

Rules on Margin for Business of Assuming Commodity Transaction Debts



Japan Securities Clearing Corporation

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Rules on Margin for Business of Assuming Commodity Transaction Debts

(In effect as of April 13, 2026)

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Chapter 1 General Provisions

(Article 1 Purpose)

These Rules set forth necessary matters concerning the Margin relating to the transactions in Commodity Markets, and the handling of money and securities and other considerations deposited for the settlement by delivery and the Unsettled Contracts in the event of the Suspension of Obligation Assumption due to Insolvency and the like pursuant to the provisions of Article 65 of the Business Rules on Business of Assuming Commodity Transaction Debts.

(Article 2. Definitions)

1 In these Rules, "Futures Contract" refers to the Physical Settlement Futures Contract, the Cash Settlement Futures Contract and the Index Futures Contract listed under each Item of Article 2 of the Business Rules on Business of Assuming Commodity Transaction Debts.

2 In these Rules, "Designated Market Operator" refers to the Designated Market Operator operating the Designated Commodity Market set forth in Article 3 of the Business Rules on Business of Assuming Commodity Transaction Debts.

3 In these Rules, "Member" refers to a member or a trading participant of the Designated Market Operator.

4. In these Rules, "Obligations Pertaining to Transactions in Commodity Markets" refers to the obligations to pay money in connection with a settlement of the transactions in the Commodity Markets and other obligations to be borne in connection with the transactions in the Commodity Markets.

5 In these Rules, "Broker" refers to a party that accepts a brokerage activity for consignment of transactions in the Commodity Markets.

6 "Brokerage Customer" refers to a party that requests brokerage activity for consignment of transactions in the Commodity Markets.

7 In these Rules, "Clearing Broker" refers to a party that accepts recommissioning of a brokerage activity for consignment of Commodity Clearing Transactions.

8 In these Rules, "Clearing Brokerage Customer" refers to a party^{*1} that requests brokerage activity for consignment of Commodity Clearing Transactions.

(*1 excluding a Clearing Broker)

9 In these Rules, "Customer to Clearing Broker" refers to a party that requests recommissioning of brokerage activity for consignment of Commodity Clearing Transactions.

10 In these Rules, "Clearing Participant" refers to a Clearing Participant set forth in Paragraph

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1 of Article 5 of the Business Rules on Business of Assuming Commodity Transaction Debts.

11 In these Rules, "Non-Clearing Participant" refers to a Non-Clearing Participant set forth in Article 10 of the Business Rules on Business of Assuming Commodity Transaction Debts.

12 In these Rules, "Designated Clearing Participant" means a Designated Clearing Participant set forth in Article 10 of the Business Rules on Business of Assuming Commodity Transaction Debts.

13 In these Rules, "Suspension of Obligation Assumption due to Insolvency" refers to the measure to suspend an assumption of obligations pursuant to the provisions of Paragraph 1 of Article 29 of the Business Rules on Business of Assuming Commodity Transaction Debts^{*1} and the measure to suspend an assumption of obligations pursuant to the provisions of Paragraph 1 and Paragraph 5 of Article 75 of the Business Rules on Business of Assuming Commodity Transaction Debts.

(*1 limited to the suspension due to a violation of the Instructions for Improvement on Position Holding pursuant to the provisions of Article 31 of the said Rules)

14 In these Rules, "Suspension of Transactions, etc. due to Insolvency" refers to the measure to suspend the trading in the Commodity Market or the commission of the Commodity Clearing Transaction^{*1} taken by the Designated Market Operator, or the measure to suspend the trading in the Commodity Market or the commission of the Commodity Clearing Transactions taken by the Designated Market Operator in the event of the Suspension of Obligation Assumption due to Insolvency.

(*1 limited to the measures taken due to the Designated Market Operator's determination of a Trading Participant as a defaulter)

Chapter 2 Margin

Section 1 General Rules

(Article 3. Purpose of Margin)

1 The purpose of the Margin is to ensure the performance of the Obligations Pertaining to Transactions in Commodity Market listed below pursuant to the provisions of these Rules:

(1) Obligations pertaining to transactions in the Commodity Markets payable or deliverable by a Clearing Participant to JSCC;

(2) Obligations pertaining to transactions in the Commodity Markets payable or deliverable by a Non-Clearing Participant to a Clearing Participant;

(3) Obligations pertaining to transactions in the Commodity Markets of a Customer owed to a Member^{*1};

(*1 if a Member is a Non-Clearing Participant, including the Obligations Pertaining to Transactions in Commodity Markets of a Clearing Brokerage Customer owed to the Member)

(4) Obligations pertaining to transactions in the Commodity Markets of a Broker owed to a Member^{*1}; and

(*1 if a Member is a Non-Clearing Participant, including the Obligations Pertaining to Transactions in Commodity Markets of a Clearing Broker owed to the Member)

(5) Obligations pertaining to transactions in the Commodity Markets of Brokerage Customer owed to a Broker^{*1}.

(*1 if a Member to which a Broker commissions the transactions in the Commodity Markets is a Non-Clearing Participant, including the Obligations Pertaining to Transactions in Commodity Markets of a Customer to Clearing Broker owed to the Clearing Broker)

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

(Article 4. Amount Required for 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 plus the Delivery Clearing Margin for Proprietary Account aggregated by types of Clearing Qualifications related to

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Futures Contracts. In such event, the terms used above shall have the meanings set forth in the following items:

(*1 if a measure of increasing an amount required for the Margin for the proprietary account is taken pursuant to the provisions of Paragraph 1 of Article 8 or Paragraph 1 of Article 9, 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 Contracts.

(2) Delivery Clearing Margin for Proprietary Account:

The amount calculated, as the Margin amount required when the settlement by delivery is carried out, according to Appendix 2 "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 Margin^{*1} of the Customers, Brokerage Customers, Clearing Brokerage Customers and Clearing Brokers^{*2}. In such case, the phrase, "Amount required for the Margin for proprietary account" shall be deemed to be "Amount required for the Margin for Customer and the Like"; the phrase, "Expected Loss Amount for Proprietary Account" shall be deemed to be "Expected Loss Amount for Customer and the Like"; the phrase, "Delivery Clearing Margin for Proprietary Account," shall be deemed to be "Delivery Clearing Margin for Customer and the Like"; the phrase "paragraph 1 of article 8 and Paragraph 1 of Article 9," shall be deemed to be "Paragraph 2 of Article 8"; and the phrase, "for a trading participant's proprietary account" shall be deemed to be "as commissioned by the applicable Customer and the Like."

(*1 when a Customer and the Like deposits the amount of the preliminary add-on pursuant to the provisions of Paragraph 4 of Article 12-2, the portion of such amount of the preliminary add-on that relates to the relevant Customer and the Like shall be added to the required amount; the same applies hereinafter)

(*2 hereinafter referred to as the "Customer and the Like")

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 and the Like^{*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

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“Expected Loss Amount for Voluntary Breakdown Unit”; the phrase, “Delivery Clearing Margin for Proprietary Account,” shall be deemed to be “Delivery Clearing Margin for Voluntary Breakdown Unit”; the phrase “Paragraph 1 of Article 8 or Paragraph 1 of Article 9,” shall be deemed to be “Paragraph 3 of Article 8”; the phrase “for a trading participant’s proprietary account” shall be deemed to be “for voluntary breakdown unit as commissioned by the Customer.”

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

(Article 6. Amount Required for Margin for Account)

1 JSCC will calculate the amount required for the Margin for accounts set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts by each of the below-listed accounts by the methods set forth below:

(1) Account set forth in Item (1) of Article 53 and Item (1) of Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts:

Amount required for Margin calculated pursuant to Article 4;

(2) Account set forth in Item (2) A) and Item (3) A) of Article 53 and Item (2) A) of Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts:

The amount required for Margin calculated, in respect of information of Customer and the Like notified pursuant to the provisions of Article 33, 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 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts other than those listed in the preceding two Items:

Amount required for Margin calculated, in respect of the Customer and the Like 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 said 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 53 and Item (2) A) of Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts shall be determined by JSCC if the Clearing Participant fails to submit the notification set forth in Article 33 or JSCC considers that submission of the notification is impossible or difficult.

(Article 7.) Deleted

(Article 8. 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 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 Margin for Customers and the Like. In such case, the phrase, "for proprietary account," shall be deemed to be "as commissioned by a Customer and the Like"; the phrase, "an amount required for Margin for the proprietary account," shall be deemed to be "an amount required for Margin for a Customer and the Like."
- 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 and the Like"; 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 the Margin based on the results of such calculation of the risk amount.

(Article 9. 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 77 of the Business Rules on Business of Assuming Commodity Transaction Debts^{*1} 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.
(*1 referring to the amount prescribed by JSCC in its rules; the same applies hereinafter)
- 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

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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 as the relevant Margin.

(Article 10. Type of Currency)

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

(Article 11. Securities in lieu of Cash)

- 1 Matters concerning the securities and warehouse receipts^{*1} to be deposited as the Margin, the Customer Margin, Brokerage Margin and Clearing Brokerage Margin shall be separately prescribed by JSCC.

