

Partial Amendment to “Rules on Margins, etc. for Futures and Option Contracts” and other rules in align with the introduction of new margin calculation method (VaR Method)

I. Effective Date

In align with the introduction of new margin calculation method (VaR method) and revision of calculation method of add-on charge on margin in the margin add-on scheme in Futures and Options Contracts to Securities and Similar Contracts Clearing Business and Commodity Future Contracts related to Business of Assuming Commodity Transaction Debts, we made the necessary amendment to the Rules on Margins, etc. for Futures and Option Contracts Rules on margins, etc. for futures and option contracts.

II. Outline of Amendments

1. Introduction of new margin calculation method (VaR Method)

- | | |
|--|--|
| <ul style="list-style-type: none"> • We revise the margin calculation method to calculate Expected Loss Amount according to the method prescribed by JSCC from the method using SPAN, the margin calculation method developed by Chicago Mercantile Exchange. • The expected loss amount is calculated based on the level to cover 99% of the fluctuation amount expected from historical scenario (past 1250 days) and stress scenario. • The amount of Price Scan Range used in formula to calculate add-on amount shall be revised to the equivalent amount in VaR method (average amount of margin per 1 Unit long position | <p>(Remarks)</p> <ul style="list-style-type: none"> • Article 4 of Rules on Margins, etc. for Futures and Options Contracts, and Appendix 1 of Handling of Rules on Margin Margins, etc. for Futures and Options Contracts and Article 4 of Rules on Margin for Business of Assuming Commodity Transaction Debts and Appendix 1 of Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts and alike. • Appendix 2 of “Handling of Rules on Margins, etc. for |
|--|--|

DISCLAIMER: This is the reference translation of the original Japanese document. Japan Securities Clearing Corporation shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, or misunderstanding with regard to this translation. This document may not be reproduced or redistributed in whole or in part without the permission of Japan Securities Clearing Corporation.

and 1 unit short position for each contract month contract).

Futures and Option Contracts” and Appendix 2 of “Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts”.

2. Revision of calculation method of add-on charge on margin in the margin add-on scheme

- Calculation method for add-on charge shall be revised so that it assumes the base quantity for judging add-on charge divided by MPOR shall be deducted from the position balance day by day, considering the position decrease associated with the occurrence of Clearing Participant's Default.

• Appendix 1-2 and Appendix 2 of “Handling of Rules on Margins, etc. for Futures and Option Contracts” and Appendix 1-2 and Appendix 2 of “Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts”.

3. Others

Other necessary amendments are made.

III. Effective Date

1. These amendments 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 amended 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 amended rules shall come into effect on the day set by JSCC which is not earlier than November 6, 2023.

DISCLAIMER: This is the reference translation of the original Japanese document. Japan Securities Clearing Corporation shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, or misunderstanding with regard to this translation. This document may not be reproduced or redistributed in whole or in part without the permission of Japan Securities Clearing Corporation.

Partial Amendment to “Rules on Margins, etc. for Futures and Option Contracts” and other rules in align with the introduction of new margin calculation method (VaR Method)

Contents

| | (Page No.) |
|--|------------|
| 1. Rules on Margins, etc. for Futures and Option Contracts | 1 |
| 2. Handling of Rules on Margins, etc. for Futures and Option Contracts | 76 |
| 3. Rules on Margin for Business of Assuming Commodity Transaction Debts | 114 |
| 4. Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts .. | 172 |

DISCLAIMER: This is the reference translation of the original Japanese document. Japan Securities Clearing Corporation shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, or misunderstanding with regard to this translation. This document may not be reproduced or redistributed in whole or in part without the permission of Japan Securities Clearing Corporation.

Chapter 1 General Provisions

(Article 1 Purpose)

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

(Article 2 Definitions)

1 In these Rules, the term, "Futures Contract," refers to a JGB Futures Contract, an Interest Rate Futures Contract, an Index Futures Contract or a Commodity Futures Contract.

2 In these Rules, the term, "Option Contract," refers to a Security Option Contract, an Option Contract on JGB Futures, an Index Option Contract or an Option Contract on Commodity Futures.

3 In these Rules, the term, "Designated Market Operator," refers to the Designated Market Operator operating the Designated Financial Instruments Market set forth in Item (2) through Item (6)-3 of Paragraph 2 of Article 3 of the Business Rules.

4 In these Rules, the term, "Trading Participant," refers to a person who has the trading qualification in respect of Futures Contract or Option Contract in the Financial Instruments Market operated by the Designated Market Operator.

5 In these Rules, the term, "Obligations Pertaining to Futures and Option Contracts" refers to the obligations to pay money in connection with the settlement of Futures and Option Contracts, the obligations to deliver securities, warehouse receipts^{*1} or Commodities^{*2} in connection with the Settlement by Physical delivery and Payment of Futures Contracts on JGB Futures, the Settlement by Delivery in connection with Commodity Futures Contracts, and the settlement resulting from the exercise of options under Security Option Contracts, and other obligations to be incurred with respect to Futures and Option Contracts.

(*1 including other documents to be delivered/received for the Settlement by Delivery)

(*2 referring to Commodities defined in Item 3-2 of Paragraph 24 of Article 2 of the Financial Instruments and Exchange Act^{*2-1}; the same applies hereinafter)

(*2-1 Act No. 25 of 1948; the same applies hereinafter)

6 In these Rules, the word, "Broker," refers to a customer that is a Financial Instruments Business Operator or a Registered Financial Institution and commissions a Trading Participant to execute Futures and Option Contracts, where such commission results from the brokerage of commission of Futures and Option Contracts to such Trading Participant.

7 In these Rules, the word, "Applicant," refers to a person who has submitted to a Broker an application for brokerage of commission.

~~8 In these Rules, the word, "SPAN," refers to the margin calculation method, known as "SPAN," which was developed by the Chicago Mercantile Exchange.~~

~~9~~8 In these Rules, the term, "Clearing Participant," refers to a person who has JGB Futures Clearing Qualification, Index Futures Clearing Qualification, Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification among the Clearing Participant stipulated in Paragraph 1 of Article 5 of the Business Rules.

~~409~~ In these Rules, the term, "Non-Clearing Participant," refers to the Index Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-2 of the Business Rules, the JGB Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-6 of the said rules, the Index Futures Non-Clearing Participant and the Petroleum Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-20 of the said rules, the Index Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-26 of the said rules and the Commodity Futures Non-Clearing Participant stipulated in Paragraph 2 of Article 73-31-2 of the said rules.

~~4410~~ In these Rules, the term, "Designated Clearing Participant," refers to a person designated by a Non-Clearing Participant as an entity to whom the Brokerage for Clearing of Securities, etc. in relation to Futures Contracts and Option Contracts is commissioned among the Designated Clearing Participant stipulated in Paragraph 1 of Article 6 of the Business Rules.

~~4211~~ In these Rules, the phrase, "Suspension of Obligation Assumption due to Insolvency" refers to the measure taken to suspend assumption of obligations pursuant to the provisions of Paragraph 1 of Article 29*¹ of the Business Rules or the measure taken to suspend assumption of obligations pursuant to the provisions of Paragraph 5 of Article 76 of the Business Rules.

(*¹ limited to the suspension due to a violation of the Instructions for Improvement on Position Holding pursuant to the provisions of Article 29-3 of the Business Rules)

~~4312~~ In these Rules, the phrase, "Suspension of Transactions, etc. due to Insolvency" refers to: the measure to suspend the selling/buying, etc. of securities*¹ or the commission of the Brokerage for Clearing of Securities, etc.*² taken by the Designated Market Operator; or the measure to suspend the selling/buying, etc. of securities*³ or the commission of the Brokerage for Clearing of Securities, etc. taken by the Designated Market Operator in the event of suspension of assumption of obligations pursuant to the provisions of Paragraph 1 of Article 29*⁴ or Paragraph 5 of Article 76 of the Business Rules.

(*¹ excluding those pursuant to the Brokerage for Clearing of Securities, etc.)

(*² limited to measures taken due to the Designated Market Operator's determination that a Trading Participant is actually, or has the potential of becoming, unable to make payments)

(*³ excluding those pursuant to the Brokerage for Clearing of Securities, etc.)

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

(*4 limited to the suspension due to a violation of the Instructions for Improvement on Position

Holding pursuant to the provisions of Article 29-3 of the Business Rules)

~~44~~13 In these Rules, the “Trading Day” refers to the trading day prescribed by the Designated Market Operator in respect of Futures and Option Contracts.

~~45~~14 In these Rules, the “Foreign Government Bonds” refers to the securities listed in Item (17) of Paragraph 1 of Article 2 of the Financial Instruments and Exchange Act that have characteristics described in Item (1) of Paragraph 1 of Article 2 of the said Act.

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

Section 1 General Clauses

(Article 3 Purpose of the Margin)

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

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

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

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

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

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

(1) ~~SPAN Margin Requirement~~Expected Loss Amount for proprietary account:

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts of the value calculated in accordance with the provisions of (a) through (d) below with respect to each issue whose buying Position for a Trading Participant's proprietary account exceeds its selling Position:

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

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

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

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

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

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts of the value calculated in accordance with the provisions of (a) through (d) below with respect to each issue whose selling Position for a Trading Participant's proprietary account exceeds its buying Position:

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

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

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

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

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

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

(3) Delivery Clearing Margin for Proprietary Account

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

(Article 5 Amount Required for Customer's Margin)

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts Paragraph 1 of Article 6-3,” shall be deemed to be “Paragraph 2 of Article 6-2”; the phrase, “for a Trading Participant’s proprietary account” shall be deemed to be “as commissioned by the applicable customer”; the phrase, “total amount of buying net option value for proprietary account” shall be deemed to be “total amount of the customer’s buying net option value”; the phrase, “total amount of selling net option value for proprietary account,” shall be deemed to be “total amount of the customer’s selling net option value; the phrase “the Delivery Clearing Margin for proprietary account” shall be deemed to be “the Delivery Clearing Margin for customer.”

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

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

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

(*¹ hereinafter referred to as “Voluntary Breakdown Unit”)

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

- 1 JSCC will calculate the amount required for Margin for accounts set forth in Article 46-3 and Article 46-4 of the Business Rules by each of the below-listed accounts by the methods set forth below:

- (1) Account set forth in Item (1) of Article 46-3 and Item (1) of Article 46-4 of the Business Rules:

Amount required for Margin calculated pursuant to Article 4;

- (2) Account set forth in Item (2) a. and Item (3) a. of Article 46-3 and Item (2) a. of Article 46-4 of the Business Rules:

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

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

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

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

(Article 6 ~~SPAN Parameters~~)

~~The parameters and other matters which are necessary for computing the Margin by SPAN shall be prescribed by JSCC.~~

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

- 1 When a value prescribed by JSCC as risk amount assumed to be owed in the Position for proprietary account of a Trading Participant related to Futures and Option Contracts exceeds the threshold for judgment prescribed by JSCC, JSCC may increase an amount required for Margin for the proprietary account of the relevant Trading Participant.
- 2 The provisions of the preceding Paragraph shall apply *mutatis mutandis* to the customer's Margin. In such case, the phrase, "for proprietary account" shall be deemed to be "as commissioned by a customer"; the phrase "an amount required for Margin for the proprietary account" shall be deemed to be "an amount required for customer's Margin."
- 3 Notwithstanding the provisions of the preceding Paragraph, the provisions of Paragraph 1 shall apply *mutatis mutandis* to the amount required for Margin for Voluntary Breakdown Unit. In such case, the phrase, "for proprietary account" shall be deemed to be "for Voluntary Breakdown Unit as commissioned by a customer"; the phrase "an amount required for

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

- 1 When the Default Contingent Margin considered to be owed by a Clearing Participant during the Default Settlement Period set forth in Paragraph 1 of Article 76-2 of the Business Rules breaches the requirement increase judgment threshold prescribed by JSCC, JSCC may increase the amount required for Margin for the proprietary account of the Clearing Participant.

- 2 For the judgment of the increase of the amount required for Margin set forth in the preceding Paragraph, the calculation shall be performed every Trading Day and the judgment shall be made based on the results of such calculation.

