonds/Notes/Bills	The last quote in the New York market on the immediately preceding day	The rate which is prescribed by JSCC, obtained by calculating past 10-year price decline rate reflecting price fluctuation rate at time of substantial interest rate fluctuation and exchange rate fluctuation rate at time of substantial exchange rate fluctuation depending on years to maturity, then deducting its minimum amount covering 99% confidence level (*8) from 1, with fraction less than 0.01 rounded down and the maximum value capped at 0.99.
	GBP denominated bonds issued by the United Kingdom of Great Britain and Northern Ireland	The last quote in the London market on the immediately preceding day	
	EUR denominated bonds issued by Federal Republic of Germany	The last quote in the Frankfurt market on the immediately preceding day	
	EUR denominated bonds issued by French Republic	The last quote in the Paris market on the immediately preceding day	

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

<p>Municipal bonds (*3)</p> <p>Special bonds (excluding bonds guaranteed by the Japanese Government)(*4)</p> <p>Corporate Bonds (excluding bonds with stock acquisition rights and Exchangeable Corporate Bonds) (*3) (*4)</p> <p>Yen-denominated bonds issued by foreign juridical persons (<i>SAMURAI Bonds</i>) (excluding Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act, Convertible Bonds and Exchangeable Corporate Bonds (*3) (*4))</p>	<p>Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association</p>	<p>Average of the relevant Reference Statistical Prices for OTC Bond Transactions</p>	<p>The rate which is prescribed by JSCC, obtained by calculating past 10-year price decline rate reflecting price fluctuation rate at time of substantial interest rate fluctuation depending on years to maturity, then deducting its minimum amount covering 99% confidence level (*8) from 1, with fraction less than 0.01 rounded down and the maximum value capped at 0.99.</p>
	<p>Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published</p>	<p>The closing price (*1) in the Financial Instruments Exchange (*2)</p>	
<p>Beneficiary securities of public and corporate bond investment trusts(*6)</p>	<p>Whose market prices on the preceding day are published by the Investment Trusts Association Japan</p>	<p>Applicable market price</p>	<p>85/100</p>
<p>Convertible Bonds (*3) (*5) (*6)</p> <p>Exchangeable Corporate Bonds (*3) (*6)</p>	<p>Which are listed on a domestic Financial Instruments Exchange</p>	<p>The closing price (*1) in the Financial Instruments Exchange (*2)</p>	<p>80/100</p>

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

<p>Stocks</p> <p>Preferred equity capital contribution securities</p> <p>Depository receipts for foreign stocks</p> <p>Beneficiary securities of foreign investment trusts</p> <p>Foreign investment securities</p> <p>Beneficiary securities of beneficiary securities issuing trust</p> <p>Beneficiary securities of foreign beneficiary securities issuing trust</p>	<p>Which are listed on a domestic Financial Instruments Exchange</p>	<p>The closing price (* 1) in the Financial Instruments Exchange(* 2)</p>	<p>70/100</p>
<p>Beneficiary securities of investment trusts (excluding beneficiary securities of public and corporate bond investment trusts)</p> <p>Investment securities</p>	<p>Which are listed on a domestic Financial Instruments Exchange</p> <p>Whose market prices on the preceding day are published by the Investment Trusts Association Japan(* 6)</p>	<p>The closing price (* 1) in the Financial Instruments Exchange (* 2)</p> <p>Applicable market price</p>	
<p>Warehouse Receipts (*7)</p>	<p>Warehouse Receipts certifying the storage of goods deliverable for the settlement by delivery of transactions as prescribed by the Osaka Exchange, Inc.</p>	<p>Settlement Price for the contract month contract of which the Last Trading Day arrives first.</p>	<p>70/100</p>