(*1 hereinafter referred to as "Securities 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 in lieu of Cash, 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 and book-entry transfer of bonds in a foreign country in accordance with the laws and regulations of a foreign country)

Section 2 Margin pertaining to Clearing Participants

(Article 12. Deposit of Margin for Proprietary Account)

Upon the formation of selling/buying Futures Contracts for proprietary account or a performance of a settlement by delivery, a Clearing Participant shall deposit with JSCC, in a manner 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 case, the Clearing Participant may deposit Securities in lieu of Cash.

(*1 For the Clearing Participant submitted the notification set forth in Paragraph 5 of Article 19 of the Business Rules on Business of Assuming Commodity Transaction Debts, 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 12-2 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 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 a Non-Business Day that is not a Holiday Trading Day exists 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 and the Like related to the position managed in one of the accounts set forth in Item (2) or (3) of Article 53, or Item (2) of Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts, when a Clearing Participant submitted the notification set forth in Paragraph 4 of Article 19 of the Business Rules

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on Business of Assuming Commodity Transaction Debts notifies, in a manner prescribed by JSCC, its desire to exclude the account managing such Customer and the Like from the calculation of the preliminary Margin add-on by reason of that Customer and the Like 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 and the Like 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 and the Like be deposited by cash of that Customer and the Like.
- 4 When it agreed with a Customer and the Like 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 and the Like as Margin for the relevant Customer and the Like in a manner prescribed by JSCC. In such event, Securities Deposited in lieu of Cash may be deposited as the relevant Margin.

(Article 13. Deposit of Margin for Customers' Account and Margin for Commodity Clearing Transactions)

- 1 Upon the formation of selling /buying Futures Contracts pursuant to a commission by a Customer, a re-commission of an intermediary of a commission by a Brokerage Customer, a re-commission of an intermediary of a commission by a Clearing Broker or a further re-commission of an intermediary of a re-commission of an intermediary of a commission by a Customer to Clearing Broker, 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 for Commodity Clearing Transactions stipulated in the provisions of Paragraph 2 of Article 32.
- 2 When the amount required for the Margin for the proprietary account of a Non-Clearing Participant, the amount required for the Margin for a Customer and the Like or the amount required for the Margin for Voluntary Breakdown Unit has been increased pursuant to the provisions of Article 8, a Clearing Participant may agree with the Customer and the Like 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 and the Like or

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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, the Clearing Participant may deposit Securities in lieu of Cash.

(Article 14. Deposit of 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 a manner 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 in lieu of Cash, which have been provided by the relevant Customer as the Margin, in a manner prescribed by JSCC, during the four-day period commencing on the day on which the Customer provides the Margin^{*3}. In such event, Securities in lieu of Cash may be deposited 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 hereinafter in the following Paragraph and Paragraphs 2 of Article 15)

(*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; the same applies hereinafter in the following Paragraph and Paragraph 2 of the following Article)

(*2-1 referring to the market price determined by JSCC; the same applies hereinafter)

(*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, a 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 in lieu of Cash, which have been deposited as the Customer Margin by the relevant Customer, in a manner prescribed by JSCC. In such case, the Clearing Participant may deposit Securities in lieu of Cash.

4 Notwithstanding the provision of the preceding Paragraph, when a Clearing Participant has concluded a contract (hereinafter referred to as "LG Contract for Replacement Deposit") with a bank or other financial institution^{*1} and notifies JSCC of such fact, with the approval of the Competent Minister and pursuant to the provision of Paragraph 7 of Article 103 of the Act to apply *mutatis mutandis* pursuant to Paragraph 7 of Article 179 of the Act, JSCC may, under the provisions of Article 52 through Article 54, defer the deposit of the Margin to the extent of the amount stipulated in such Contract, except for the case where a Customer is an Affiliate.

(*1 referring to a Bank, etc. as prescribed under Paragraph 1 of Article 44 of the Ordinance for Enforcement of Commodity Derivatives Act (Ministerial Ordinance No. 3 of 2005 issued by the Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry), the same applies hereinafter)

5 When any of Paragraph 1 through Paragraph 3 applies, if the sum of the amount of money^{*1} and the value of the Securities in lieu of Cash 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, a fund in an amount not less than an amount equal to such amount required for the Margin, deducting the value of the Margin and/or the Customer Margin deposited or provided by such Customer, in a manner prescribed by JSCC.

(*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 day on which the Margin is deposited and multiplied by a certain rate determined by JSCC; the same applies hereinafter in Paragraph 4 of the following Article and Paragraph 3 of Article 16)

(*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 by JSCC; the same applies hereinafter in Paragraph 4 of the following Article and Paragraph 3 of Article 16)

(*3 referring to the amount required for the Margin for the relevant Customer set forth in Article 4 to apply *mutatis mutandis* pursuant to Article 5; the same applies hereinafter)
In such case, the Clearing Participant may deposit Securities in lieu of Cash.

6 Notwithstanding the provisions of Paragraph 1, when, with an approval of a Clearing Participant and JSCC, a Customer has concluded a contract^{*1} under the provisions of Paragraph 8 of Article 103 of the Act to apply *mutatis mutandis* pursuant to Paragraph 8 of Article 179 of the Act with a bank or other financial institution and notified JSCC of such

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effect, JSCC may, under the provisions of Article 55 through Article 59 defer a deposit of the Margin to the extent of an amount stipulated in such Contract, except for the case where a Customer is an Affiliate.

(*1 hereinafter referred to as "LG Contract for Direct Deposit")

(Article 15. Deposit of Margin pertaining to Broker)

- 1 In cases where a Broker has placed the Margin, or in cases where a Broker has placed the Margin as an agent for a Brokerage Customer, to a Clearing Participant, the Clearing Participant shall deposit the entire amount of the Margin with JSCC as an agent for the Broker or the Brokerage Customer, as the case may be.
- 2 In cases where a Broker has deposited the Customer Margin, or in cases where a Broker has deposited Customer Margin as an agent for a Brokerage Customer, the Clearing Participant shall deposit with JSCC, as the Margin, the amount not less than the sum of monies and Marked to Market Value of the Securities in lieu of Cash deposited by the Broker as Customer Margin. In such case, the Clearing Participant may deposit Securities in lieu of Cash.
- 3 The provisions of Paragraph 2 of the preceding Article shall apply *mutatis mutandis* to the deposit of the Margin under Paragraph 1, and the provisions of Paragraph 4 of the preceding Article shall apply *mutatis mutandis* to the deposit of the Margin under the preceding Paragraph.
- 4 When Paragraph 1 or Paragraph 2 applies, if the sum of the amount of money and the value of the Securities in lieu of Cash valued based on their Substituting Prices, which have been provided or deposited with the Clearing Participant by a Broker as the Margin or Customer Margin, is less than the amount which the Clearing Participant notified to the Broker as the amount required for its Margin, the Clearing Participant shall deposit with JSCC, as the Margin, monies in an amount not less an amount equal to such required amount, deducting the value of the Margin or the Customer Margin provided or deposited by the Broker, in a manner prescribed by JSCC. In such case, the Clearing Participant may deposit Securities in lieu of Cash.
- 5 Notwithstanding the provisions of Paragraph 1 above, in the case where a Brokerage Customer under Paragraph 1 designates a Broker as its agent, when the Brokerage Customer, with an approval of a Clearing Participant, the Broker and JSCC, has concluded a LC Contract for Replacement Deposits with a bank or other financial institution and notified JSCC of such fact, JSCC may, under the provisions of Article 55 through Article 59, defer a deposit of the Margin to the extent of the amount stipulated in such Contract, except for the case where the Customer is an Affiliate.

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(Article 16. Deposit of Margin for Commodity Clearing Transactions).

- 1 A Clearing Participant shall deposit with JSCC the entire amount of the Margin provided by a Non-Clearing Participant, as an agent for the relevant Non-Clearing Participant or for a Clearing Brokerage Customer, a Clearing Broker or a Customer to Clearing Broker of the relevant Non-Clearing Participant, in a manner prescribed by JSCC.
- 2 The provisions of Paragraph 4 of Article 14 shall apply *mutatis mutandis* to the Margin set forth in the preceding Paragraph.
- 3 When Paragraph 1 applies, if the sum of the amount of money and the value of the Securities in lieu of Cash 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 is less than the amount which the Clearing Participant notified to the Non-Clearing Participant as the amount required for the Margin for the Commodity Clearing Transactions pertaining to the relevant 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 provided or deposited by such Non-Clearing Participant, in a manner prescribed by JSCC. In such case, the Clearing Participant may deposit Securities in lieu of Cash.
- 4 Notwithstanding the provisions of Paragraph 1 and Paragraph 3, when a Non-Clearing Participant designates its Designated Clearing Participant as its agent, when a Clearing Brokerage Customer designates the Non-Clearing Participant and its Designated Clearing Participant as its agent or a Customer to Clearing Broker designates the Clearing Broker, the Non-Clearing Participant and its Designated Clearing Participant as its agent, if the Non-Clearing Participant, with an approval of its Designated Clearing Participant, the Clearing Brokerage Customer, with an approval of the Non-Clearing Participant and its Designated Clearing Participant, or the Customer to Clearing Broker, with an approval of the Clearing Broker, Non-Clearing Participant and its Designated Clearing Participant, and with JSCC's approval in all cases, has concluded the LG Contract for Direct Deposit with a bank or other financial institution and notified such effect to JSCC, JSCC may grant a deferral of deposit to the extent of the amount stipulated in such an Agreement pursuant to the provisions of Article 55 through Article 59, except for the case where the relevant Clearing Brokerage Customer or the relevant Customer to Clearing Broker is an Affiliate.