- 3 When JSCC increased the amount required for Margin for the proprietary account of the Clearing Participant as set forth in Paragraph 1, if the amount of Margin for the proprietary account deposited by the Clearing Participant with JSCC falls below the amount required for Margin for the proprietary account so increased, JSCC shall promptly notify such effect to the relevant Clearing Participant.

- 4 The Clearing Participant received the notification set forth in the preceding Paragraph must deposit the amount at least equal to such shortfall as the Margin for the proprietary account by 2:00 P.M. on the day it received the said notification. In such case, the Clearing Participant may deposit securities and warehouse receipts^{*1} in lieu of cash.

(*1 hereinafter referred to as “Securities and the Like”)

(Article 7 Settlement Price Relating to Option Contracts)

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

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

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

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

(Article 7-2 Type of Currency)

Margin, Customer Margin and Brokerage Margin may only be deposited in any of the

Rules on Margins, etc. for Futures and Option Contracts
currencies designated by JSCC.

(Article 8 Securities Deposited in lieu of Cash)

1 Matters concerning the Securities and the Like to be deposited in lieu of cash^{*1} as the Margin, the Customer Margin or Brokerage Margin shall be prescribed in the *Appendix 1*.

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

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

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

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

(Article 9 Deposit of the Margin for Proprietary Account)

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

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

(Article 9-2 Preliminary Margin Add-on)

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

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

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

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

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

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

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

business day; the same applies hereinafter)

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

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

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

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

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

(Article 15 Cutoff Time for Depositing the Margin)

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

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

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

(Article 16 Maintenance of the Margin for Proprietary Account)

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

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

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

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

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

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

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

as the relevant Margin.

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

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

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

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

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

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

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

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

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

1 In the case where a shortfall occurs with respect to the Margin to be provided to a Clearing Participant by a Non-Clearing Participant pursuant to the rules prescribed by the Designated Market Operator, and where the relevant Non-Clearing Participant additionally provides the Margin in an amount not less than the amount of such shortfall, such Clearing Participant shall additionally deposit the entire amount of such Margin with JSCC in accordance with the provisions of Paragraph 1 through Paragraph 3 of Article 13 or Article 14 by 11:00 A.M. on the day immediately following the day on which such shortfall occurs.

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

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

(*² including the case where such provisions apply *mutatis mutandis* pursuant to the provisions of the preceding Paragraph)

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

(Article 20 Classification and Management Method Concerning the Margin)

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

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

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

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

(Article 20-2 Deposit of Intraday Margin)

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

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

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

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

Rules on Margins, etc. for Futures and Option Contracts

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

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

(Article 20-3 Amount required for Intraday Margin)

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

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

- (1) Recalculated Intraday Risk Amount

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

Reference Translation

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

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

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

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

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

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

(i) With respect to a JGB Futures Contract for proprietary account, which are concluded during the Night Session and by the end of the Morning Session on the applicable Trading Day^{*1}, an amount equal to the difference between its contract price and the Intraday Settlement Price.

(*1 including J-NET Transactions^{*1-1} concluded before the end of the Morning Session on the applicable Trading Day)

(*1-1 referring to the J-NET Transactions prescribed by the Designated Market Operator; the same applies hereinafter)

(ii) With respect to an Interest Rate Futures Contract for proprietary account, which are concluded during the Night Session and by the end of the Morning Session on the applicable Trading Day^{*1}, an amount equal to the difference between its contract price and the Intraday Settlement Price.

(*1 including J-NET Transactions concluded before the end of the Morning Session on the applicable Trading Day)

(iii) With respect to an Index Futures Contract for proprietary account^{*1}, which are concluded in the night session and the daytime session before 11:00 A.M. of the applicable Trading Day, an amount equal to the difference between the contract price and the Intraday Settlement Price

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

(iv) With respect to Commodity Futures Contract for proprietary account^{*1}, which are concluded in the night session and the daytime session before 11:00 A.M. of the applicable Trading Day, an amount equal to the difference between the contract price and the intraday Settlement Price

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

(b) With respect to a Position for proprietary account on the immediately preceding Trading Day, an amount equal to the difference between the Settlement Price on that preceding Trading Day and the Intraday Settlement Price.

(3) Intraday Value Equivalent to Option Contract Price:

The sum of the amounts prescribed in (a) through (c) below

(a) An amount equal to the contract price relating to an Option Contract on JGB Futures for proprietary account, which are concluded before the end of the Morning Session on the day on which the relevant Trading Day ends ^{*1}.

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

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

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

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

(Article 20-4 Intraday Settlement Price)

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

(Article 21 Deposit of Emergency Margin)

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

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

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

(Article 22 Amount Required for Emergency Margin)

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

(1) Recalculated Risk Amount:

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

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

(Article 23 Emergency Settlement Price)

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

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

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

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

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

(1) The relevant customer

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

(2) The Clearing Participant

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

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

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

(1) The relevant Applicant

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

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

(2) The relevant customer

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

(3) The Clearing Participant

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

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

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

(1) The relevant customer

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

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

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

(2) The Clearing Participant

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

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

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

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

(1) The relevant customer

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

(2) The Non-Clearing Participant

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

the commission by the relevant customer.

(3) The Designated Clearing Participant

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

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

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

(1) The relevant Applicant

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

(2) The relevant customer

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

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

(3) The Non-Clearing Participant

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

(4) The Designated Clearing Participant

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

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

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

(1) The relevant customer

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

(2) The Non-Clearing Participant

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

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

(3) The Designated Clearing Participant

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced); and the amount deposited with the Clearing Participant as the Margin of the Non-Clearing Participant in excess of the sum of the amount*³ of money and the Marked to Market Value of the Securities and the Like which have been deposited with the Non-Clearing Participant as the Customer Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced).

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

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

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

(1) The relevant Non-Clearing Participant

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

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

(2) The Designated Clearing Participant

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

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

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

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

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

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

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

by itself.

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

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

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

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

Chapter 2-2 Delivery Payments and the Like

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

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

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

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

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

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

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

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

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

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

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

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

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

shall exercise it on behalf of the relevant Applicant.

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

Section 1 Handling of Unsettled Contracts

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

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

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

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

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

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

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

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

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

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

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

Section 2 Handling of the Clearing Participant's Commissioned Margin

(Article 30 Handling of Margin for Customers' Account)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) JGB Futures Contract

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

(2) Interest Rate Futures Contract

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

(3) Index Futures Contract

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

(4) Security Option Contract and Index Option Contract

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

(5) Option Contract on JGB Futures

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

(6) Commodity Futures Contracts

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

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

(7) Option Contract on Commodity Futures

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

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

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

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

2 When the preceding Paragraph applies, JSCC shall confirm the matters set forth in the relevant notification by requiring the Insolvent Clearing Participant to submit documents deemed necessary by JSCC.

3 After confirmation is made pursuant to the provisions of the preceding Paragraph, JSCC shall approve the direct exercise of the relevant right to claim a refund.

4 When Paragraph 1 applies, the amount relating to the right to claim a refund of the

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

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

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

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

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

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

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

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

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

Insolvent Clearing Participant with JSCC)

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

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

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

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

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

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

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

Chapter 3-2 Handing of Customer's Delivery Payment

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

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

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

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

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

Section 4 Miscellaneous Clauses

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

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

Chapter 4 Miscellaneous Provisions

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

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

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

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

(Article 40 Authority to Make Amendments)

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

Supplementary Provisions

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

Supplementary Provisions

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

(*¹ hereinafter referred to as the "Effective Date")

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

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

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

Supplementary Provisions

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

Rules on Margins, etc. for Futures and Option Contracts

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

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

Supplementary Provisions

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

Supplementary Provisions

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

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

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

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

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

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

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

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

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

3 With respect to the order of priority prescribed by JSCC referenced in the provisions of the preceding Paragraph, the Financial Instruments Exchange with the highest selling/buying volume^{*1} of the relevant issue among the Financial Instruments Exchanges: during July through December of the preceding year in the case where the day which is two days before the day of delivery or the day of deposit occurs during February through July; or during January through June in the case where the day which is two days before the day of delivery or the day of deposit occurs during August through January in the following year, shall be in the first priority position, and the subordinating priority shall be in accordance with the order of the code^{*2} of the Exchanges, Industry Groups, etc.

(*¹ limited to the selling/buying volume pertaining to the Regular Transactions^{*1-1} during trading sessions)

(*¹⁻¹ referring to the Regular Transactions prescribed by each Financial Instruments Exchange)

(*² referring to the code prescribed by the Securities Identification Code Committee)

=End=

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

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

Risk Amount Exceeding Collateral

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

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

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

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

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

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

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

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts

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

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

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

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

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

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

2. Amount Required for Delivery Clearing Margin related to Rubber

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

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

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

A) RSS

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

B) TSR

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

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

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

Reference Translation

Rules on Margins, etc. for Futures and Option Contracts of a delivery of Soybean and Corn shall be the amount obtained according to below formula:

$$\begin{aligned} &\text{Amount Required for Delivery Clearing Margin related to Agricultural Products} \\ &= \text{Delivery Price} \times \text{Delivery Unit Multiplier} \times 5/100 \end{aligned}$$

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

A) Soybean

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

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

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

B) Corn

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

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

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

(Article 1 Purpose)

These Rules set forth necessary matters relating to the matters prescribed by JSCC pursuant to the Rules on Margins, etc. for Futures and Option Contracts (hereinafter referred to as the “Rules on Margins”).

(Article 1-2 Calculation Method of Expected Loss Amount)

The method prescribed by JSCC as set forth in Item (1) of Article 4, Paragraph 1 of Article 9-2, and a (a) of Appendix 2 of the Rules on Margins shall be the method set forth in Appendix 1 “Table Concerning Calculation of Expected Loss Amount”.

(Article ~~4-21-3~~ Risk Amount and Threshold for Judgment to be Used for Judgment of Whether or Not to Increase Amount Required for Margin)

1 The value prescribed by JSCC as risk amount and the threshold for judgment prescribed by JSCC as set forth in Paragraph 1 through Paragraph 3 of Article 6-2 of the Rules on Margins shall be the values to be obtained as per Appendix ~~1-2~~ “Table Concerning Calculation of Risk Amount and Threshold for Judgment to be Used for Judgment of Whether or Not to Increase Amount Required for Margin” according to the criteria listed below:

- (1) Liquidity criteria; and
- (2) Concentration criteria.

2 JSCC calculate the threshold for judgment as set forth in the preceding Paragraph monthly as of the last day of the previous month^{*1} as the based date for calculation and publish it on the first day^{*2} of the relevant month.

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

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

3 The threshold for judgment published pursuant to the provisions of the preceding Paragraph shall apply from the third day^{*1} of the relevant month.

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

4 The amount of add-on charge when the measures of increasing an amount required for the Margin for the proprietary account of a Clearing Participant are taken pursuant to the provisions of Paragraph 1 through Paragraph 3 of Article 6-2 of the Rules on Margins shall be the amount obtained as per Appendix 2 “Table Concerning Calculation of Add-on Charge to Amount Required for Margin when Measures of Increasing Amount Required for Margin are Taken.”

(Article ~~4-31-4~~ Default Contingent Margin)

1 The amount of the Default Contingent Margin considered to be owed by a Clearing Participant as set forth in Paragraph 1 of Article 6-3 of the Rules on Margins shall be the amount obtained by subtracting the Applicable Required Clearing Fund from the Calculatory Required Clearing Fund. In such case, the terms used above shall have the meanings set forth in the following items:

(1) Calculatory Required Clearing Fund

The required amount of clearing fund calculated pursuant to the provisions of Item (2) through Item (6) of Paragraph 1 of Article 16 of the Business Rules without an application of the special provisions for clearing fund for Default Settlement Period under the provisions of Article 17 of the Business Rules; and

(2) Applicable Required Clearing Fund

The required amount of clearing fund for Default Settlement Period pursuant to the provisions of Article 17 of the Business Rules.

2 An increase of the required amount of the Margin set forth in Paragraph 1 of Article 6-3 of the Rules on Margins shall be triggered when the amount of the Default Contingent Margin set forth in the preceding Paragraph becomes a positive value.

3 When the amount of the Default Contingent Margin obtained through a calculation pursuant to the provisions of Paragraph 1 on any day on or after the next day following the day on which the Default Settlement Period commences is less than the amount of the Default Contingent Margin calculated on the previous day during the relevant Default Settlement Period, the amount of the Default Contingent Margin shall be the amount of the Default Contingent Margin calculated on such previous day.