- (* 1) With respect to an issue that is listed on multiple Financial Instruments Exchanges, referring to the Financial Instruments Exchange selected in accordance with the order of priority prescribed by JSCC.
 - (* 2) In the case where a final quote is posted in the applicable Financial Instruments Exchange, the closing price refers to such final quote.
 - (* 3) Limited to those with respect to which an underwriting contract is executed by a Financial Instruments Business Operator in connection with their issuance.
 - (* 4) With respect to Special bonds^{*1}, Corporate Bonds^{*2} and Yen-denominated bonds issued by foreign juridical persons (*SAMURAI Bonds*) ^{*3}, limited to those deemed appropriate by JSCC taking the issuing company's creditworthiness and other circumstances into account(e.g. all ratings obtained from Eligible Rating Agencies^{*4} are A or above, etc.).
 - (^{*1} excluding bonds guaranteed by the Japanese Government)
 - (^{*2} excluding bonds with stock acquisition rights and Exchangeable Corporate Bonds)
 - (^{*3} excluding Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act, Convertible Bonds and Exchangeable Corporate Bonds)
 - (^{*4} referring to the Credit Rating Agencies stipulated in Paragraph 36 of Article 2 of the Act and the Specified Related Corporations stipulated in Paragraph 2 of Article 116-3 of the Ordinance of Cabinet Office Concerning Financial Instruments Business, etc. (Ordinance of Cabinet Office No. 52 of 2007).)
 - (* 5) With respect to Convertible Bonds, limited to those issued by the corporations whose stocks are listed on domestic Financial Instruments Exchanges.
 - (* 6) To be excluded from the scope of the Securities Deposited in lieu of Cash for Clearing Participant's Proprietary Margin and Affiliate's Margin.
 - (* 7) Warehouse Receipt for goods other than precious metals shall be excluded from the scope of the Securities Deposited in lieu of Cash for Clearing Participant's Proprietary Margin and Affiliate's Margin.
 - (* 8) The minimum amount covering 99% confidence level means the smallest figure out of those figures which constitute the upper 1%, such that the number of figures smaller than such figure exceeds 99% of the total number of figures concerned.
- 3 With respect to the order of priority prescribed by JSCC referenced in the provisions of the preceding Paragraph, the Financial Instruments Exchange with the highest selling/buying volume^{*1} of the relevant issue among the Financial Instruments Exchanges: during July through December of the preceding year in the case where the day which is two days before the day of delivery or the day of deposit occurs during February through July; or during January through June in the case where the day which is two days before the day of delivery or the day of deposit occurs during August through January in the following year, shall be in the first priority position, and the subordinating priority shall be in accordance with the order of the code^{*2} of the Exchanges, Industry Groups, etc.
- (^{*1} limited to the selling/buying volume pertaining to the Regular Transactions^{*1-1} during trading sessions)
 - (^{*1-1} referring to the Regular Transactions prescribed by each Financial Instruments Exchange)
 - (^{*2} referring to the code prescribed by the Securities Identification Code Committee)

=End=

<Appendix 2> Table Concerning Calculation of Risk Amount Exceeding Collateral for each Account set forth in Article 46-3 and Article 46-4 of Business Rules

The Risk Amount Exceeding Collateral for each account set forth in Article 46-3 and Article 46-4 of the Business Rules shall be the amount obtained according to the below formula at each calculation timing and for each Position as commissioned by a customer or under a commission of Brokerage for Clearing of Securities, etc. of a Non-Clearing Participant in one account — the terms used in the formula shall have the meanings set forth in a. through c. below:

Risk Amount Exceeding Collateral

= Recalculated Risk Amount for an Account + Value Equivalent to Differences Pertaining to Futures Contracts and Value Equivalent to Option Contract Price for an Account – Deposited Amount of Margin for an Account

a. Recalculated Risk Amount for an Account shall be the amount obtained for each account by below formula:

(a) When the account falls under Item (2) b. of Article 46-3, Item (3) b. of Article 46-3, Item (1) of Article 46-4 or Item (2) b. of Article 46-4:

Recalculated Risk Amount for an Account = Expected Loss Amount for an Account – Aggregate Net Option Value for an Account

(Note 1) Expected Loss Amount for an Account means the amount calculated in accordance with the method prescribed by JSCC as the expected loss amount for Position^{*1} on the account related to Futures and Option Contracts at the time of calculation.

(*¹ other than Position that became subject to the Cross Margining Request on the applicable Trading Day)

(Note 2) Aggregate Net Option Value for an Account means the amount obtained by subtracting the aggregate short option value on the account from the aggregate long option value on the account as of the time of calculation.