(Article 17. Cutoff Time for Depositing Margin)

The deposit of the Margin pursuant to the provisions of Article 12 through the preceding article shall be completed by 11:00 A.M. on the day immediately following the day on which

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the trading day on which a selling/buying Futures Contract is formed ends or the day immediately following the day on which the position subject to the settlement by delivery had been determined.

(Article 18. Maintenance of Margin for Proprietary Account)

In the case where the sum of the amount of money^{*1} and the value of the Securities in lieu of Cash valuated based on their Substituting Prices^{*2}, which have been deposited with JSCC by a Clearing Participant as the Margin for the proprietary account, is less than the amount required for the Margin for the proprietary account, such Clearing Participant shall additionally deposit with JSCC, as the Margin for the proprietary account, an amount not less than the amount of such shortfall, in a manner prescribed by JSCC, at or before 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^{*1-1} immediately preceding the day of the calculation and multiplied by a certain rate set by JSCC; the same applies hereinafter in the following Article, Paragraph 2 and Paragraph 4 of Article 20 and Paragraph 2 of Article 21)

(*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 date of calculation, multiplied by the rate set by JSCC; the same applies hereinafter in the following Article, Paragraph 2 and Paragraph 4 of Article 20 and Paragraph 2 of Article 21) In such case, the Clearing Participant may deposit Securities in lieu of Cash.

(Article 19. Maintenance of Margin for Customers' Account, Broker and Commodity Clearing Transactions)

In the case where the sum of the amount of money and the value of the Securities in lieu of Cash valuated based on their Substituting Prices, which have been deposited with JSCC as the Margin for Customers' account and for Commodity Clearing Transactions, and the amount of which the deposit has been deferred pursuant to the provision so of Paragraph 4 of Article 14^{*1}, Paragraph 6 of the said Article, Paragraph 5 of Article 15 and Paragraph 4 of Article 16, is less than the amount required for the Margin for Customers' account and for the Commodity Clearing Transactions by account set forth in Paragraph 2 of Article 32^{*2}, such Clearing Participant shall additionally deposit with JSCC as the Margin for Customers' account and for the Commodity Clearing Transactions. an amount not less than the amount

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of such shortfall, in a manner prescribed by JSCC, by 11:00 A.M. on the day immediately following the date on which such shortfall occurs. In such case, the Clearing Participant may deposit Securities in lieu of Cash.

(*¹ including those provisions to apply mutatus mutandis pursuant to Paragraph 3 of Article 15 and Paragraph 2 of Article 16)

(*² if the measures of increasing the amount required for the Margin for Customers' account and for Commodity Clearing Transactions have been taken pursuant to the provisions of Paragraph 2 or Paragraph 3 of Article 8, the relevant add-on charge shall be added)

(Article 20. Maintenance of Margin for Customers' Account and Margin of Broker)

1 In the case where the sum of the amount of money^{*1} and the Marked to Market Value^{*2} of the Securities in lieu of Cash, 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 14, and the amount of which the deposit is deferred pursuant to the provisions of Paragraph 4 of Article 14, is less than the sum of the amount of money and the Marked to Market Value of the Securities in lieu of Cash, 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 14, 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 immediately preceding the day of the calculation and multiplied by a certain rate set by JSCC ; the same applies hereinafter in this Paragraph, Article 31 and Article 43)

(*² referring to the amount evaluated using the market price on the day immediately preceding the date of calculation; the same applies hereinafter in this Paragraph, Article 31 and Article 43)

2 In the case where the sum of the amount of money and the value of the Securities in lieu of Cash valued based on their Substituting Prices, which have been deposited or provided by a Customer as the Margin or Customer Margin, and the amount of which the deposit is deferred pursuant to the provisions of Paragraph 4 and Paragraph 6 of Article 14 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 5 of Article 14, by 11:00 A.M. on the day immediately following the day on which such shortfall occurs.

3 In the case where a shortfall occurs with respect to the Margin to be provided to a Clearing Participant by a Broker, and where the relevant Broker additionally provides or deposits the Margin or the Customer Margin in an amount not less than the amount of such shortfall, such Clearing Participant shall additionally deposit the entire amount of such Margin and Customer Margin with JSCC in accordance with the provisions of Article 15.

4 in the case where the sum of the amount of money and the value of the Securities in lieu of Cash valuated based on their Substituting Prices, which have been deposited or provided by a Broker as the Margin, and the amount of which the deposit is deferred pursuant to the provisions of Paragraph 4 of Article 14 to apply *mutatis mutandis* pursuant to Paragraph 3 of Article 15 and the provisions of Paragraph 5 of Article 15, is less than the amount notified by the Clearing Participant to the relevant Broker as the amount of Margin for the relevant Broker, the Clearing Participant shall additionally deposit with JSCC, as the Margin pertaining to the Broker, an amount not less than the amount of such shortfall, in accordance with the provisions of Article 15,

(Article 21. Maintenance of Margin pertaining to Commodity Clearing Transactions)

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, 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 3 of Article 16 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 value of the Securities in lieu of Cash valuated based on their Substituting Prices, which have been provided by a Non-Clearing Participant as the Margin, and the amount of which the deposit is deferred pursuant to the provisions of Paragraph 4 of Article 14 to apply *mutatis mutandis* pursuant to the provisions of Paragraph 2 of Article 16 and Paragraph 4 of Article 16 is less than the amount notified by JSCC to the Clearing Participant as the Margin for the Commodity Clearing Transactions pertaining to the relevant 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 3 of Article 16, by 11:00 A.M. on the day immediately following the day on which such shortfall occurs.

(Article 22. Classification and Management Method concerning Margin)

1 The deposit of the Margin prescribed in Article 12 through Article 16 and Article 18 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 transactions in the Commodity Markets for its proprietary account^{*1*2};

(*1 hereinafter referred to as the "Clearing Participant's Proprietary Margin")

(*2 other than the Margin set forth in the following Item)

(2) The portion of the Clearing Participant's Proprietary Margin that is deposited with JSCC for the transactions in the Commodity Markets as commissioned by a Customer and the Brokerage Customer or as a commission of Commodity Clearing Transactions of a Non-Clearing Participant pursuant to the provisions of Paragraph 3 of Article 13;

(3) The portion of the Margin deposited with JSCC by a Clearing Participant in connection with the transactions in the Commodity Markets pursuant to the commission by a Customer and a Brokerage Customer^{*1}, which is provided as the Margin to the relevant Clearing Participant by the Customer and the Brokerage Customer^{*2};

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

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

(4) Where the Brokerage Margin is deposited with a Broker by a Brokerage Customer, the portion of the Clearing Participant's Commissioned Margin which is provided to a Clearing Participant by the Brokerage 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) Where the Customer Margin is deposited with a Clearing Participant by a Customer, a Brokerage Customer or a Broker, the portion of the Clearing Participant's Commissioned Margin which is provided by the Clearing Participant as the Margin equivalent to the relevant Customer Margin^{*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 the transactions in the Commodity Markets 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")

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(*² hereinafter referred to as the "Non-Clearing Participant's Proprietary Margin (Direct Deposit)")

(7) The portion of the Margin deposited with JSCC by a Designated Clearing Participant in connection with the transactions in the Commodity Markets pertaining to a commission of Clearing Brokerage Customer and Clearing Broker^{*1}, which is provided as the Margin to the relevant Non-Clearing Participant by the relevant Clearing Brokerage Customer and the relevant Customer to Clearing Broker^{*2};

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

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

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

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

(9) Where the Customer Margin is deposited with a Non-Clearing Participant by a Clearing Brokerage Customer, a Customer to Clearing Broker or a Clearing Broker, the portion of the Non-Clearing Participant's Commissioned Margin, which is provided by the relevant Non-Clearing Participant to the Designated Clearing Participant as the Margin equivalent to such Customer Margin^{*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 12 through Article 16 and Article 18 through the preceding Article shall be managed by JSCC in accordance with the classification described in the Items under the preceding Paragraph.

3 JSCC may, upon receiving a notification from a Clearing Participant that it desires a management of the Margin^{*1} in a manner separately prescribed by JSCC^{*2}, perform the Specified Management of the said Margin, as prescribed by JSCC.

(*¹ limited to cash deposited in Japanese currency only)

(*² hereinafter referred to as the "Specified Management")

4 The profit or loss^{*1} arising from the Specified Management set forth in the immediately preceding Paragraph shall vest in JSCC.

(*¹ including expense and fees necessary for the said Specified Management)

5 If the profit arises from the Specified Management stipulated in Paragraph 3, JSCC may pay the amount prorated in the manner prescribed by JSCC to the Clearing Participant

who made a notification set forth in the said Paragraph.