(Article 2 Settlement Price Relating to Option Contracts)

The Settlement Price prescribed in Article 7 of the Rules on Margins shall be the amount as prescribed in the following Items, based on the classification of issues referenced in each Item; provided, however, that in the case where JSCC deems it inappropriate as the Settlement Price, such amount shall be prescribed by JSCC on a case-by-case basis.

(1) Each issue of Security Option Contract, Option Contract on JGB Futures, Index Option Contract on Tokyo Stock Price Index (TOPIX)^{*1}, Index Option Contract on JPX Nikkei Index 400^{*2}, Index Option Contract on TOPIX Banks Index^{*3} and Index Option Contract on Tokyo Stock Exchange REIT Index^{*4}.

(*1 referring to the Tokyo Stock Price Index (TOPIX) calculated by JPX Market Innovation & Research, Inc.^{*1-1}; the same applies hereinafter)

(*1-1 hereinafter referred to as "JPX Market Innovation & Research")

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts

(*² referring to the JPX Nikkei Index 400 calculated by Japan Exchange Group, Inc., JPX Market Innovation & Research and Nikkei Inc. ; the same applies hereinafter)

(*³ referring to the TOPIX Banks Index calculated by JPX Market Innovation & Research; the same applies hereinafter)

(*⁴ referring to Tokyo Stock Exchange REIT Index calculated by JPX Market Innovation & Research; the same applies hereinafter)

- (2) The amount calculated by JSCC as the theoretical price pursuant to the method set forth in *Appendix 3 “Table Concerning Calculation of Theoretical Prices for Option Contracts”*; provided, however, when JSCC deems it inappropriate to set the theoretical price as the Settlement Price taking the condition of quotes in the auction trading on the relevant Trading Day into account, JSCC shall determine the Settlement Price taking the relevant condition of quotes in the auction trading, etc. into account. Each issue of Option Contract on Nikkei Stock Average *¹

(*¹ referring to the Nikkei Stock Average calculated by Nikkei Inc.; the same applies hereinafter)

The amount prescribed in either (a) or (b) below according to the classification set forth in (a) and (b); provided, however, when JSCC deems it inappropriate to set the Settlement Price pursuant to the provisions of (a) and (b) taking the contract prices in the auction trading on the relevant Trading Day and theoretical price, etc. into account, JSCC shall determine the Settlement Price taking the condition of quotes in the auction trading on such Trading Day, etc. into account.

- (a) Where a contract price *¹ exists in the session after 3:00 P.M. and before the end of Day Session of the Option Contracts prescribed by the Designated Market Operator (*¹ excluding the contract price from the strategy trading; the same applies hereinafter in this Item)

Final contract price among such contract prices

- (b) Where no contract price prescribed in (a) above exists

The amount calculated by JSCC as the theoretical price pursuant to the method set forth in *Appendix 3 “Table Concerning Calculation of Theoretical Prices for Option Contracts”*

- (3) Each issue of Option Contract on Gold Futures

The value set forth in (a) or (b) below according to the classification set forth therein: provided, however, that when JSCC deems it inappropriate to set the Settlement Price pursuant to the provisions of (a) and (b) taking the contract prices in the auction trading on the relevant Trading Day and theoretical price, and other factors, into account, the Settlement Price shall be the value determined by JSCC taking the condition of quotes in the auction trading on such Trading Day and other factors into account.

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts

- (a) Where a contract price exists at the close of the day session of the relevant Option Contracts prescribed by the relevant Designated Market Operator:
That contract price;
- (b) Where no contract price prescribed in (a) above exists
The amount calculated by JSCC as the theoretical price pursuant to the method set forth in Appendix 3 "*Table Concerning Calculation of Theoretical Prices for Option Contracts*"

(Article 2-2 Handling of Foreign Currency)

- 1 The currencies designated by JSCC as set forth in Article 7-2 of the Rules on Margins shall be Japanese yen and the currency of the United States of America.
- 2 A certain rate determined by JSCC as set forth in Article 11, Article 16 and Article 20-2 of the Rules on Margins shall be 95 percent in case of the currency of the United States of America.

(Article 2-3 Handling of Amount of Preliminary Margin Add-on)

The rate to be prescribed by JSCC that is to be used for a calculation of the amount of the preliminary Margin add-on set forth in Paragraph 1 of Article 9-2 of the Rules on Margins shall be the rate determined by JSCC according to the number of consecutive days that are designated by the Designated Market Operator as the day it opens trading sessions on a Non-business Day^{*1} and the Clearing Qualification related to the Futures and Option Contracts traded at the market of the Designated Market Operator on the Holiday Trading Day.

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

(Article 2-4 Handling of Cash)

- 1 In the event that a Clearing Participant deposits the Margin prescribed in Article 9 or Article 10 of the Rules on Margins with JSCC in cash, the Clearing Participant shall make said deposit by means of a bank transfer to an account in the name of JSCC held at a bank selected by the Clearing Participant from among the banks designated by JSCC or Bank of Japan.
- 2 Refunds to Clearing Participants of cash deposited with JSCC as the Margin shall be made by JSCC by means of bank transfer from an account in the name of JSCC to an account designated by the relevant Clearing Participant.

(Article 2-5 *Mutatis Mutandis* Application of Provisions Relating to Intraday Settlement Price)

- 1 Out of the Intraday Settlement Price to be determined by JSCC as set forth in Article 20-4 of the Rules on Margins, the Intraday Margin related to JGB Futures Contracts shall be

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts determined in a manner as prescribed in each of the below Items; provided that when JSCC considers that the method set forth in below Items is inappropriate, JSCC shall decide the Intraday Settlement Price at each applicable occasion:

- (1) It shall be the contract price of the JGB Futures Contract as of 11:02 A.M. on the relevant Trading Day, unless there is no such contract price, in which case, it shall be the value determined by JSCC considering the status of quotes at the close of Morning Session on the relevant day and other conditions;
- (2) Notwithstanding the provisions of the preceding Paragraph, with respect to the Physically-delivered JGB Futures Contract^{*1}, on or after the day immediately following the day on which the Last Trading Day of each contract month contract ends^{*2}, the Settlement Price of the contract month contract of the relevant Physically-delivered JGB Futures Contract on the Last Trading Day shall be the Intraday Settlement Price, and with respect to the Cash-settled JGB Futures Contract^{*3}, on the day immediately following the day on which the Last Trading Day of each contract month contract ends^{*4}, the settlement price of the contract month contract of the relevant Cash-settled JGB Futures Contract on the Last Trading Day shall be the Intraday Settlement Price.

(*1 referring to the Physically-delivered futures contract relating to the JGB Futures Contracts prescribed by the Designated Market Operator; the same applies hereinafter)

(*2 if such day falls on a Non-business Day, it shall be the immediately following business day; the same applies hereinafter)

(*3 referring to the Cash-settled futures contract relating to the JGB Futures Contracts prescribed by the Designated Market Operator; the same applies hereinafter)

(*4 in the case where the contract month contracts of the Physically-delivered JGB Futures Contracts, which are used by the Designated Market Operator for determining the Final Settlement Price^{*4-1} of the relevant contract month contracts, are suspended from the beginning of the Morning Session until the end of the Morning Session of such day for the reason that the relevant Designated Market Operator decides it inappropriate or difficult to cause the trades to continue, and where JSCC deems it necessary, referring to the period from the day immediately following the day on which such Last Trading Day ends until the day prescribed by JSCC on a case-by-case basis)

(*4-1 referring to the final settlement price prescribed by the Designated Market Operator; the same applies hereinafter)

- 2 Out of the Intraday Settlement Price to be determined by JSCC as set forth in Article 20-4 of the Rules on Margins, the Intraday Margin related to Interest Rate Futures Contracts shall be determined in a manner as prescribed in each of the below Items; provided that when

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts

JSCC considers that the method set forth in below Items is inappropriate, JSCC shall decide the Intraday Settlement Price at each applicable occasion:

- (1) It shall be the contract price of the Interest Rate Futures Contract as of 11:02 A.M. on the relevant Trading Day, unless there is no such contract price, in which case, it shall be the value determined by JSCC considering the status of quotes at the close of Morning Session on the relevant day and other conditions;
- (2) Notwithstanding the provisions of the preceding Paragraph, on or after the day immediately following the day on which the Last Trading Day of each contract month contract ends, the Settlement Price of the contract month contract of the relevant Interest Rate Futures Contract on the Last Trading Day shall be the Intraday Settlement Price.

3 Out of the Intraday Settlement Price to be determined by JSCC as set forth in Article 20-4 of the Rules on Margins, the Intraday Settlement Price related to Commodity Futures Contracts shall be as prescribed in the following Items, based on the classification of Commodity Futures Contracts referenced in each Item; provided, however, that JSCC shall determine the Settlement Price at each applicable occasion, in the event that JSCC deems it inappropriate to determine the Settlement Price pursuant to each of such Items:

(1) Physical Settlement Futures Contracts

Out of the contract prices^{*1} of the Physical Settlement Futures Contracts on each Trading Day, the last contract price in the exchange trade immediately prior to the time of calculation of the Intraday Settlement Price; provided, however, that in the event that no such contract price exists, it shall be the Settlement Price for the immediately preceding Trading Day^{*2}.

(*1 excluding the contract price under Strategy Contracts; the same applies hereinafter)

(*2 for the contract month contract^{*2-1} on the first trading day, the Settlement Price for the contract month contract whose last trading day is the nearest to that of the relevant contract month)

(*2-1 referring to the contract month contracts prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

(2) Cash-settled Monthly Futures Contract

The Intraday Settlement Price related to the contract month contracts of the Physical Settlement Futures Contracts of which the Last Trading Day belongs in the same month^{*1}

(*1 limited those with the same underlying financial instrument).

(3) Cash-settled Daily Futures Contract

Out of the contract prices of the Cash-settled Daily Futures Contracts on each Trading Day, the last contract price in the exchange trade immediately prior to the time of

Handling of Rules on Margins, etc. for Futures and Option Contracts calculation of the Intraday Settlement Price; provided, however, that in the event that no such contract price exists, it shall be the Settlement Price for the immediately preceding Trading Day^{*1}.

(*1 for the contract month contract on the first trading day, the Settlement Price for the contract month contract whose last trading day is the nearest to that of the relevant contract month)

4 The Intraday Settlement Price related to the Index Futures Contracts, that is to be determined by JSSC as set forth in Article 20-4 of the Rules on Margins, shall be determined in a manner as prescribed in each of the below Items; provided that when JSSC considers that the method set forth in below Items is inappropriate, JSSC shall decide the Intraday Settlement Price at each applicable occasion:

(1) The provisions of Article 20-8 of the Handling of Business Rules^{*1} shall apply *mutatis mutandis* when the Intraday Settlement Price for the Index Futures Contracts in the Financial Instruments Market operated by the Designated Market Operator is determined pursuant to the provisions of Article 20-4 of the Rules on Margins. In such event, in Item (1) A) of Paragraph 1 of Article 20-8 of the Handling of Business Rules, the phrase, “from 3:00 P.M. to the end of the Day Session prescribed by the Designated Market Operator,” shall be deemed to be “from 10:45 A.M. to 11:00 A.M.,” the phrase, “Settlement Price” shall be deemed to be “Intraday Settlement Price,” the phrase, “the last value of the underlying index on the day on which the Trading Day ends” shall be deemed to be “the price for the underlying contracts at the time of calculation of Intraday Settlement Price,” the phrase, “at the close of the Day Session on that day” shall be deemed to be “at 11:00 A.M.”; provided, however, on the day immediately following the day on which the Last Trading Day of each contract month contract ends,^{*1} the Intraday Settlement Price for such contract month contract shall be set by JSSC on a case-by-case basis:

(*1 excluding Item (2) of Paragraph 1 of Article 20-8)