(b) When the account falls under Item (2) a. of Article 46-3, Item (3) a. of Article 46-3 or Item (2) a. of Article 46-4:

Recalculated Risk Amount for an Account = Amount Required for Margin Notified on Previous Trading Day + Risk Fluctuation Equivalent

(Note 1) Amount Required for Margin Notified on Previous Trading Day means the amount notified by JSCC to the Clearing Participant as the amount required for Margin for an account on the previous Trading Day pursuant to the provisions of Paragraph 2 of Article 24-2.

- (Note 2) Risk Fluctuation Equivalent means the amount obtained by subtracting Expected Loss Amount for an account calculated pursuant to the provisions of a. (a) on the previous Trading Day from the Expected Loss Amount for an account as of the calculation timing calculated pursuant to the provisions of a. (a); provided that if the resultant value becomes negative, such amount shall be deemed to be zero.
- b. Value Equivalent to Differences Pertaining to Futures Contracts and Value Equivalent to Option Contract Price for an Account means the Value Equivalent to Differences Pertaining to Futures Contracts and Value Equivalent to Option Contract Price for an account at the calculation timing.
- c. Deposited Amount of Margin for an Account means the sum of the amount of money and the mark to market value of the Securities and the Like deposited as Margin for an account at the calculation timing.

<Appendix 3> Table concerning Calculation of Amount Required for Delivery Clearing Margin

1. Amount Required for Delivery Clearing Margin related to Precious Metals

- (1) The amount required for Delivery Clearing Margin related to Precious Metals in case of Declared Delivery shall be the amount obtained according to below formula:

$$\begin{aligned} &\text{Amount Required for Delivery Clearing Margin related to Precious Metals} \\ &= \text{Delivery Price} \times \text{Delivery Unit Multiplier} \times 10/100 \end{aligned}$$

- (2) The Delivery Clearing Margin set forth in the preceding Item shall be calculated from the date on which the Declared Delivery is concluded to the Declared Delivery Date

2. Amount Required for Delivery Clearing Margin related to Rubber

- (1) The amount required for Delivery Clearing Margin related to Rubber in case of delivery^{*1} shall be the amount obtained according to below formula:
(*¹ in case of RSS, limited to Declared Delivery)

$$\begin{aligned} &\text{Amount Required for Delivery Clearing Margin related to Rubber} \\ &= \text{Delivery Price} \times \text{Delivery Unit Multiplier} \times 10/100 \end{aligned}$$

- (2) The Delivery Clearing Margin set forth in the preceding Item shall be calculated or the period prescribed below:

A) RSS

From the date on which the Declared Delivery is concluded to the Declared Delivery Date

B) TSR

- (a) For the delivery by the standard delivery method, from the last Trading Day for the latest contract month contract to the cutoff time for the notification of the deficiency
- (b) For the delivery through Declared Delivery, from the date on which the Declared Delivery is concluded to the Declared Delivery Date
- (c) For the delivery through Customized Delivery, from the last Trading Day for the latest contract month contract to the day of the Settlement by Delivery
- (d) For the delivery through ADP, from the last Trading Day for the latest contract month contract to the date on which JSCC approved the notification concerning ADP

3. Amount Required for Delivery Clearing Margin related to Agricultural Products

- (1) The amount required for Delivery Clearing Margin related to agricultural products in case

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of a delivery of Soybean and Corn shall be the amount obtained according to below formula:

Amount Required for Delivery Clearing Margin related to Agricultural Products
= Delivery Price X Delivery Unit Multiplier X 5/100

(2) The Delivery Clearing Margin set forth in the preceding Item shall be calculated for the period prescribed below:

A) Soybean

From the last Trading Day for the latest contract month contract^{*1} to the later of the date on which the submission deadline for the request for the inspection of the delivery goods prescribed in Article 73-31-41 of the Business Rules arrives, and the date on which the arrangement for the discount arising from request for the inspection of the delivery goods has completed^{*2}

(*1 or, for the Early Delivery and Declared Delivery, the date of conclusion of such delivery)

(*2 or, in case of the delivery through ADP, date on which JSCC approved the request)

B) Corn

From the last Trading Day for the latest contract month contract^{*1} to the date on which the arrangement by weight of the delivery goods prescribed in Article 73-31-53 of the Business Rules has completed^{*2}

(*1 or, for the Early Delivery, the date of conclusion of such delivery)

(*2 or, in case of the delivery through ADP, date on which JSCC approved the request)