6 A Clearing Participant who made a notification set forth in Paragraph 3 shall pay, with respect to the loss arising from the Specified Management set forth in the said Paragraph, the amount prorated in a manner prescribed by JSCC.

(Article 23. Deposit of Intraday Margin)

1 If the sum of the amount of money^{*1} and the value of the Securities in lieu of Cash valued based on their Substituting Prices^{*2}, which have been deposited with JSCC by a Clearing Participant as the Margin for the proprietary account, is less than the amount required for the Intraday Margin stipulated in the following Article, such Clearing Participant shall deposit with JSCC, as the Margin for the proprietary account, an amount not less than the amount equal to such shortfall by 2:00 P.M. on the applicable day. In such case, the Clearing Participant may deposit Securities in lieu of Cash.

(*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 and multiplied by a certain rate set by JSCC; the same applies in Article 26)

(*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 by JSCC)

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 the 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 24. Amount Required for Intraday Margin)

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 if such amount is to be paid, and deducting the foregoing amount if such amount

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is to be received, and then adding the Sum of Risk Amount Exceeding Collateral for each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts^{*1} and the amount of the preliminary add-on set forth in Paragraph 1 of Article 12-2. In such case, the terms used above shall have the meanings set forth in the following items:

(*1 other than the accounts set forth in Item (1) of Paragraph 1 of Article 53 of the said Rules; the same applies hereinafter in this Article, Article 27, Article 29, Article 30 and Article 32)

(1) Recalculated Intraday Risk Amount

An amount equal to the amount required for Margin for the 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 Contracts," is deemed to be "trading participant's proprietary position as of 11:00 a.m. on the relevant trading day with respect to Futures Contract";

(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) With respect to Futures Contracts for the 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 off-exchange transactions, EFP Transactions, EFS Transactions and stop-loss transactions concluded before 11:00 A.M. on the applicable trading day)

(b) With respect to a position for the 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^{*1};

(*1 for electricity futures fiscal year contracts^{*1-1}, for the position of each contract arising from the cascading set forth in Article 54-2 of the Business Rules on Business of Assuming Commodity Transaction Debts on the trading day which is 2 Business Days prior to the end of March in the previous fiscal year of the subject fiscal year for electricity futures fiscal year contract, an amount equal to the difference between the Settlement Price of electricity futures fiscal year contracts on the immediately preceding trading day and the Intraday Settlement Price for each relevant contract on the relevant trading day)

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(*1-1 referring to fiscal year baseload electricity futures and fiscal year peakload electricity futures prescribed by the Designated Market Operator; the same applies hereinafter in this Article and Article 27)

(3) Sum of Risk Amount Exceeding Collateral for each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts

Sum of the amount calculated as per Appendix 1 by each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts.

(Article 25. Intraday Settlement Prices)

In the case where JSCC causes the Margin to be deposited pursuant to the provisions of Paragraph 1 of Article 23, JSCC will determine the Intraday Settlement Price in a manner prescribed by JSCC.

(Article 26. Deposit of Emergency Margin)

1 In the case where the prices of the Energy Futures Contracts^{*1}, Precious Metal Futures Contracts^{*2}, Index Futures Contracts^{*3} or JGB Futures Contracts^{*4} 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 in lieu of Cash valuated based on their Substituting Prices, which have been deposited with JSCC by a Clearing Participant as the Margin for the proprietary account, is less than the amount required for the Emergency Margin stipulated in the following Article, such Clearing Participant shall additionally deposit with JSCC, as the Margin for the proprietary account, an amount not less than the amount equal to such shortfall by 4:00 P.M. on the applicable day.

(*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 energy; the same applies hereinafter)

(*2 referring to the Precious Metal Futures Contracts set forth in Article 73-31-2 of the Business Rules related to JSCC's securities and similar contracts clearing business; the same applies hereinafter)

(*3 referring to the Index Futures Contracts set forth in Item (5) of Paragraph 2 of Article 3 of the said Rules; the same applies hereinafter in this Article)

(*4 referring to the JGB Futures Contracts set forth in Item (3) of the said Paragraph; the same applies hereinafter) In such case, the Clearing Participant may deposit Securities in lieu of Cash.

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- (1) Where the extent of fluctuations in the prices of the Energy Futures Contracts exceeds the thresholds prescribed by JSCC in the daytime session;
 - (2) Where the extent of fluctuations in the prices of the Precious Metal Futures Contracts exceeds the thresholds prescribed by JSCC in the daytime session;
 - (3) Where the extent of fluctuations in the prices of the Index Futures Contracts exceeds the thresholds prescribed by JSCC in the daytime session; or
 - (4) Where the extent of fluctuations in the prices of the JGB Futures Contracts exceeds the thresholds prescribed by JSCC in the afternoon 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 pursuant to the provisions of the said Paragraph.
- 4 The provisions of Paragraph 2 of Article 22 shall apply *mutatis mutandis* to the Margin set forth in Paragraph 1.

(Article 27. 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 if such amount is to be paid, and deducting the foregoing amount if such amount is to be received, and then adding the Sum of Risk Amount Exceeding Collateral for each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts and the amount of the preliminary add-on set forth in Paragraph 1 of Article 12-2. In such case, the terms used above shall have the meanings set forth in the following items:

(1) Recalculated Risk Amount:

An amount equal to the amount required for the Margin for the 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 Contracts," is deemed to be "trading participant's proprietary position as of 1:00 P.M. on the relevant trading day with respect to Futures Contracts";

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

(a) With respect to Futures Contracts for the proprietary account^{*1}, which are concluded in the night session and the daytime session before 1:00 P.M. of the applicable trading day, an amount equal to the difference between the Contract Price and the Emergency Settlement Price

(*1 including off-exchange transactions, EFP Transactions, EFS Transactions and stop-loss transactions concluded before 1:00 P.M. on the applicable trading day)

(b) With respect to a position for the proprietary account on the immediately preceding trading day, an amount equal to the difference^{*1} between the Settlement Price on that preceding trading day and the Emergency Settlement Price.

(*1 for electricity futures fiscal year contract, for the position of each contract arising from the cascading set forth in Article 54-2 of the Business Rules on Business of Assuming Commodity Transaction Debts on the trading day which is 2 Business Days prior to the end of March in the previous fiscal year of the subject fiscal year for electricity futures fiscal year contract, an amount equal to the difference between the Settlement Price of electricity futures fiscal year contracts on the immediately preceding trading day and the Emergency Settlement Price for each relevant contract on the relevant trading day)

3) Sum of Risk Amount Exceeding Collateral for each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts

Sum of the amount calculated as per Appendix 1 by each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts.

(Article 28 Emergency Settlement Prices)

In the event that JSCC causes the Margin to be deposited pursuant to the provisions of Paragraph 1 of Article 26, JSCC shall determine the Emergency Settlement Price in a manner prescribed by JSCC.

(Article 29. Deposit of Emergency Margin for Specified Party)

1 JSCC may increase the amount required for the 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 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts, the

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ratio of the risk equivalent under normal market conditions by each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts 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 the proprietary account exceeds the value prescribed by JSCC according to the amount of the relevant Clearing Participant's net worth or its financial condition such as cash, etc.
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 not less than the amount of such shortfall within 3 hours after the notice is given. In such case, the Clearing Participant may deposit Securities in lieu of Cash.
 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 22 shall apply *mutatis mutandis* to the Margin set forth in Paragraph 3.

(Article 30. Risk Equivalent under Normal Market Conditions)

- 1 The risk equivalent under normal market conditions for each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts shall be the Recalculated Risk Amount as per Appendix 1, adding the amount of the Value Equivalent to Differences Pertaining to Futures Contracts if such amount is to be paid, and deducting the foregoing amount if such amount is 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 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts, 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

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the preceding Paragraph in respect of the account set forth in Paragraph 1 of Article 53 of the Business Rules on Business of Assuming Commodity Transaction Debts.

(*1 positive value only)

3 In the case where JSCC causes the Margin to be deposited pursuant to the provisions of Paragraph 3 of the preceding Article, JSCC shall determine Monitoring Settlement Price.

(Article 31. Right to Claim Refund of 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 in lieu of Cash, 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 in lieu of Cash, 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 in lieu of Cash, 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 in lieu of Cash 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) 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 the transactions in the Commodity Markets owed by the relevant Customer to the Clearing Participant.

(2) Clearing Participant

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 payment or delivery obligations pertaining to the transactions in the Commodity Markets owed by the relevant Clearing Participant to JSCC, where such transactions are pursuant to the commission by the relevant Customer, and further deducting the amounts set forth in the preceding Item.

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2 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 Brokerage Customer, 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 in lieu of Cash, which have been deposited with JSCC 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 in lieu of Cash, which have been deposited by the relevant Brokerage Customer 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 in lieu of Cash, 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 in lieu of Cash, which have been deposited by the relevant Brokerage Customer 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 in lieu of Cash, 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 in lieu of Cash relating to the Margin provided by such Brokerage Customer, during the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as "Total Sum of Clearing Participant's Margin Pertaining to Brokerage Customer's Actual Deposit" in this Paragraph)

(1) Relevant Brokerage Customer

An amount equal to the Total Sum of Clearing Participant's Margin Pertaining to Brokerage Customer's Actual Deposit, deducting an amount equal to the yet-to-be performed obligations pertaining to the transactions in the Commodity Markets owed by the relevant Brokerage Customer to the relevant Broker.