(*2 in the case where buying/selling of securities or trading in Futures and Option Contracts is suspended in the major Financial Instruments Exchange Market^{*2-1} on the day immediately following the day on which the Last Trading Day ends, in the case where, in respect of the Index Futures Contracts whose underlying index is FTSE China 50 Index^{*2-2}, buying/selling of securities in the major Financial Instruments Exchange Market is suspended or the calculation agent of such index becomes unable to calculate or distribute such index on the day on which the Last Trading Day ends, in the case where the last Settlement Price is not calculated for a contract similar to the Index Futures Contract whose underlying index is either NY Dow^{*2-3} traded in the Foreign Financial Instruments Market operated by The Board

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts of Trade of the City of Chicago, Inc. or TAIEX^{*2-4} traded in the Foreign Financial Instruments Market operated by Taiwan Futures Exchange Corporation by the day immediately following the day on which the Last Trading Day ends, or in the case where, in respect of the Index Futures Contracts whose underlying index is CME Group Petroleum Index^{*2-5}, the calculation agent of such index becomes unable to calculate or distribute such index on the relevant day in the United States on which the Last Trading Day ends and where JSCC deems it necessary, referring to the period from the day immediately following the day on which such Last Trading Day ends until the day prescribed by JSCC on a case-by-case basis; the same applies to Item (1) of Paragraph 3 of Article 4)

(^{*2-1} referring to the Financial Instruments Exchange Market from which the calculation agent of the underlying index adopts the prices for the calculation of such underlying index; the same applies hereinafter)

(^{*2-2} referring to the stock price index calculated by FTSE International Limited that is composed of 50 issues selected based on market value and liquidity from among Chinese stocks listed on the Stock Exchange of Hong Kong)

(^{*2-3} referring to Dow Jones Industrial Average calculated by S&P Dow Jones Indices LLC)

(^{*2-4} referring to TWSE Capitalization Weighted Stock Index calculated by Taiwan Stock Exchange Corporation)

(^{*2-5} referring to the index comprised of NYMEX WTI Crude Oil Futures, NYMEX NY Harbor RBOB Gasoline Futures and NYMEX NY Harbor ULSD Futures listed on NYMEX, which is calculated by CME Group)(2) The Intraday Settlement Price related to Index Futures Contracts referencing Nikkei Stock Average Dividend Point Index^{*1} shall be, in respect of the contract month contract for which there is the contract price^{*2} at or after the time up to 11:00 A.M. prescribed by JSCC in the exchange trade on the relevant Trading Day, the last contract price at or after such time; provided, however, that if there is no such contract price, it shall be the value determined by JSCC considering the status of quotes by 11:00 A.M. on the relevant day and other conditions. On the day immediately following the day on which the Last Trading Day for each contract month contract ends^{*3}, the Intraday Settlement Price for the relevant contract month contract shall be the value determined by JSCC on a case-by-case basis.

(^{*1} referring to Nikkei Stock Average Dividend Point Index calculated by Nikkei Inc.)

(^{*2} excluding the contract price under Strategy Contract; the same applies in this Item)

(^{*3} if JSCC considers it necessary in the case where buying/selling of securities or trading in Futures or Option Contracts is suspended in the major Financial Instruments Exchange Market^{*3-1} on the day immediately following the day on which

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts
the relevant Last Trading Day ends, referring to the period from the day immediately following the day on which such Last Trading Day ends to the day prescribed by JSCC at each applicable occasion; the same applies in Item (2) of Paragraph 3 of Article 4 below)

(*³⁻¹ referring to the Financial Instruments Exchange Market from which the calculation agent of the underlying index adopts the prices for the calculation of such underlying index; the same applies hereinafter)

5 The Intraday Settlement Price to be determined by JSCC as set forth in Article 20-4 of the Rules on Margins shall be as prescribed in the following Items, based on the classification of Option Contracts referenced in each Item; provided, however, that JSCC shall determine the Intraday Settlement Price at each applicable occasion, in the event that JSCC deems it inappropriate to determine the Intraday Settlement Price pursuant to each of such Items:

(1) Nikkei Stock Average, Security Option Contract, Option Contract on JGB Futures, Index Option Contract on Tokyo Stock Price Index (TOPIX), Index Option Contract on JPX Nikkei Index 400, Index Option Contract on TOPIX Banks Index and Index Option Contract on Tokyo Stock Exchange REIT Index:

The provisions of Article 2 shall apply mutatis mutandis. In such event, the phrase, “closing contract price of the applicable issue of the underlying security on the day^{*1}” in Paragraph 1 of the *Appendix 3* shall be deemed to be “the last contract price of the applicable issue of the underlying security at the time of calculation of Intraday Settlement Price^{*2}”; the phrase, “Settlement Price,” in Paragraph 2 of the *Appendix 3* shall be deemed to be “Intraday Settlement Price”; and the phrase, “closing price for the underlying index on the day on which the applicable Trading Day ends” in Paragraph 3 of the *Appendix 3* shall be deemed to be “price at the time of calculation of Intraday Settlement Price.”

(*¹ referring to the closing price of the underlying security in the Financial Instruments Market designated by the Designated Market Operator and including the final quote that is posted in accordance with the rules prescribed by the operator of the relevant Financial Instruments Market)

(*² referring to the last contract price of the underlying security in the Financial Instruments Market designated by the Designated Market Operator and including the last quote that is posted in accordance with the rules prescribed by the operator of the relevant Financial Instruments Market)

(2) Option Contract on Gold Futures

The amount calculated by JSCC as the theoretical price pursuant to the method set forth in Appendix 3 “*Table Concerning Calculation of Theoretical Prices for Option Contracts.*”

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts

In such case, the phrase, "Settlement Price," in Paragraph 4 of the *Appendix 3* shall be deemed to be "Intraday Settlement Price."

(Article 3 Conditions under Which Emergency Margin Is Deposited)

1 The thresholds prescribed by JSCC pursuant to the provisions of Paragraph 1 of Article 21 of the Rules on Margins shall be as follows:

- (1) With respect to the contract month contracts which are selected by JSCC from the JGB Futures Contracts, in the case where the difference between the contract price in the exchange trade immediately prior to 1:00 P.M. and the Intraday Settlement Price exceeds the amount previously prescribed by JSCC;
- (2) With respect to the contract month contracts which are selected by JSCC from the Index Futures Contracts, in the case where the difference between the contract price in the exchange trade immediately prior to 1:00 P.M. and the Intraday Settlement Price exceeds the price previously prescribed by JSCC.
- (3) With respect to the contract month contracts which are selected by JSCC from the Precious Metal Futures Contracts, in the case where the difference between the contract price in the exchange trade immediately prior to 1:00 P.M. and the Intraday Settlement Price exceeds the amount previously prescribed by JSCC;
- (4) With respect to the contract month contracts which are selected by JSCC from the Oil Futures Contracts, in the case where the difference between the contract price in the exchange trade immediately prior to 1:00 P.M. and the Intraday Settlement Price exceeds the price previously prescribed by JSCC.

2 The provisions of Paragraph 1 of Article 20-5 of the Handling of Business Rules shall apply *mutatis mutandis* to the contract price in the exchange trade immediately prior to 1:00 P.M. referenced in Item (1) of the preceding Paragraph. In such event, the phrase, "3:02 P.M." in Item (1) of Paragraph 1 of Article 20-5 of the Handling of Business Rules shall be deemed to be "1:00 P.M." and the phrase "the session" in the same Item shall be deemed to be "the Afternoon Session".

(Article 4 *Mutatis Mutandis* Application of Provisions Relating to Emergency Settlement Price, etc.)

1 Out of the Emergency Settlement Price to be determined by JSCC as set forth in Article 23 of the Rules on Margins, the Emergency Settlement Price related to JGB Futures Contracts shall be determined in a manner as prescribed in each of the below Items; provided that when JSCC considers that the method set forth in below Items is inappropriate, JSCC shall decide the Emergency Settlement Price at each applicable occasion:

- (1) It shall be the contract price of the JGB Futures Contract as of 1:00 P.M. on the relevant

Handling of Rules on Margins, etc. for Futures and Option Contracts

Trading Day, unless there is no such contract price, in which case, it shall be the value determined by JSCC considering the status of quotes at 1:00 P.M. on the relevant day and other conditions;

- (2) Notwithstanding the provisions of the preceding Paragraph, with respect to the Physically-delivered JGB Futures Contract, on or after the day immediately following the day on which the Last Trading Day of each contract month contract ends, the Settlement Price of the contract month contract of the relevant Physically-delivered JGB Futures Contract on the Last Trading Day shall be the Emergency Settlement Price, and with respect to the Cash-settled JGB Futures Contract, on the day immediately following the day on which the Last Trading Day of each contract month contract ends^{*1}, the settlement price of the contract month contract of the relevant Cash-settled JGB Futures Contract on the Last Trading Day shall be the Emergency Settlement Price.

(*1 in the case where the contract month contracts of the Physically-delivered JGB Futures Contracts, which are used by the Designated Market Operator for determining the Final Settlement Price of the relevant contract month contracts, are suspended from the beginning of the Morning Session until the end of the Morning Session of such day for the reason that the relevant Designated Market Operator decides it inappropriate or difficult to cause the trades to continue, and where JSCC deems it necessary, referring to the period from the day immediately following the day on which such Last Trading Day ends until the day prescribed by JSCC on a case-by-case basis)

- 2 Out of the Emergency Settlement Price to be determined by JSCC as set forth in Article 23 of the Rules on Margins, the Emergency Settlement Price related to Interest Rate Futures Contracts shall be determined in a manner as prescribed in each of the below Items; provided that when JSCC considers that the method set forth in below Items is inappropriate, JSCC shall decide the Emergency Settlement Price at each applicable occasion:

- (1) It shall be the contract price of the Interest Rate Futures Contract as of 1:00 P.M. on the relevant Trading Day, unless there is no such contract price, in which case, it shall be the value determined by JSCC considering the status of quotes at 1:00 P.M. on the relevant day and other conditions;
- (2) Notwithstanding the provisions of the preceding Paragraph, on or after the day immediately following the day on which the Last Trading Day of each contract month contract ends, the Settlement Price of the contract month contract of the relevant Interest Rate Futures Contract on the Last Trading Day shall be the Emergency Settlement Price

3 Out of the Emergency Settlement Price to be determined by JSCC as set forth in Article 23 of the Rules on Margins, the Emergency Settlement Price related to Commodity Futures Contracts shall be as prescribed in the following Items, based on the classification of Commodity Futures Contracts referenced in each Item; provided, however, that JSCC shall determine the Emergency Settlement Price at each applicable occasion, in the event that JSCC deems it inappropriate to determine the Emergency Settlement Price pursuant to each of such Items:

(1) Physical Settlement Futures Contracts

Out of the contract prices^{*1} of the Physical Settlement Futures Contracts on each Trading Day, the last contract price in the exchange trade immediately prior to the time of calculation of the Emergency Settlement Price; provided, however, that in the event that no such contract price exists, it shall be the Settlement Price for the immediately preceding Trading Day^{*2}.

(*1 excluding the contract price under Strategy Contracts; the same applies hereinafter)

(*2 for the contract month contract^{*2-1} on the first Trading Day, the Settlement Price for the contract month contract whose Last Trading Day is the nearest to that of the relevant contract month)

(*2-1 referring to the contract month contracts prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

(2) Cash-settled Monthly Futures Contract

The Emergency Settlement Price related to the contract month contracts of the Physical Settlement Futures Contracts of which the last trading day belongs in the same month^{*1} (*1 limited those with the same underlying financial instrument).

(3) Cash-settled Daily Futures Contract

Out of the contract prices of the Cash-settled Daily Futures Contracts on each Trading Day, the last contract price in the exchange trade immediately prior to the time of calculation of the Emergency Settlement Price; provided, however, that in the event that no such contract price exists, it shall be the Settlement Price for the immediately preceding Trading Day^{*1}.