(2) Relevant Broker

An amount equal to the Total Sum of Clearing Participant's Margin Pertaining to Brokerage Customer's Actual Deposit, deducting an amount equal to the yet-to-be performed obligations pertaining to the transactions in the Commodity Markets owed by the relevant Broker to the Clearing Participant, where such transactions are pursuant to the commission by the relevant Brokerage Customer, and further deducting the amount set forth in the preceding Item.

(3) Clearing Participant

An amount equal to the Total Sum of Clearing Participant's Margin Pertaining to Brokerage Customer's Actual Deposit, deducting an amount equal to the yet-to-be

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performed payment or delivery obligations pertaining to the transactions in the Commodity Markets owed by the relevant Clearing Participant to JSCC, where such contracts are pursuant to the commission by the relevant Brokerage Customer, and further deducting the amount set forth in the preceding two Items.

- 3 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 in lieu of Cash, which have been deposited by the relevant Brokerage Customer 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 in lieu of Cash, 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 in lieu of Cash, which have been deposited by the relevant Brokerage Customer 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 in lieu of Cash, 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 in lieu of Cash relating to the Margin provided by such Broker, during the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as "Total Sum of Clearing Participant's Margin Pertaining to Broker's Actual Deposit" in this Paragraph)

(1) Relevant Broker

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 the transactions in the Commodity Markets owed by the relevant Broker to the Clearing Participant.

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

(2) Clearing Participant

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 payment or delivery obligations pertaining to the transactions in the Commodity Markets owed by the relevant Clearing Participant to JSCC, where such contracts are

pursuant to the commission by the relevant Broker.

(*¹ excluding the amount 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 Clearing Brokerage Customer, 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 in lieu of Cash, which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Direct Deposit); and the sum of the amount of money and the Marked to Market Value of the Securities in lieu of Cash, which have been deposited by the relevant Clearing Brokerage 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 in lieu of Cash, 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 in lieu of Cash relating to the Margin provided by such Clearing Brokerage Customer, during the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as "Total Sum of Non-Clearing Participant's Margin Pertaining to Customer's Actual Deposit" in this Paragraph)

(1) Relevant Clearing Brokerage 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 the transactions in the Commodity Markets owed by the relevant Clearing Brokerage Customer to the Non-Clearing Participant.

(2) Non-Clearing Participant

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 payment or delivery obligations pertaining to the transactions in the Commodity Markets owed by the relevant Non-Clearing Participant to the Designated Clearing Participant, where such transactions are pursuant to the commission by the relevant Clearing Brokerage Customer, and further deducting the amount set forth in the preceding item.

(3) Designated Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Customer's Actual Deposit, deducting the amount equal to the yet-to-be performed

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payment or delivery obligations pertaining to the transactions in the Commodity Markets owed by the relevant Designated Clearing Participant to JSCC, where such contracts are pursuant to the commission by the relevant Clearing Brokerage Customer, and further deducting the amounts set forth in the preceding two Items.

5 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 to Clearing Broker, 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 in lieu of Cash, which have been deposited with JSCC 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 in lieu of Cash, which have been deposited as the Clearing Brokerage Margin by the Customer to Clearing Broker, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities in lieu of Cash, 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 in lieu of Cash, which have been deposited as the Clearing Brokerage Margin or the Customer Margin by the relevant Customer to Clearing Broker, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities in lieu of Cash, 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 in lieu of Cash relating to the Margin provided by such Customer to Clearing Broker, during the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as "Total Sum of Non-Clearing Participant's Margin Pertaining to Brokerage Customer's Actual Deposit" in this Paragraph)

(1) Relevant Customer to Clearing Broker

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Brokerage Customer's Actual Deposit, deducting an amount equal to the yet-to-be performed obligations pertaining to transactions in the Commodity Markets owed by the relevant Customer to Clearing Broker to the relevant Clearing Broker.

(2) Relevant Clearing Broker

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Brokerage Customer's Actual Deposit, deducting an amount equal to the yet-to-be performed obligations pertaining to the transactions in the Commodity Markets owed by the relevant Clearing Broker to the Non-Clearing Participant, where such

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transactions are pursuant to the commission by the relevant Customer to Clearing Broker, and further deducting the amounts set forth in the preceding Item.

(3) Non-Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Brokerage Customer's Actual Deposit, deducting an amount equal to the yet-to-be performed payment or delivery obligations pertaining to the transactions in the Commodity Markets owed by the relevant Non-Clearing Participant to the Designated Clearing Participant, where such contracts are pursuant to the commission by the relevant Customer to Clearing Broker, and further deducting the amounts set forth in the preceding two Items.

(4) Designated Clearing Participant

An amount equal to the Total Sum of Non-Clearing Participant's Margin Pertaining to Brokerage Customer's Actual Deposit, deducting the amount equal to the yet-to-be performed payment or delivery obligations pertaining to the transactions in the Commodity Markets owed by the relevant Designated Clearing Participant to JSCC, where such transactions are pursuant to the commission by the relevant Customer to Clearing Broker, and further deducting the amounts set forth in the preceding three Items.

6 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 Clearing 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 in lieu of Cash, which have been deposited by the relevant Customer to Clearing Broker as the Clearing Brokerage Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities in lieu of Cash, which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced by Broker); and the amount deposited with the Non-Clearing Participant that is a Member as the Customer Margin in excess of the sum of the amount of money and the Marked to Market Value of the Securities in lieu of Cash, which have been deposited by the relevant Customer to Clearing Broker as the Clearing Brokerage Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities in lieu of Cash, 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 in lieu of Cash relating to the Margin provided by such Clearing Broker, during

the period ending upon the deposit of such Margin with JSCC; hereinafter referred to as "Total Sum of Non-Clearing Participant's Margin Pertaining to Broker's Actual Deposit" in this Paragraph)

(1) Relevant Clearing Broker

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 the transactions in the Commodity Markets owed by the relevant Clearing Broker to the Non-Clearing Participant.

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

(2) Non-Clearing Participant

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 payment or delivery obligations pertaining to the transactions in the Commodity Markets owed by the relevant Non-Clearing Participant to the Designated Clearing Participant, where such transactions are pursuant to the commission by the relevant Clearing Broker, and further deducting the amount set forth in the preceding Item.

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

(3) Designated Clearing Participant

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

(*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 deposited with JSCC in connection with a Non-Clearing Participant and the Non-Clearing Participant's Commissioned Margin, 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 in lieu of Cash deposited with JSCC as the Non-Clearing Participant's Proprietary Margin; the sum of the amount of money and the Marked to Market Value of

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the Securities in lieu of Cash, 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 in lieu of Cash, which is deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced)*¹.

(*¹ including the Margin deposited by the Non-Clearing Participant to the Clearing Participant as prescribed by the Designated Market Operator and further deposited by the relevant Clearing Participant with JSCC until Margin deposited by the relevant Clearing Brokerage Customer or the Clearing Broker is deposited with JSCC; hereinafter referred to as "Total Sum of Non-Clearing Participant's Margin pertaining to its Own Actual Deposit" in this Paragraph)

(1) 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 amount of the yet-to-be performed payment or delivery obligations pertaining to all of the transactions in the Commodity Markets 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) Designated 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 yet-to-be performed payment or delivery obligations owed to the Designated Clearing Participant pertaining to the transactions in the Commodity Markets pursuant to the commission of the Commodity Clearing Transactions of the Non-Clearing Participant, and further deducting the amount set forth in the preceding Item.

(*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 (defined below), deducting an amount*¹ equal to the yet-to-be performed payment or delivery obligations pertaining to all of the transactions in the Commodity Markets owed by the relevant Clearing Participant to JSCC 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 in lieu of Cash, which have been deposited with JSCC as the Clearing

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Participant's Proprietary Margin; the amount deposited with JSCC in excess of the sum^{*2} of the amount of money and the Marked to Market Value of the Securities in lieu of Cash 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 in lieu of Cash, which have been deposited with JSCC as the Clearing Participant's Commissioned Margin (Replaced)^{*3}.

(*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 including the sum of the amount of money and the Marked to Market Value of the Securities in lieu of Cash relating to the Margin deposited by the relevant Customer during the period ending upon the deposit of such Margin with JSCC)

(*3 hereinafter referred to as Total Sum of Clearing Participant's Margin Pertaining to its Own Actual Deposit")

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 the right to claim a refund of a Customer or Broker of a Clearing Participant, the Clearing Participant shall exercise it on behalf of such Customer or Broker;
- (4) With respect to the right to claim a refund of a Brokerage Customer, the Clearing Participant to which the transactions in the Commodity Markets pursuant to the commission by the relevant Brokerage Customer is re-commissioned by a Broker shall exercise it on behalf of the relevant Brokerage Customer.
- (5) With respect to the right to claim a refund of a Clearing Brokerage Customer or a Clearing Broker of a Non-Clearing Participant, the relevant Non-Clearing Participant or its Designated Clearing Participant shall exercise it on behalf of such Clearing Brokerage Customer or Clearing Broker.
- (6) With respect to the right to claim a refund of a Customer to Clearing Broker, the Non-Clearing Participant to which the transactions in the Commodity Markets pursuant to the commission by the relevant Customer to Clearing Broker is re-commissioned by

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a Clearing Broker, or its Designated Clearing Participant, shall exercise it on behalf of the relevant Customer to Clearing Broker.