(*1 for the contract month contract^{*1-1} on the first trading day, the Settlement Price for the contract month contract whose last trading day is the nearest to that of the relevant contract month)

(*1-1 referring to the contract month contracts prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

4 The Emergency Settlement Price related to Index Futures Contracts that is to be determined by JSCC as set forth in Article 23 of the Rules on Margins shall be determined in a manner prescribed in each of the below Items; provided that when JSCC considers that the method

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts set forth in below Items is inappropriate, JSCC shall decide the Emergency Settlement Price at each applicable occasion:

- (1) The provisions of Article 20-8 of the Handling of Business Rules^{*1} shall apply *mutatis mutandis* when the Emergency Settlement Price for the Index Futures Contracts in the Financial Instruments Market operated by the Designated Market Operator is determined pursuant to the provisions of Article 23 of the Rules on Margins. In such event, in Item (1) A) of Paragraph 1 of Article 20-8 of the Handling of Business Rules, the phrase, “from 3:00 P.M. to the end of the Day Session prescribed by the Designated Market Operator” shall be deemed to be “from 0:45 P.M. through 1:00 P.M.,” the phrase, “Settlement Price” shall be deemed to be “Emergency Settlement Price,” the phrase, “the last value of the underlying index on the day on which the Trading Day ends” shall be deemed to be “the price for the underlying contracts at the time of calculation of Emergency Settlement Price,” the phrase, “at the close of the Day Session on that day” shall be deemed to be “at 1:00P.M.”; provided, however, on the day immediately following the day on which the Last Trading Day of each contract month contract ends, the Emergency Settlement Price for such contract month contract shall be set by JSCC on a case-by-case basis:
- (2) The Emergency Settlement Price related to Index Futures Contracts referencing dividend indexes shall be, in respect of the contract month contract for which there is the contract price^{*1} at or after the time up to 1:00 P.M. prescribed by JSCC in the exchange trade on the relevant Trading Day, the last contract price at or after such time; provided, however, that if there is no such contract price, it shall be the value determined by JSCC considering the status of quotes by 1:00 P.M. on the relevant day and other conditions. On the day immediately following the day on which the Last Trading Day for each contract month contract ends, the Emergency Settlement Price for the relevant contract month contract shall be the value determined by JSCC on a case-by-case basis.

(*1 excluding the contract price under Strategy Contract; the same applies in this Item)

4 The Emergency Settlement Price to be determined by JSCC as set forth in Article 23 of the Rules on Margins shall be as prescribed in the following Items, based on the classification of Option Contracts referenced in each Item; provided, however, that JSCC shall determine the Intraday Settlement Price at each applicable occasion, in the event that JSCC deems it inappropriate to determine the Intraday Settlement Price pursuant to each of such Items:

- (1) Option Contract on Nikkei Stock Average, Security Option Contract, Option Contract on JGB Futures, Index Option Contract on Tokyo Stock Price Index (TOPIX), Index Option Contract on JPX Nikkei Index 400, Index Option Contract on TOPIX Banks Index and Index Option Contract on Tokyo Stock Exchange REIT Index:

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts

The provisions of Article 2 shall apply mutatis mutandis. In such event, the phrase, “closing contract price of the applicable issue of the underlying security on the day^{*1}” in Paragraph 1 of the *Appendix 3* shall be deemed to be “the last contract price of the applicable issue of the underlying security at the time of calculation of Emergency Settlement Price^{*2}”; the phrase, “Settlement Price,” in Paragraph 2 of the *Appendix 3* shall be deemed to be “Emergency Settlement Price”; and the phrase, “closing price for the underlying index on the day on which the applicable Trading Day ends” in Paragraph 3 of the *Appendix 3* shall be deemed to be “price at the time of calculation of Emergency Settlement Price.”

(*¹ referring to the closing price of the underlying security in the Financial Instruments Market designated by the Designated Market Operator and including the final quote that is posted in accordance with the rules prescribed by the operator of the relevant Financial Instruments Market)

(*² referring to the last contract price of the underlying security in the Financial Instruments Market designated by the Designated Market Operator and including the last quote that is posted in accordance with the rules prescribed by the operator of the relevant Financial Instruments Market)

(2) Option Contract on Gold Futures

The amount JSCC calculates as the theoretical price pursuant to the method set forth in *Appendix 3 “Table Concerning Calculation of Theoretical Prices for Option Contracts.”* In such case, the phrase, “Settlement Price,” in Paragraph 4 of *Appendix 3* shall be deemed to be “Emergency Settlement Price.”

(Article 5 Position Report for Customers’ Account and Pertaining to the Brokerage for Clearing of Securities, etc.)

The cutoff time prescribed by JSCC pursuant to the provisions of Article 25 of the Rules on Margins shall be 7:00 P.M. of the applicable day.

(Article 6 - Deleted)

(Article 7 Handling of Japanese Government Bonds)

When a Clearing Participant deposits the Japanese Government Bonds described in Paragraph 2 of the *Appendix 1* to the Rules on Margins with JSCC, the Clearing Participant shall make such deposit by way of a book-entry transfers to the account held in the name of JSCC at the Bank of Japan.

(Article 8 Handling of Stocks and the Like)

1 When a Clearing Participant deposits securities listed under the following Items with JSCC,

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts
the Clearing Participant shall make such deposit by way of book-entry transfers to the account held in the name of JSCC at the JASDEC.

(1) Stocks, preferred equity capital contribution securities, depositary receipts for foreign stocks, beneficiary securities of investment trusts, beneficiary securities of foreign investment trusts, foreign investment securities, beneficiary securities of beneficiary securities issuing trusts, beneficiary securities of foreign beneficiary securities issuing trusts, bonds^{*1} and Convertible Bonds set forth in Paragraph 2 of the *Appendix 1* to the Rules on Margins.

(*1 excluding Japanese Government Bonds and corporate bonds with stock acquisition rights)

(2) Investment securities set forth in Paragraph 2 of the *Appendix 1* to the Rules on Margins, which are listed on any of the domestic Financial Instruments Exchanges.

2 JSCC shall entrust the task of submitting to JASDEC reports concerning the deposited securities prescribed in the following Item to the Clearing Participant which has deposited such securities, and the Clearing Participant so entrusted with the task shall submit the relevant reports to JASDEC. In such event, the Clearing Participant so entrusted with the task may cause third parties to submit the relevant reports.

(1) Reports concerning the entrustment status of management for Special Shareholders in connection with stocks issued by domestic corporations;

(2) Reports concerning the entrustment status of management for Special Holders of Preferred Equity Capital Contribution Securities in connection with equity capital contribution securities;

(3) Reports concerning the entrustment status of management for Special Holders of Beneficiary Securities in connection with investment trust beneficiary securities;

(4) Reports concerning the entrustment status of management for Special Holders of Investment Securities in connection with investment securities; and

(5) Reports concerning the entrustment status of management for Special Holders of Beneficiary Securities in connection with beneficiary securities of beneficiary securities issuing trust.

(Article 9 Securities Deposited in Lieu of Cash)

The rate prescribed by JSCC as the rate by which the market price of Japanese Government Bonds, Bonds guaranteed by the Japanese Government, Yen denominated bonds which are stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act, Foreign Government Bonds, Municipal Bonds, Special Bonds, Corporate Bonds and Yen-denominated bonds issued by foreign juridical persons (SAMURAI bonds) is to be multiplied prescribed in Paragraph 2 of the Appendix 1 of the Rules on Margins

Handling of Rules on Margins, etc. for Futures and Option Contracts shall be set forth in the Appendix 4.

(Article 10 Exclusion from the Securities Deposited in Lieu of Cash)

1 In the event that any stock^{*1} that is listed on one or more domestic Financial Instruments Exchange(s) comes to meet, in all of such domestic Financial Instruments Exchanges where it is listed, any of the delisting criteria prescribed by such Financial Instruments Exchange(s)^{*2}, JSCC shall exclude such stock and the corporate bonds issued by the issuer of such stock^{*3} from the securities which may be deposited in lieu of cash as the Margin, Customer Margin or Brokerage Margin, commencing on the day immediately following the day on which such delisting criteria are met:

(*1 including preferred equity capital contribution securities, depositary receipts for foreign stocks, beneficiary securities of investment trusts, beneficiary securities of foreign investment trusts, investment securities, foreign investment securities, beneficiary securities of beneficiary securities issuing trust and beneficiary securities of foreign beneficiary securities issuing trust; the same applies hereinafter)

(*2 except in the events prescribed by the following Items)

(*3 excluding the relevant depositary receipts for foreign stocks, beneficiary securities of investment trusts, beneficiary securities of foreign investment trusts, beneficiary securities of beneficiary securities issuing trust and beneficiary securities of foreign beneficiary securities issuing trust)

(1) In the event where the issuer of the relevant stock becomes a wholly owned subsidiary of another corporation whose stock is listed in a Designated Financial Instruments Market^{*1} through a share exchange or equity transfer;

(*1 hereinafter referred to as the "Listed Company")

(2) In the event where the issuer of the relevant stock merges with a Listed Company through an absorption-type merger; or

(3) In the event not described above, where the relevant stock is to be delisted and where the stock which is to be granted in exchange for such stock is expected to be listed immediately on a Designated Financial Instruments Market.

2 The provisions of the preceding Paragraph shall apply *mutatis mutandis* to the bonds which are deposited in lieu of cash as the Margin, Customer Margin or Brokerage Margin, where the obligations relating to the bonds of the issuer of such bonds become immediately due and payable.

Handling of Rules on Margins, etc. for Futures and Option Contracts
Supplementary Provisions

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

Supplementary Provisions

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

(*Note) The “day prescribed by JSCC” is December 13, 2006.

Supplementary Provisions

- 1 These revised Rules shall come into effect on January 10, 2006.
- 2 In the case where bonds^{*1} are in fact deposited by a Clearing Participant with JSCC in the form of actual certificates when these revised Rules come into effect, they shall be returned to the Clearing Participant by March 31, 2006.
(*¹ excluding the Japanese Government Bonds, corporate bonds with subscription warrants, etc., and Exchangeable Corporate Bonds)

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on January 4, 2007.

Supplementary Provisions

These revised Rules shall come into effect on March 12, 2007.

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

(*Note) The date set by JSCC" is October 5, 2009.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on May 24, 2010.

Supplementary Provisions

These revised Rules shall come into effect on July 26, 2010.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on March 9, 2012.

Supplementary Provisions

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

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on March 24, 2014.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Business Rules shall come into effect on the day set by JSCC which is not earlier than March 24, 2014.

Supplementary Provisions

These revised Rules shall come into effect on November 9, 2015.

Supplementary Provisions

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

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on July 19, 2016.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Business Rules shall come into effect on the day

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts set by JSCC which is not earlier than July 19, 2016.

Handling of Rules on Margins, etc. for Futures and Option Contracts
Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on July 17, 2018.

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

- 1 These revised Rules shall come into effect on July 27, 2020.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than July 27, 2020.

Supplementary Provisions

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

Supplementary Provisions

- 1 These revised Rules shall come into effect on April 1, 2022.

Supplementary Provisions

- 1 These revised Rules shall come into effect on April 4, 2022.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than April 4, 2022.

Supplementary Provisions

- 1 These revised Rules shall come into effect on September 21, 2022.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than September 21, 2022.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on December 12, 2022.

Supplementary Provisions

These revised Rules shall come into effect on March 6, 2023.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on June 12, 2023.

Supplementary Provisions

- 1 These revised Rules shall come into effect on November 6, 2023.

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

<<Appendix 1>>

Table Concerning Calculation of Expected Loss Amount

Expected Loss Amount shall be the amount calculated in accordance with the method prescribed by JSCC, based on the amount equivalent to the level covering the amount equivalent to 99% of the fluctuation amounts set forth in a and b below when such fluctuation amounts are ordered by descending order. However, for Futures and Option Contracts separately prescribed by JSCC, it shall be the amount calculated in accordance with the method separately prescribed by JSCC.

a Expected Fluctuation Amount in Reference Period

Expected Fluctuation Amount in Reference Period shall be the fluctuation amount in the value of each issue expected from Historical Scenario in Reference Period.

(Note 1) Reference Period shall be the period from the 1,250th preceding day from the calculation base date to the calculation base date; provided, however, that, if the relevant period is not deemed as appropriate, it shall be the period prescribed by JSCC.

(Note 2) Historical Scenario shall be scenario structured by JSCC in accordance with the method separately prescribed by JSCC for each issue based on market data*1 for the number of days prescribed by JSCC.

(*1 data related to underlying index, price of securities, Settlement Price, interest rate, yield and implied volatility for each issue; the same applies hereinafter.)

b Stress Scenario Expected Fluctuation Amount

Stress Scenario Expected Fluctuation Amount shall be the fluctuation amount in value of each issue expected from scenarios prescribed by JSCC as extreme but plausible market.

<<Appendix 1-2>>

Table Concerning Calculation of Risk Amount and Threshold for Judgment to be Used for Judgment of Whether or Not to Increase Amount Required for Margin

1. Calculation Method of Risk Amount and Threshold for Judgment based on Liquidity Criteria

(1) Risk Amount

Risk amount to be used for judgment of whether or not to increase an amount required for Margin based on the liquidity criteria shall be, respectively for position for the proprietary account of a Trading Participant, position pursuant to the commission by a customer or position of Voluntary Breakdown Unit pursuant to the commission by a customer, the amount^{*1} obtained according to the below calculation formula by each of the JGB Futures/Option Commodity Group^{*42}, Index Futures/Option Commodity Group^{*23}, Gold Futures/Option Commodity Group^{*34} and Platinum Futures Commodity Group^{*45}. Terms used in the calculation formula shall have the meanings as defined in A) and B) below.

(*1 However if the resultant value becomes negative, it shall be zero.)

(*42 referring to each contract month contract of JGB Futures Contracts and Option Contracts on JGB Futures Contracts designated by JSCC; the same applies hereinafter.)

(*23 referring to each contract month contract of Index Futures Contracts and Index Option Contracts designated by JSCC; the same applies hereinafter.)

(*34 referring to each contract month contract of Gold Futures Contracts, Option Contracts on Gold Futures and Gold Rolling-Spot Futures Contracts designated by JSCC; the same applies hereinafter.)

(*45 referring to each contract month contract of Platinum Futures Contracts and Platinum Rolling-Spot Futures Contracts designated by JSCC; the same applies hereinafter.)

Risk Amount to be Used for Judgment of Whether or Not to Increase Amount Required for Margin based on Liquidity Criteria

= Absolute Value of Sum Total of Liquidity Threshold Adjusted Net Outstanding Position by Issue as of Close of Trading on a Trading Day reduced by Threshold for Judgement prescribed in the following item

A) "Liquidity Threshold Adjusted Net Outstanding Position by Issue" means a value obtained according to the below calculation formula:

Liquidity Threshold Adjusted Net Outstanding Position by Issue

= Net Position by Issue of a Clearing Participant as of the Close of Trading on a Trading Day^{*1} X Volume/Position Adjustment Multiplier for each Issue as of the Close of Trading on

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts
that Trading day

(*1 referring to the amount obtained as long Position minus short Position; the same applies hereinafter.)

B) Volume/Position Adjustment Multiplier means the value obtained according to the below calculation formula:

Volume/Position Adjustment Multiplier

= Beta Value X Delta Value X Underlying Asset Closing Price Ratio X Trading Unit Adjustment Ratio

(Note 1) Beta Value shall be a coefficient prescribed by JSCC based on correlation coefficient between each issue and conversion base issue designated by JSCC for each of JGB Futures/Option Commodity Group, Index Futures/Option Commodity Group, Gold Futures/Option Commodity Group and Platinum Futures Commodity Group.

(Note 2) Delta Value shall be 1 if each issue is Futures Contracts and a coefficient prescribed by JSCC if each issue is Option Contracts.

(Note 3) Underlying Asset Closing Price Ratio shall be a coefficient prescribed by JSCC based on the closing price of the underlying asset of Conversion Base Issue and the closing price for the relevant trade of the underlying asset of each issue)

(Note 4) Trading Unit Adjustment Ratio means the value obtained according to the below calculation formula:

Trading Unit Adjustment Ratio

= Trading Unit of each Issue / Trading Unit of Conversion Base Issue

(2) Threshold for Judgment

Threshold for judgment to be used for judgment of whether or not to increase an amount required for Margin based on the liquidity criteria shall be, as to trading volume at the Designated Financial Instruments Market, the quantity obtained according to the below calculation formula for each of the JGB Futures/Option Commodity Group, Index Futures/Option Commodity Group, Gold Futures/Option Commodity Group and Platinum Futures Commodity Group. Terms used in the calculation formula shall have the meanings as defined in A) through D) below.

Threshold for Judgment to be Used for Judgment of Whether or not to Increase Amount Required for Margin based on Liquidity Criteria

= Average of Base Trading Volume on each Trading Day during Threshold Calculation Period
X Liquidity Threshold Adjustment Multiplier X Expected Holding Period

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts

A) "Threshold Calculation Period" means the period from and including the day that is 60 days^{*1} from and preceding the Trading Day ending on the last day of the previous month^{*2} through the last day of the previous month.

(*1 excluding Non-business days.)

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

B) "Base Trading Volume on each Trading Day" means the sum total of the amount obtained by multiplying trading volume of each issue at the relevant Designated Financial Instruments Market on a Trading Day by the Volume/Position Adjustment Multiplier related to the relevant issue as set forth in B) of the preceding Item.

C) "Liquidity Threshold Adjustment Multiplier" means the multiplier designated by JSCC.

D) "Expected Holding Period" for each Commodity Group shall be as follows:

JGB Futures/Option Commodity Group and Index Futures/Option Commodity Group: 2

Gold Futures/Option Commodity Group and Platinum Futures Commodity Group: 1

2. Calculation Method of Risk Amount and Threshold for Judgment based on Concentration Criteria

(1) Risk Amount

Risk amount to be used for judgment of whether or not to increase an amount required for Margin based on the concentration criteria shall be, respectively for position for the proprietary account of a Trading Participant, position pursuant to the commission of a customer or position of Voluntary Breakdown Unit pursuant to the commission of a customer, the amount obtained according to the below calculation formula by each of the JGB Futures Commodity Group^{*1}, Option on JGB Futures Commodity Group^{*2}, Index Futures Commodity Group^{*3} and Index Option Commodity Group^{*4}, Gold Futures Commodity Group^{*5}, Option on Gold Futures Commodity Group^{*6} and Platinum Futures Commodity Group. Terms used in the calculation formula shall have the meanings as defined in A) and B) below.

(*1 referring to each contract month contract of JGB Futures Contracts designated by JSCC; the same applies hereinafter.)

(*2 referring to each contract month contract of Option Contracts on JGB Futures designated by JSCC; the same applies hereinafter.)

(*3 referring to each contract month contract of Index Futures Contracts designated by JSCC; the same applies hereinafter.)

(*4 referring to each contract month contract of Index Option Contracts designated by JSCC; the same applies hereinafter.)

(*5 referring to each contract month contract of Gold Futures Contracts and Gold Rolling-Spot Futures Contracts designated by JSCC; the same applies hereinafter.)

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts

(*6 referring to each contract month contract of Option Contracts on Gold Futures designated by JSCC; the same applies hereinafter.)

Risk Amount to be Used for Judgment of Whether or Not to Increase Amount Required for Margin based on Concentration Criteria

= Sum Total of Concentration Threshold Adjusted Net Outstanding Position by Issue as of Close of Trading on a Trading Day reduced by Threshold for Judgement prescribed in the following item*1.

(*1 If sum total of Concentration Threshold Adjusted Net Outstanding Position by Issue becomes negative, the value obtained by adding Threshold for Judgement to the sum total of Concentration Threshold Adjusted Net Outstanding Position by Issue.)

(Note) If the value obtained by reducing Threshold for Judgement from the sum total of Concentration Threshold Adjusted Net Outstanding Position by Issue is negative, it shall be zero.

A) "Concentration Threshold Adjusted Net Outstanding Position by Issue" means a value obtained according to the below calculation formula:

Concentration Threshold Adjusted Net Outstanding Position by Issue

= Net Position by Issue of a Clearing Participant as of the Close of Trading on a Trading Day X Volume/Position Adjustment Multiplier for each Issue as of the Close of Trading on that Trading Day

B) "Volume/Position Adjustment Multiplier" has the same meaning as the Volume/Position Adjustment Multiplier as defined in Item (1), B) of the preceding Paragraph.

(2) Threshold for Judgment

Threshold for judgment to be used for judgment of whether or not to increase an amount required for Margin based on the concentration criteria shall be, as to outstanding position at the Designated Financial Instruments Market, the quantity obtained according to the below calculation formula for each of the JGB Futures Commodity Group, Option on JGB Futures Commodity Group, Index Futures Commodity Group, Index Option Commodity Group, Gold Futures Commodity Group, Option on Gold Futures Commodity Group and Platinum Futures Commodity Group. Terms used in the calculation formula shall have the meanings as defined in A) through D) below.

Threshold for Judgment to be Used for Judgment of Whether or Not to Increase Amount

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts

Required for Margin based on Concentration Criteria

= Base Outstanding Position on Threshold Calculation Date X Concentration Threshold Adjustment Multiplier x Holding Period

- A) "Threshold Calculation Date" means the last day of the previous month.
- B) "Base Outstanding Position" means the sum total of the amount obtained by multiplying the outstanding Position of each issue at the relevant Designated Financial Instruments Market on the Threshold Calculation Date by the Volume/Position Adjustment Multiplier related to the relevant issue as set forth in B) of the preceding Item.
- C) "Concentration Threshold Adjustment Multiplier" means the multiplier designated by JSCC.
- D) "Expected Holding Period" for each Commodity Group shall be as follows:
JGB Futures/Option Commodity Group and Index Futures/Option Commodity Group: 2
Gold Futures/Option Commodity Group and Platinum Futures Commodity Group: 1

<<Appendix 2>>

Table Concerning Calculation of Add-on Charge to Amount Required for Margin
when Measures of Increasing Amount Required for Margin are Taken

The add-on charge to an amount required for Margin shall be, respectively for Position for a Clearing Participant's proprietary account, Position pursuant to the commission by a customer or Position of Voluntary Breakdown Unit pursuant to the commission by a customer, the amount obtained according to the below calculation formula by each JGB Futures/Option Commodity Group, Index Futures/Option Commodity Group, Gold Futures/Option Commodity Group and Platinum Futures Commodity Group; provided, however, that when JSCC considers the amount so obtained inappropriate, the add-on charge to an amount required for Margin shall be the amount determined by JSCC at each applicable occasion. Terms used in the calculation formula shall have the same meaning as those defined in Appendix 1-2, or have the meanings as defined in A) and B) below.

Add-on Charge for Amount Required for Margin

= Greater of Expected Excess Loss based on Liquidity Criteria and Expected Excess Loss based on Concentration Criteria

A) "Expected Excess Loss based on Liquidity Criteria" means the amount obtained according to the below calculation formula for each of the JGB Futures/Option Commodity Group, Index Futures/Option Commodity Group, Gold Futures/Option Commodity Group and Platinum Futures Commodity Group.

Expected Excess Loss based on Liquidity Criteria

= Risk Amount set forth in Appendix 1-2, Paragraph 1, Item (1) X Margin Equivalent per 1 Unit of Position X Expected Excess Factor When Falling Under Liquidity Criteria

(Note 1) "Margin Equivalent per 1 Unit of Position" means the value ~~of Price Sean Range for the Conversion Base Issue designated by JSCC~~ obtained by averaging the Expected Loss Amount per 1 Unit of long position and short position for each contract month contract of the commodity to which the Conversion Base Issue belongs.

(Note 2) "Expected Excess Factor When Falling under Liquidity Criteria" shall be the factor obtained according to the below calculation formula^{*1}.

~~(*1. However if the resultant value becomes negative, it shall be zero.)~~

Expected Excess Factor When Falling under Liquidity Criteria

$$= \sqrt{\frac{\text{Liquidity Base Holding Period Multiplier}}{3}} - 4$$

(Note 2-1) "Liquidity Base Holding Period Multiplier" means the number of days obtained

Handling of Rules on Margins, etc. for Futures and Option Contracts according to the below calculation formula:

Liquidity Base Holding Period Multiplier

= Risk Amount set forth in Appendix 1-2, Paragraph 1, Item (1) / Threshold for Judgment set forth in Appendix 1, Paragraph 1, Item (2)

B) "Expected Excess Loss based on Concentration Criteria" means the ~~value~~absolute value of Expected Excess Loss Amount obtained according to the below calculation formula by each of JGB Futures Commodity Group, Option on JGB Futures Commodity Group, Index Futures Commodity Group, Index Option Commodity Group, Gold Futures Commodity Group, Option on Gold Futures Commodity Group and Platinum Futures Commodity Group, aggregated by each of JGB Futures Commodity Group, Index Futures Commodity Group, Gold Futures Commodity Group and Platinum Futures Commodity Group

Expected Excess Loss Amount based on Concentration Criteria for each Commodity Group

= Risk Amount set forth in Appendix 1-2, Paragraph 2, Item (1) X Margin Equivalent per 1 Unit of Position X Expected Excess Factor When Falling under Concentration Criteria

(Note 1) "Margin Equivalent per 1 Unit of Position" means the value ~~of Price Scan Range for the Conversion Base Issue designated by JSCG~~obtained by averaging the Expected Loss Amount per 1 Unit of long position and short position for each contract month contract of the commodity to which the Conversion Base Issue belongs.