(Article 32. Notification of Amount Required for Margin)

1 JSCC shall, on each trading day, notify a Clearing Participant of the amount required for the Margin for its proprietary account on such trading day after the Process for Fixing Positions*¹.

(*¹ referring to the process to subtract the quantity notified pursuant to the provisions of Articles 55 of the Business Rules on Business of Assuming Commodity Transaction Debts as the quantity pertaining to the settlement; the same applies in this Article)

2 For each trading day, JSCC shall notify Clearing Participants of the amount required for the Margin set forth in Article 6 for each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts as the amount required for the Margin for Customer's account and for the Commodity Clearing Transactions at the relevant account for the applicable trading day after completion of the Process of Fixing Position of the applicable trading day.

(Article 33. Notification of Position for Customer's Account, Broker and Commodity Clearing Transactions)

On each trading day, 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 and the Like or for Voluntary Breakdown Unit in respect of the relevant issue, by each account set forth in Item (2)A) of Article 53, Item (3) A) of the said Article and Item (2) A) of Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts. In this case, only in respect of information related to short position and long position under commission of the Commodity Clearing Transactions, the Clearing Participant may have the Non-Clearing Participant submit the notification in lieu of the submission by itself.

(Article 34. Obligation to Report Matters concerning Transactions in Commodity Markets pursuant to Commission by Customers and pursuant to Non-Clearing Participants' Commodity Clearing Transactions)

In the event that JSCC requests that a Clearing Participant submit a report setting forth the quantity of the Contracts for Clearing pursuant to the commission by Customers*¹ or other matters concerning the transactions in the Commodity Markets pursuant to the commission by Customers, and the quantity of the Contracts for Clearing relating to the Commodity Clearing Transactions and other matters concerning the transactions in the Commodity

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Markets relating to the Commodity Clearing Transactions, which are deemed necessary by JSCC, the Clearing Participant shall immediately submit a document setting forth such matters to JSCC.

(*1 including Brokerage Customers; the same applies in this Article)

Chapter 3 Delivery Payment and the Like

(Article 35. Deposit of Delivery Payment of Proprietary Account)

In cases where the transactions in the Commodity Markets on the proprietary account is settled by delivery and such settlement is carried out in the form of monies, securities or other consideration, a Clearing Participant may deposit with JSCC the amount in monies, securities or other consideration for the settlement by delivery*¹.

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

(Article 36 Deposit of Delivery Payment for Customer's 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.

(Article 37 Deposit of Delivery Payment pertaining to Broker)

When a Broker provides the Delivery Payment with a Clearing Participant on behalf of a Brokerage Customer, the Clearing Participant may deposit with JSCC, on behalf of the relevant Brokerage Customer, such Delivery Payment.

(Article 38. Deposit of Delivery Payment for Commodity Clearing Transactions)

A Clearing Participant may deposit with JSCC the Delivery Payment provided by a Non-Clearing Participant which is a Member, on behalf of the relevant Non-Clearing Participant, a Clearing Brokerage Customer or a Customer to Clearing Broker of the relevant Non-Clearing Participant.

(Article 39 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 its Delivery Payment for the Clearing Participant's Customer's account deposited with JSCC.

4 A Brokerage Customer shall have the right to claim a refund of its Delivery Payment for the Clearing Participant's Customer's account deposited with JSCC.

5 A Clearing Brokerage Customer shall have the right to claim a refund of its Delivery Payment for the Non-Clearing Participant's Customer's account deposited with JSCC.

6 A Customer to Clearing Broker shall have the right to claim a refund of its Delivery Payment for the Non-Clearing Participant's Customer's account 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) With respect to the right to claim a refund of a Brokerage Customer, the Clearing Participant to which the transactions in the Commodity Markets pursuant to the commission by the relevant Brokerage Customer is re-commissioned by a Broker shall exercise it on behalf of the relevant Brokerage Customer.
- (5) With respect to the right to claim a refund of a Clearing Brokerage Customer of a Non-Clearing Participant, the relevant Non-Clearing Participant or its Designated Clearing Participant shall exercise it on behalf of such Clearing Brokerage Customer; and
- (6) With respect to the right to claim a refund of a Customer to Clearing Broker, the Non-Clearing Participant to which the transactions in the Commodity Markets pursuant to the commission by the relevant Customer to Clearing Broker is re-commissioned by a Clearing Broker, or its Designated Clearing Participant, shall exercise it on behalf of the relevant Customer to Clearing Broker.

Chapter 4 Handling of Unsettled Contracts in case of Suspension of Obligation Assumption
due to Insolvency

Section 1 Handling of Unsettled Contracts

(Article 40. Handling of Unsettled Contracts for 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 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 the contract month contracts remaining after the last trading day of the contract month contracts that has already arrived and the Unsettled Contracts relating to the position subject to the settlement by delivery after the date on which such position is subject to the settlement by delivery was determined; 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 41. Handling of Unsettled Contracts pursuant to Commission by 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 Insolvent 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 42. Handling of Unsettled Contracts pursuant to Commission of Commodity Clearing Transactions)

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 of the Designated Clearing Participant of the Non-Clearing Participant

subject to the Suspension of Transactions, etc. due to Insolvency, which are pursuant to the commission of the Commodity Clearing Transactions of the relevant Non-Clearing Participant, 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, as a measure taken by the Designated Market Operator with respect to the Non-Clearing Participant which is suspended from commissioning the Commodity Clearing Transaction by the Designated Market Operator, those Unsettled Contracts of the relevant Designated Clearing Participant, which is pursuant to the commission of the Commodity Clearing Transactions of 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 31 shall be extinguished.

Section 2 Handling of Clearing Participant's Commissioned Margin

(Article 43. 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 41*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*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")

(*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 Brokerage Customer has the right to claim a refund pursuant to the provisions of Article 31; the same applies hereinafter in the following Paragraph)

(*⁴ in the case where the transferee Member prescribed by the Designated Market Operator is a Non-Clearing Participant, the relevant transferee Member and the Transferee Clearing Participant 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 in lieu of Cash 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 liquidation by JSCC of the Securities in lieu of Cash pursuant to the provisions of the 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 in lieu of Cash deposited with such Insolvent Clearing Participant by each Customer as the Customer Margin.

(Article 44. Liquidation of Margin Replaced)

- 1 In the event that a Designated Market Operator causes an Offsetting-Sale or Offsetting-Purchase 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 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 liquidate some or all of the Securities in lieu of Cash deposited as the Clearing Participant's Commissioned Margin (Replaced), 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, in the event that a Designated Market Operator causes an Offsetting-Sale or Offsetting-Purchase to be implemented with respect to the Unsettled Contracts pursuant to the commission by the Broker of the Insolvent Clearing Participant or causes the Position Transfer in case of Suspension of Transactions, etc. due to Insolvency pursuant to the commission by the Broker of the Insolvent Clearing Participant to be implemented, if the Broker is an entity who is deemed by the Designated Market Operator as the Broker whose obligations pertaining to the transactions in the Commodity Markets owed to the Insolvent Clearing Participant became immediately due and payable, or as the Broker which is inappropriate for implementing the Position Transfer in 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) or liquidate some or all of the Securities in lieu of Cash deposited as the Clearing Participant's Commissioned Margin (Replaced), 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 Broker and its Brokerage Customer and JSCC.

(Article 45. Special Provisions concerning Handling of Margin Replaced)

- 1 In the event that JSCC has acquired Japanese yen cash in exchange for the fund in foreign currency and/or liquidated the Securities in lieu of Cash pursuant to the provisions of Paragraph 1 of the preceding Article, the amount of 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 in lieu of Cash,

other than the those subject to such liquidation, which had been deposited with JSCC by the Insolvent Clearing Participant as the Clearing Participant's Commissioned Margin (Replaced), and the amount of money obtained from such acquisition, deducting the amount of expenses required for such acquisition, and the amount of money obtained from such liquidation, deducting the amount of expenses required for such liquidation.

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

(Article 46. Special Provisions concerning Right to Claim Refund of 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 43, shall be exercised by the Transferee Clearing Participant set forth in the said Paragraph on behalf of the Customer.
- 2 In the event that a Designated Market Operator causes an Offsetting-Sale or Offsetting-Purchase 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 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.

(*1 excluding any Customer who has implemented the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency) 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 either of the Items of Paragraph 2 of Article 43.