(Note 2) "Expected Excess Factor When Falling under Concentration Criteria" means the factor obtained according to the below calculation formula^{*1}:

~~(*1. However if the resultant value becomes negative, it shall be zero.)~~

Expected Excess Factor When Falling under Concentration Criteria

$$= \sqrt{\frac{\text{Concentration Base Holding Period Multiplier}}{3}} = 1$$

(Note ~~1-12-1~~) "Concentration Base Holding Period Multiplier" means the number of days obtained according to the below calculation formula:

Concentration Base Holding Period Multiplier

= ~~Risk Amount~~Absolute value of risk amount set forth in Appendix 1-2, Paragraph 2, Item (1) / Threshold for Judgment set forth in Appendix 1, Paragraph 2, Item (2).

<Appendix 3>

Table Concerning Calculation of Theoretical Prices for Option Contracts

1. Security Option Contracts

Theoretical price of Security Put Option: P

$$P = -S'N(-d_1) + Ke^{-r\tau}N(-d_2)$$

Theoretical price of Security Call Option: C

$$C = S'N(d_1) - Ke^{-r\tau}N(d_2)$$

 S' , d_1 and d_2 are calculated pursuant to the following formula;

$$S' = S - \sum D_i e^{-rt_i}$$

$$d_1 = [\ln(S'/K) + (r + \sigma^2/2)\tau]/\sigma\sqrt{\tau}$$

$$d_2 = d_1 - \sigma\sqrt{\tau}$$

Note. Symbols used in the formula above shall have the meanings set forth below:

 $N(\cdot)$: cumulative distribution function in standard normal distribution K : exercise price K : exercise price e : base of natural logarithm r : interest rate designated by JSCC τ : number of days from the immediately following day to the Exercise Day of D_i / 365 S : closing contract price of the applicable issue of the underlying security on the day^{*1}(*¹ referring to the closing price of the underlying security in the Financial Instruments Market designated by the Designated Market Operator and including the final quote that is posted in accordance with the rules prescribed by the operator of the relevant Financial Instruments Market) D_i : expected dividend for FY i of the underlying securities of options t_i : number of days from the immediately following day to the ex-dividend date / 365 \ln : natural logarithm σ : implied volatility that is deemed appropriate by JSCC

2. Option Contracts on JGB Futures

Theoretical price of Put Option on JGB Futures: P

$$P = e^{-r\tau}[KN(-d_2) - FN(-d_1)]$$

Theoretical price of Call Option on JGB Futures: C

$$C = e^{-r\tau}[FN(d_1) - KN(d_2)]$$

 d_1 and d_2 are calculated pursuant to the following formula:

$$d_1 = [\ln(F/K) + (\sigma^2/2)\tau]/\sigma\sqrt{\tau}$$

$$d_2 = d_1 - \sigma\sqrt{\tau}$$

Note 1. Symbols used in the formula above shall have the meanings set forth below:

e : base of natural logarithm

r : interest rate designated by JSCC

τ : number of days between the day on which the applicable Trading Day ends and the expiration date of the Exercise Period / 365

K : exercise price

$N(\cdot)$: cumulative distribution function in standard normal distribution

F : Settlement Price for the underlying futures contract month contract subject to the exercise of right on the Trading Day

\ln : natural logarithm

σ : implied volatility that is deemed appropriate by JSCC

3. Index Option Contract

Theoretical price of Index Put Option: P

$$P = -Se^{-\delta\tau}N(-d_1) + Ke^{-r\tau}N(-d_2)$$

Theoretical price of Index Call Option: C

$$C = Se^{-\delta\tau}N(d_1) - Ke^{-r\tau}N(d_2)$$

d_1 and d_2 are calculated pursuant to the following formula:

$$d_1 = [\ln(S/K) + (r - \delta + \sigma^2/2)\tau] / \sigma\sqrt{\tau}$$

$$d_2 = d_1 - \sigma\sqrt{\tau}$$

Note. Symbols used in the formula above shall have the meanings set forth below:

S : value selected by JSCC from those relating to underlying index on the day on which the applicable Trading Day ends

e : base of natural logarithm

δ : expected dividend yield or expected distribution yield selected by JSCC from those relating to the underlying index

τ : number of days from the immediately following day to the Exercise Day / 365

$N(\cdot)$: cumulative distribution function in standard normal distribution K : exercise price

K : : exercise price

r : interest rate designated by JSCC

\ln : natural logarithm

σ : implied volatility that is deemed appropriate by JSCC

4. Option Contract on Gold Futures

Theoretical price of Put Option on Gold Futures: P

$$P = e^{-r\tau}[KN(-d_2) - FN(-d_1)]$$

Theoretical price of Call Option on Gold Futures: C

$$C = e^{-r\tau}[FN(-d_1) - KN(-d_2)]$$

d_1 and d_2 are calculated pursuant to the following formula:

$$d_1 = [\ln(F/K) + (\sigma^2/2)\tau]/\sigma\sqrt{\tau}$$

$$d_2 = d_1 - \sigma\sqrt{\tau}$$

Note. Symbols used in the formula above shall have the meanings set forth below:

e : base of natural logarithm

r : interest rate designated by JSCC

τ : number of days from the immediately following day to the Exercise Day / 365

K : exercise price

$N(\cdot)$: cumulative distribution function in standard normal distribution

F : Settlement Price on the relevant Trading Day of contract month contract of Futures Contracts subject to exercise

\ln : natural logarithm

σ : implied volatility that is deemed appropriate by JSCC

<Appendix 4>

Table Concerning the rate by which the market price of Securities Deposited in Lieu of Cash is to be multiplied.

The rate prescribed by JSCC as the rate by which the market price stipulated in Article 9 shall be as follows.

| Type of Securities and the Like | The rate by which the market price is to be multiplied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|-----|---|-----|--|-----|--|-----|---|-----|-------------------------------------|-----|---|-----|---|-----|--|-----|---|-----|---|-----|---|-----|--|-----|--|-----|---|-----|-----------------------------------|-----|---|-----|---|-----|--|-----|--|-----|---|-----|-----------------------------------|-----|
| Japanese Government Bonds (For Inflation-Indexed Bonds, only those eligible for Clearing under OTC JGB Clearing Service) | (1) Interest-bearing government bond and discount government bond (excluding government bond with floating rate, Inflation-Indexed Bonds and STRIPs) <table border="0" style="width: 100%;"> <tr><td style="padding-left: 20px;">a Years to maturity of less than 1 year</td><td style="text-align: right;">99%</td></tr> <tr><td style="padding-left: 20px;">b Years to maturity over 1 year and less than 5 years</td><td style="text-align: right;">98%</td></tr> <tr><td style="padding-left: 20px;">c Years to maturity over 5 year and less than 10 years</td><td style="text-align: right;">98%</td></tr> <tr><td style="padding-left: 20px;">d Years to maturity over 10year and less than 20 years</td><td style="text-align: right;">96%</td></tr> <tr><td style="padding-left: 20px;">e Years to maturity over 20 year and less than 30 years</td><td style="text-align: right;">94%</td></tr> <tr><td style="padding-left: 20px;">f Years to maturity over 30 years</td><td style="text-align: right;">92%</td></tr> </table> (2) Government bond with floating rate <table border="0" style="width: 100%;"> <tr><td style="padding-left: 20px;">a Years to maturity of less than 1 year</td><td style="text-align: right;">99%</td></tr> <tr><td style="padding-left: 20px;">b Years to maturity over 1 year and less than 5 years</td><td style="text-align: right;">99%</td></tr> <tr><td style="padding-left: 20px;">c Years to maturity over 5 year and less than 10 years</td><td style="text-align: right;">99%</td></tr> <tr><td style="padding-left: 20px;">d Years to maturity over 10 year and less than 20 years</td><td style="text-align: right;">99%</td></tr> </table> (3) Inflation-Indexed Bonds <table border="0" style="width: 100%;"> <tr><td style="padding-left: 20px;">a Years to maturity of less than 1 year</td><td style="text-align: right;">99%</td></tr> <tr><td style="padding-left: 20px;">b Years to maturity over 1 year and less than 5 years</td><td style="text-align: right;">98%</td></tr> <tr><td style="padding-left: 20px;">c Years to maturity over 5 year and less than 10 years</td><td style="text-align: right;">97%</td></tr> <tr><td style="padding-left: 20px;">d Years to maturity over 10year and less than 20 years</td><td style="text-align: right;">97%</td></tr> <tr><td style="padding-left: 20px;">e Years to maturity over 20 year and less than 30 years</td><td style="text-align: right;">97%</td></tr> <tr><td style="padding-left: 20px;">f Years to maturity over 30 years</td><td style="text-align: right;">97%</td></tr> </table> (4) STRIPs <table border="0" style="width: 100%;"> <tr><td style="padding-left: 20px;">a Years to maturity of less than 1 year</td><td style="text-align: right;">99%</td></tr> <tr><td style="padding-left: 20px;">b Years to maturity over 1 year and less than 5 years</td><td style="text-align: right;">98%</td></tr> <tr><td style="padding-left: 20px;">c Years to maturity over 5 year and less than 10 years</td><td style="text-align: right;">97%</td></tr> <tr><td style="padding-left: 20px;">d Years to maturity over 10year and less than 20 years</td><td style="text-align: right;">96%</td></tr> <tr><td style="padding-left: 20px;">e Years to maturity over 20 year and less than 30 years</td><td style="text-align: right;">93%</td></tr> <tr><td style="padding-left: 20px;">f Years to maturity over 30 years</td><td style="text-align: right;">91%</td></tr> </table> | a Years to maturity of less than 1 year | 99% | b Years to maturity over 1 year and less than 5 years | 98% | c Years to maturity over 5 year and less than 10 years | 98% | d Years to maturity over 10year and less than 20 years | 96% | e Years to maturity over 20 year and less than 30 years | 94% | f Years to maturity over 30 years | 92% | a Years to maturity of less than 1 year | 99% | b Years to maturity over 1 year and less than 5 years | 99% | c Years to maturity over 5 year and less than 10 years | 99% | d Years to maturity over 10 year and less than 20 years | 99% | a Years to maturity of less than 1 year | 99% | b Years to maturity over 1 year and less than 5 years | 98% | c Years to maturity over 5 year and less than 10 years | 97% | d Years to maturity over 10year and less than 20 years | 97% | e Years to maturity over 20 year and less than 30 years | 97% | f Years to maturity over 30 years | 97% | a Years to maturity of less than 1 year | 99% | b Years to maturity over 1 year and less than 5 years | 98% | c Years to maturity over 5 year and less than 10 years | 97% | d Years to maturity over 10year and less than 20 years | 96% | e Years to maturity over 20 year and less than 30 years | 93% | f Years to maturity over 30 years | 91% |
| a Years to maturity of less than 1 year | 99% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b Years to maturity over 1 year and less than 5 years | 98% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| c Years to maturity over 5 year and less than 10 years | 98% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| d Years to maturity over 10year and less than 20 years | 96% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| e Years to maturity over 20 year and less than 30 years | 94% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| f Years to maturity over 30 years | 92% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a Years to maturity of less than 1 year | 99% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b Years to maturity over 1 year and less than 5 years | 99% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| c Years to maturity over 5 year and less than 10 years | 99% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| d Years to maturity over 10 year and less than 20 years | 99% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a Years to maturity of less than 1 year | 99% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b Years to maturity over 1 year and less than 5 years | 98% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| c Years to maturity over 5 year and less than 10 years | 97% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| d Years to maturity over 10year and less than 20 years | 97% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| e Years to maturity over 20 year and less than 30 years | 97% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| f Years to maturity over 30 years | 97% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a Years to maturity of less than 1 year | 99% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b Years to maturity over 1 year and less than 5 years | 98% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| c Years to maturity over 5 year and less than 10 years | 97% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| d Years to maturity over 10year and less than 20 years | 96% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| e Years to maturity over 20 year and less than 30 years | 93% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| f Years to maturity over 30 years | 91% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bonds guaranteed by the Japanese Government Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act* | <table border="0" style="width: 100%;"> <tr><td style="padding-left: 20px;">(1) Years to maturity of less than 1 year</td><td style="text-align: right;">99%</td></tr> <tr><td style="padding-left: 20px;">(2) Years to maturity over 1 year and less than 5 years</td><td style="text-align: right;">98%</td></tr> <tr><td style="padding-left: 20px;">(3) Years to maturity over 5 year and less than 10 years</td><td style="text-align: right;">98%</td></tr> <tr><td style="padding-left: 20px;">(4) Years to maturity over 10year and less than 20 years</td><td style="text-align: right;">96%</td></tr> <tr><td style="padding-left: 20px;">(5) Years to maturity over 20 year and less than 30 years</td><td style="text-align: right;">94%</td></tr> <tr><td style="padding-left: 20px;">(6) Years to maturity over 30 years</td><td style="text-align: right;">92%</td></tr> </table> | (1) Years to maturity of less than 1 year | 99% | (2) Years to maturity over 1 year and less than 5 years | 98% | (3) Years to maturity over 5 year and less than 10 years | 98% | (4) Years to maturity over 10year and less than 20 years | 96% | (5) Years to maturity over 20 year and less than 30 years | 94% | (6) Years to maturity over 30 years | 92% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (1) Years to maturity of less than 1 year | 99% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) Years to maturity over 1 year and less than 5 years | 98% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) Years to maturity over 5 year and less than 10 years | 98% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (4) Years to maturity over 10year and less than 20 years | 96% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (5) Years to maturity over 20 year and less than 30 years | 94% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (6) Years to maturity over 30 years | 92% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Handling of Rules on Margins, etc. for Futures and Option Contracts