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- 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, JSCC shall cause such Customer to notify JSCC of the matters concerning the Unsettled Contracts pursuant to the commission by such Customer which are deemed necessary by JSCC, after the day on which the Offsetting-Sale or Offsetting-Purchase was implemented or the day on which the final settlement or the settlement by delivery is performed.
- 4 In the case 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 47. Special Provisions concerning Right to Claim Refund of Margin for Customers' Account pertaining to Broker)

- 1 In the event that a Designated Market Operator causes an Offsetting-Sale or Offsetting-Purchase to be implemented with respect to the Unsettled Contracts relating to the Brokerage Customer of a Broker of the Insolvent Clearing Participant, if the Broker is an entity who is deemed by the Designated Market Operator as the Broker whose obligations pertaining to the transactions in the Commodity Markets owed to the Insolvent Clearing Participant became immediately due and payable, or as the Broker which is inappropriate for implementing the Position Transfer in case of Suspension of Transactions, etc. due to Insolvency, the relevant Brokerage Customer may, after the date on which the Offsetting-Sale or Purchase, the final settlement or the settlement by delivery was performed, request JSCC's approval for 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 Broker whose obligations pertaining to the transactions in the Commodity Markets owed to the Insolvent Clearing Participant became immediately due and payable, or as the Broker which is inappropriate for implementing the Position Transfer in case of Suspension of Transactions, etc. due to Insolvency and of the amount subject to the right to claim a refund to which the relevant Brokerage Customer is entitled.
- 2 When the preceding Paragraph applies, JSCC shall confirm the matters stated 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 the preceding Paragraph applies, the amount relating to the right to claim a refund

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of the Margin^{*1} for Customers' account pertaining to the relevant Brokerage Customer 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 Brokerage Customer)

- (1) An amount equal to the sum of the amount of money^{*1} and the Marked to Market Value^{*2} of the Securities in lieu of Cash which have been deposited by the Brokerage Customer with the Broker 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)

(*2 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)

- (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 in lieu of Cash deposited with or provided to the Broker as the Brokerage Margin or Customer Margin by the relevant Brokerage Customer:

- (a) An amount equal to the Clearing Participant's Commissioned Margin (Replaced) stipulated in Paragraph 1 of Article 45, 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 in lieu of Cash deposited with the Insolvent Clearing Participant as the Customer Margin by each Customer, Broker and Brokerage Customer; and

(*1 including the sum of the amount of money and the Marked to Market Value of the Securities in lieu of Cash provided by the Customer, Broker and Brokerage 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 45.

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 48 Refund of Margin pertaining to Transferred Unsettled Contracts)

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A Transferee Clearing Participant, 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 43, shall notify JSCC of the matters deemed necessary by JSCC.

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

(Article 49. Handling of Margin for Customers' Account)

The provisions of Article 43 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 41," shall be deemed to be "Article 42"; 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, "Customer," shall be deemed to be "Clearing Brokerage Customer; the phrase, "Brokerage Customer," shall be deemed to be "Customer to Clearing Broker"; the phrase "Clearing Participant's Commissioned Margin (Replaced)," shall be deemed to be "Non-Clearing Participant's Commissioned Margin (Replaced)"; the phrase, "Offsetting-Sale or Offsetting-Purchase," shall be deemed to be "commission of an Offsetting-Sale or Offsetting-Purchase"; the phrase, "and its Customer," shall be deemed to be "its Designated Clearing Participant, Non-Clearing Participant subject to the Suspension of Transactions, etc. due to Insolvency and its Clearing Brokerage Customer"; the phrase, "Broker," shall be deemed to be "Clearing Broker"; the phrase, "Clearing Participant's Commissioned Margin (Replaced by Broker)" shall be deemed to be "Non-Clearing Participant's Commissioned Margin (Replaced by Broker)"; the phrase, ", Broker and its Brokerage Customer," shall be deemed to be "its Designated Clearing Participant, Non-Clearing Participant subject to the Suspension of Transactions, etc. due to Insolvency, Clearing Broker and Customer to Clearing Broker"; the phrase, "Offsetting-Sale or Offsetting-Purchase," shall be deemed to be "commission of an Offsetting-Sale or Offsetting-Purchase"; and the phrase, "Brokerage Margin," shall be deemed to be "Clearing Brokerage Margin."

Section 3-2 Handing of Customer's Delivery Payment

(Article 50 Special Provisions concerning Right to Claim Refund pertaining to Delivery Payment)

- 1 In the case where a Clearing Participant has become subject to a Suspension of Obligation Assumption due to Insolvency imposed by JSCC or a Clearing Participant has become subject to a Suspension of Transactions, etc. due to Insolvency imposed by a Designated Market Operator, or in the case where a Non-Clearing Participant has become subject to a Suspension of Transactions, etc. due to Insolvency imposed by a Designated Market Operator, the right to claim a refund of the Delivery Payment for the Customer's account for a Customer of the Clearing Participant may be exercised directly to JSCC.
- 2 In the case where the right to claim a refund of the Delivery Payment for a Customer's account is exercised by a Customer and the Like directly to JSCC pursuant to the provisions of the preceding Paragraph, JSCC may require the reports to be submitted concerning the 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 such right to claim a refund may be exercised on and after the date on which the settlement of all Unsettled Contracts relating to the Customer and the Like is performed.

Section 4 Miscellaneous Provisions

(Article 51. Other Handling associated with Transfer of Unsettled Contracts)

In addition to the matters prescribed in Article 23 through the preceding Article, matters necessary for the transfer and the like of the Unsettled Contracts shall be prescribed by JSCC at each applicable occasion.

Chapter 5 Agreement relating to Entrustment of Deposit of Margin)

(Article 52. Notification of Contractual Amounts for LG Contract for Replacement Deposit)

- 1 When a Member executes a LG Contract for Replacement Deposit, the Member shall notify such effect to JSCC in a manner prescribed separately.
2. Upon receiving the notification under the preceding Paragraph, JSCC may grant a deferral, solely for the period in which the relevant LG Contract for Replacement Deposit remains in effect, of the deposit of all or a part of the Margin in the amount equivalent to those to be deposited with JSCC under the Agreement of the Letter of Guarantee Concerning Replacement Deposits.
- 3 In cases where JSCC grants a deferral of the deposit of Margin under Paragraph 1, JSCC shall furnish the Member submitted such notification with a written notice of the amount to be deferred, the day on which the grant of the same is valid and other necessary matters. If a party submitted the notification is a Broker, JSCC shall furnish the notice through its Member.

(Article 53. Instructions concerning Deposit of Deferred Amount pertaining to LG Contract for Replacement Deposit)

When deemed necessary to ensure fairness of transactions in the Commodity Markets or to protect Customers and the Like, JSCC shall issue instructions to Members, Brokers or the banks and financial institutions with whom the Members or Brokers have executed a LG Contract for Replacement Deposit to the effect that the amount equivalent to the required Margin or the amount of the Margin for which a deferral of the deposit is granted under Paragraph 2 of the preceding Article must be deposited with JSCC.

(Article 54. Other Handling Associated with LG Contract for Replacement Deposit)

In addition to the preceding two Articles, necessary matters concerning the LG Contract for Replacement Deposit shall be separately prescribed by JSCC.

(Article 55. LG Contract for Direct Deposit)

- 1 A Clearing Participant^{*1}, a Non-Clearing Participant^{*2} or a Customer and the Like may, upon receiving prior approval from JSCC in the manner separately prescribed by JSCC, execute a LG Contract for Direct Deposit with a bank or other financial institution.

(*1 only applicable to the case of conducting transactions in the Commodity Markets on the proprietary account; the same applies hereinafter from this Article through Article 58)

(*2 only applicable to the case where a Clearing Participant conducts Commodity Clearing

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Transactions that is consigned by a Non-Clearing Participant for its proprietary account, the same to applies hereinafter from this Article through Article 58)

2 In the cases where a Clearing Participant, a Non-Clearing Participant or a Customer and the Like seeks to execute a LG Contract for of Direct Deposit with a bank or other financial institution, it shall insure that the contents of such Agreement meet the requirements of following Items;

- (1) On receipt of an instruction from JSCC pursuant to provisions of Paragraph 11 of Article 103 of the Act applied *mutatis mutandis* to Paragraph 8 of Article 179 of the Act*1, the amount of the Margin pertaining to the instruction shall be deposited with JSCC for the relevant Clearing Participant, Non-Clearing Participant or Customer and the Like without delay. (*1 hereinafter referred to as "Instruction on Deposits")
- (2) It is prohibited to set off debts of a bank or other financial institution under the relevant Agreement against claims for the Clearing Participant, Non-Clearing Participant or Customer and the Like;
- (3) The Agreement is valid for the period of one year and commencement day is the first day of a month;
- (4) It may not be canceled or changed without prior approval of JSCC;
- (5) When canceling the Agreement, that effect shall be notified to JSCC by one month prior to the day^{*1} of the termination;
(*1 if such day falls on a Non-Business Day, the immediately preceding Business Day)
- (6) When JSCC finds it necessary for securing the fairness of transactions in the Commodity Markets and the cause of Instruction on Deposits happened in the term during which the said Agreement remains in force, JSCC may issue an Instruction on Deposits for a period of one month after the end of the term in which the said agreement remains in force, and the Agreement shall contain the provisions to the effect that the Agreement shall be extended until the deposit with JSCC based on the instruction is completed.

(Article 56. Application for and Approval of LG Contract for Direct Deposit)

1 When a Clearing Participant, a Non-Clearing Participant or a Customer and the Like seeks to receive JSCC's approval pertaining to the conclusion of an LG Contract for Direct Deposit, any change to or cancellation of such Agreement, it shall submit a written application therefor to JSCC in a manner separately prescribed by JSCC.

2 When JSCC finds that the application for approval for the conclusion or a change of the LG Contract for Direct Deposit meets the following requirements, JSCC shall grant the approval set forth in the preceding Paragraph:

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(1) The contents of the Agreement pertaining to the application meet the requirements listed in respective Items of Paragraph 2 of Article 55; and

(2) A bank or other financial institution which is the counterparty of the said Agreement has the funds and creditworthiness necessary to perform the Agreement.

3 JSCC shall furnish the applicant submitted the application for the approval under Paragraph 1 with a written notice of approval or disapproval of such application.

(Article 57. Notification of Contractual Amount for LG Contract for Direct Deposit)

1 When the Clearing Participant, Non-Clearing Participant or Customer and the Like obtained approval set forth in the preceding Article executes, changes or cancels the LG Contract for Direct Deposit, it shall submit a copy of the Agreement^{*1} to JSCC in a manner separately prescribed by JSCC.

(*1 the Agreement with the certificate on which the seal of the representative director of a bank or other financial institution is impressed)

2 Upon receiving the notification under the preceding Paragraph, JSCC may grant a deferral, solely for the period in which the relevant LG Contract for Direct Deposit remains in effect, of the deposit of all or a part of the amount of Margin in the amount equivalent to those to be deposited with JSCC under the Agreement of the Letter of Guarantee Concerning Direct Deposits

3 In cases where JSCC grants a deferral of the deposit of the Margin pursuant to the notification set forth in Paragraph 1, JSCC shall furnish the Clearing Participant, Non-Clearing Participant or Customer and the Like submitted such notification with a written notice of the receipt of the notification, the maximum amount of deferral, the day on which the grant of the deferral is valid and other necessary matters.

(Article 58. Instructions Concerning Deposit of Deferred Amount for LG Contract for Direct Deposit)

When deemed necessary to ensure fairness of the transactions in the Commodity Markets, JSCC shall issue instructions to a Clearing Participant, a Non-Clearing Participant or a Customer and the Like or the bank or other financial institutions with whom the Clearing Participant, Non-Clearing Participant or Customer and the Like have executed an LG Contract for Direct Deposit to the effect that the amounts equivalent to the required Margin or the amounts of the Margin for which a deferral of the deposit is granted under Paragraph 2 of the preceding Article must be deposited with JSCC.

(Article 59. Other Handling Associated with LG Contract for Direct Deposit)

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In addition to the provisions of Article 55 through the preceding Article, necessary matters concerning the LG Contract for Direct Deposit shall be separately prescribed by JSCC.

Chapter 6 Miscellaneous Provisions

(Article 60. Application to Commodity Clearing Transactions)

As to an intermediary of the commission of Commodity Clearing Transactions, unless otherwise specifically set forth in these Rules, the provisions from Chapter 2 through the preceding Chapter shall apply by deeming the Member commissioned the Commodity Clearing Transactions as the person performing the intermediary of the transactions in the Commodity Markets relating to such Commodity Clearing Transactions.

(Article 61. Determination of Necessary Matters relating to Margin and Transfer of Unsettled Contracts)

In addition to the matters prescribed in these Rules, when necessary in connection with the Margin pertaining to the transactions in the Commodity Markets and the handling of the Unsettled Contracts, JSCC may prescribe rules concerning the required operations.

(Article 62. 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 July 27, 2020.
- 2 If JSCC considers it inappropriate to apply the provisions of these Rules due to an unavoidable reason, such as failure of the system installed by JSCC or other institutions which is necessary for settlements between JSCC and Clearing Participants in relation to Contracts for Clearing, a handling of the Margin related to the Commodity Futures Contracts and a handling of Unsettled Contracts in the event of Suspension of Obligation Assumption due to Insolvency, and other necessary matters, shall be decided by JSCC at each applicable occasion.
- 3 Any LG Contract for Replacement Deposit and LG Contract for Direct Deposit concluded before the date on which these Rules become effective in accordance with the Business Rules concerning the Business of Assuming Commodity Transaction Debts promulgated by Japan Commodity Clearing House Co., Ltd. shall be deemed to be the agreement concluded in accordance with the equivalent provisions set forth in these Rules as of the date on which these Rules become effective.

Supplementary Provisions

These revised Rules shall come into effect on May 17, 2021.

Supplementary Provisions

These revised Rules shall come into effect on January 31, 2022.

Supplementary Provisions

These revised Rules shall come into effect on September 21, 2022.

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.

Supplementary Provisions

1. These revised Rules shall come into effect on August 13, 2024.
2. Notwithstanding the provisions of the preceding Paragraph, if an enforcement of these revised Rules on the date prescribed in the preceding Paragraph is inappropriate due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these revised Rules shall come into force as of the date separately designated by JSCC within 3 months after such date.

Supplementary Provisions

1. These revised Rules shall come into effect on May 26, 2025
2. Notwithstanding the provisions of the preceding Paragraph, if an enforcement of these revised Rules on the date prescribed in the preceding Paragraph is inappropriate due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these revised Rules shall come into force as of the date separately designated by JSCC within 3 months after such date.

Supplementary Provisions

1. These revised Rules shall come into effect on August 1, 2025.
2. Notwithstanding the provisions of the preceding Paragraph, if an enforcement of these revised Rules on the date prescribed in the preceding Paragraph is inappropriate due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these revised Rules shall come into force as of the date separately designated by JSCC within 3 months after such date.

Supplementary Provisions

1. These revised Rules shall come into effect on April 13, 2026.
2. Notwithstanding the provisions of the preceding Paragraph, if an enforcement of these revised Rules is inappropriate due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Contracts for Clearing, these revised Rules shall come into force as of the date separately designated by JSCC within 3 months after the date set forth in Paragraph 1.

<Appendix 1>

Table concerning Calculation of Risk Amount Exceeding Collateral for each Account set forth in Article 53 and Article 54 of Business Rules on Business of Assuming Commodity Transaction Debts

The Risk Amount Exceeding Collateral for each account set forth in Article 53 and Article 54 of the Business Rules on Business of Assuming Commodity Transaction Debts 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 Commodity Clearing Transactions 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 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 53, Item (3) B) of the said Article, Item (1) of Article 54 or Item (2) B) of the said Article:

Recalculated Risk Amount for an Account

= Expected Loss Amount 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 on the account related to Futures Contracts at the time of calculation.

(b) When the account falls under Item (2) A) of Article 53, Item (3) A) of the said Article or Item (2) A) of Article 54:

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 32.

(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

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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 for an Account means the value equivalent to differences pertaining to Futures Contracts 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 Marked to Market Value of the Securities in lieu of Cash deposited as Margin for an account at the calculation timing.

<Appendix 2>

Table Concerning Calculation of Amount Required for Delivery Clearing Margin

1. Amount Required for Delivery Clearing Margin related to Energy

- (1) The amount required for Delivery Clearing Margin related to Energy when a Clearing Participant performs a delivery and payment shall be the amount obtained according to below formula:

Amount Required for Delivery Clearing Margin related to Energy

= Delivery Price X Delivery Unit Multiplier X 10/100

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

- a. For the delivering party, from the Last Trading Day for the current contract month^{*1} to the date on which the Notice of Delivery Completion has been submitted by the receiving party^{*2};

(*1 in case of Declared Delivery or Delivery on Request, the relevant determination date)

(*2 in case of a delivery and payment through ADP, the date on which the Market Operator approved the application)

- b. For the receiving party, from the Last Trading Day for the current contract month^{*1} to the date on which it submitted the Notice of Delivery Completion to JSCC^{*2};

(*1 in case of Declared Delivery or Delivery on Request, the relevant determination date)

(*2 in case of a delivery and payment through ADP, the date on which the Market Operator approved the application; provided, however, that, for the receiving party in case where ADP is applied for to the Market Operator and approved on or after the first Business Day of the current contract month, the Business Day immediately following the date on which the Market Operator approved the application)

2. Amount Required for Delivery Clearing Margin related to Osaka Dojima Agricultural Products and Osaka Dojima Sugar

- (1) The amount required for Delivery Clearing Margin related to Osaka Dojima Agricultural Products and Osaka Dojima Sugar in case of a delivery and payment of Corn and Raw Sugar by a Clearing Participant shall be the amount obtained according to below formula:

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Amount Required for Delivery Clearing Margin related to Osaka Dojima Agricultural Products and Osaka Dojima Sugar

= Delivery Price X Delivery Unit Multiplier X 5/100

(2) The Delivery Clearing Margin set forth in the preceding Item shall be calculated from the Last Trading Day of the current contract month^{*1} to the date on which JSCC considers that a deposit is unnecessary after completion of an arrangement and the like.

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