| | | | |
|--------------------------|--|---|--|
| Foreign Government Bonds | U.S. Treasury Bonds/Notes/Bills | (1) Years to maturity of less than 1 year (2) Years to maturity over 1 year and less than 5 years (3) Years to maturity over 5 year and less than 10 years (4) Years to maturity over 10 year and less than 20 years (5) Years to maturity over 20 year and less than 30 years (6) Years to maturity over 30 years | 94% 93% 91% 89% 88% 88% |
| | GBP denominated bonds issued by the United Kingdom of Great Britain and Northern Ireland | (1) Years to maturity of less than 1 year (2) Years to maturity over 1 year and less than 5 years (3) Years to maturity over 5 year and less than 10 years (4) Years to maturity over 10 year and less than 20 years (5) Years to maturity over 20 year and less than 30 years (6) Years to maturity over 30 years | 90% 88% 86% 82% 79% 76% |
| | EUR denominated bonds issued by Federal Republic of Germany | (1) Years to maturity of less than 1 year (2) Years to maturity over 1 year and less than 5 years (3) Years to maturity over 5 year and less than 10 years (4) Years to maturity over 10 year and less than 20 years (5) Years to maturity over 20 year and less than 30 years (6) Years to maturity over 30 years | 92% 91% 89% 86% 83% 84% |
| | EUR denominated bonds issued by French Republic | (1) Years to maturity of less than 1 year (2) Years to maturity over 1 year and less than 5 years (3) Years to maturity over 5 year and less than 10 years (4) Years to maturity over 10 year and less than 20 years (5) Years to maturity over 20 year and less than 30 years (6) Years to maturity over 30 years | 93% 90% 88% 86% 83% 81% |
| Municipal bonds | | (1) Years to maturity of less than 1 year (2) Years to maturity over 1 year and less than 5 years (3) Years to maturity over 5 year and less than 10 years (4) Years to maturity over 10 year and less than 20 years (5) Years to maturity over 20 year and less than 30 years (6) Years to maturity over 30 years | 99% 98% 97% 95% 93% 93% |

Reference Translation

Handling of Rules on Margins, etc. for Futures and Option Contracts

| | | | | | | | | | | | | | |
|---|---|---|-----|---|-----|--|-----|--|-----|---|-----|-------------------------------------|-----|
| <p>Special bonds (excluding bonds guaranteed by the Japanese Government)</p> <p>Corporate Bonds (excluding bonds with stock acquisition rights and Exchangeable Corporate Bonds)</p> | <table> <tbody> <tr> <td>(1) Years to maturity of less than 1 year</td> <td>99%</td> </tr> <tr> <td>(2) Years to maturity over 1 year and less than 5 years</td> <td>98%</td> </tr> <tr> <td>(3) Years to maturity over 5 year and less than 10 years</td> <td>97%</td> </tr> <tr> <td>(4) Years to maturity over 10year and less than 20 years</td> <td>95%</td> </tr> <tr> <td>(5) Years to maturity over 20 year and less than 30 years</td> <td>93%</td> </tr> <tr> <td>(6) Years to maturity over 30 years</td> <td>91%</td> </tr> </tbody> </table> | (1) Years to maturity of less than 1 year | 99% | (2) Years to maturity over 1 year and less than 5 years | 98% | (3) Years to maturity over 5 year and less than 10 years | 97% | (4) Years to maturity over 10year and less than 20 years | 95% | (5) Years to maturity over 20 year and less than 30 years | 93% | (6) Years to maturity over 30 years | 91% |
| (1) Years to maturity of less than 1 year | 99% | | | | | | | | | | | | |
| (2) Years to maturity over 1 year and less than 5 years | 98% | | | | | | | | | | | | |
| (3) Years to maturity over 5 year and less than 10 years | 97% | | | | | | | | | | | | |
| (4) Years to maturity over 10year and less than 20 years | 95% | | | | | | | | | | | | |
| (5) Years to maturity over 20 year and less than 30 years | 93% | | | | | | | | | | | | |
| (6) Years to maturity over 30 years | 91% | | | | | | | | | | | | |
| <p>Yen-denominated bonds issued by foreign juridical persons (<i>SAMURAI Bonds</i>) (excluding Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act, Convertible Bonds and Exchangeable Corporate Bonds)</p> | <table> <tbody> <tr> <td>(1) Years to maturity of less than 1 year</td> <td>99%</td> </tr> <tr> <td>(2) Years to maturity over 1 year and less than 5 years</td> <td>98%</td> </tr> <tr> <td>(3) Years to maturity over 5 year and less than 10 years</td> <td>97%</td> </tr> <tr> <td>(4) Years to maturity over 10year and less than 20 years</td> <td>97%</td> </tr> <tr> <td>(5) Years to maturity over 20 year and less than 30 years</td> <td>97%</td> </tr> <tr> <td>(6) Years to maturity over 30 years</td> <td>97%</td> </tr> </tbody> </table> | (1) Years to maturity of less than 1 year | 99% | (2) Years to maturity over 1 year and less than 5 years | 98% | (3) Years to maturity over 5 year and less than 10 years | 97% | (4) Years to maturity over 10year and less than 20 years | 97% | (5) Years to maturity over 20 year and less than 30 years | 97% | (6) Years to maturity over 30 years | 97% |
| (1) Years to maturity of less than 1 year | 99% | | | | | | | | | | | | |
| (2) Years to maturity over 1 year and less than 5 years | 98% | | | | | | | | | | | | |
| (3) Years to maturity over 5 year and less than 10 years | 97% | | | | | | | | | | | | |
| (4) Years to maturity over 10year and less than 20 years | 97% | | | | | | | | | | | | |
| (5) Years to maturity over 20 year and less than 30 years | 97% | | | | | | | | | | | | |
| (6) Years to maturity over 30 years | 97% | | | | | | | | | | | | |

=End=

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 or the Cash Settlement Futures Contract listed under Item (1) and Item (2) 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.

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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

~~15 In these Rules, "SPAN" refers to the margin calculation method, known as "SPAN," which was developed by the Chicago Mercantile Exchange.~~

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 ~~SPAN Margin Requirement~~Expected Loss Amount for Proprietary Account plus the Delivery Clearing Margin for Proprietary Account aggregated by types of Clearing

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

Qualifications related to 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) ~~SPAN Margin Requirement~~Expected Loss Amount for Proprietary Account:

The amount ~~of Margin~~ calculated in accordance with ~~SPAN~~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, "~~SPAN Margin Requirement~~Expected Loss Amount for Proprietary Account;" shall be deemed to be "~~SPAN Margin Requirement~~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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

Unit”; the phrase, “~~SPAN Margin Requirement~~Expected Loss Amount for Proprietary Account,” shall be deemed to be “~~SPAN Margin Requirement~~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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

the notification set forth in Article 33 or JSCC considers that submission of the notification is impossible or difficult.

(Article 7. ~~SPAN Parameters~~)

~~The parameters and other matters which are necessary for computing the Margin by SPAN shall be prescribed by JSCC. 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)

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

- 2 For the judgment of the increase of the amount required for Margin set forth in the preceding Paragraph, the calculation shall be performed every Trading Day and the judgment shall be made based on the results of such calculation.
- 3 When JSCC increased the amount required for Margin for the proprietary account of the Clearing Participant as set forth in Paragraph 1, if the amount of Margin for the proprietary account deposited by the Clearing Participant with JSCC falls below the amount required for Margin for the proprietary account so increased, JSCC shall promptly notify such effect to the relevant Clearing Participant.
- 4 The Clearing Participant received the notification set forth in the preceding Paragraph must deposit the amount at least equal to such shortfall as the Margin for the proprietary account by 2:00 P.M. on the day it received the said notification. in such case, the Clearing Participant may deposit securities and warehouse receipts 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 ~~of Margin~~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} ~~computed by SPAN~~ with respect to the position managed within an account of the Clearing Participant that relates to the Futures ~~and Option~~ Contracts of which the Designated Market Operator opens trading sessions on a Non-business Day by the rate prescribed by JSCC.

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

(*1-1 including the case where 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

- 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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 valued 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

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 valuated 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.

(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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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

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 valued 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 valued 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.

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

(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")

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

(*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.

(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.

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

(*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 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";

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

(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;

(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.

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

(*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)

(*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.

(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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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";

(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 between the Settlement Price on that preceding trading day and the Emergency Settlement Price.

(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 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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.

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 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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 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 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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 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.

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

- 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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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)

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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

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:

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

- (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)

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

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

Reference Translation

Rules on Margin for Business of Assuming Commodity Transaction Debts

unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than November 6, 2023.

<Appendix 1>

Table concerning 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

= ~~SPAN Margin~~ Expected Loss Amount for an Account

(Note 1) ~~SPAN Margin~~ Expected Loss Amount for an Account means the amount ~~of Margin~~ calculated ~~through SPAN~~ 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 ~~SPAN~~

~~Margin~~Expected Loss Amount for an Account calculated pursuant to the provisions of a. (a) on the previous trading day from the ~~SPAN~~Margin~~Expected Loss Amount~~ for an Account as of the calculation timing calculated pursuant to the provisions of a. (a); provided that if the resultant value becomes negative, such amount shall be deemed to be zero.

- b. Value Equivalent to Differences pertaining to Futures Contracts 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:

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)

(Article 1. Purpose)

These Rules set forth the matters to be prescribed by JSCC pursuant to the Rules on Margin for Business of Assuming Commodity Transaction Debts^{*1} as well as the matters necessary for the implementation of the Rules on Margin.

(*1 hereinafter referred to as the "Rules on Margin")

(Article 1-2 Calculation Method of Expected Loss Amount)

The method prescribed by JSCC as set forth in Item (1) of Article 4, Paragraph 1 of Article 12-2, and a (a) of Appendix 2 of the Rules on Margins shall be the method set forth in Appendix 1 "Table Concerning Calculation of Expected Loss Amount".

(Article 2. Risk Amount and Threshold for Judgment to be Used for Judgment of Whether or Not to Increase Amount Required for Margin)

1 The value to be prescribed by JSCC as risk amount and the threshold for judgment to be prescribed by JSCC as set forth in Paragraph 1 through Paragraph 3 of Article 8 of the Rules on Margin shall be the values to be obtained as per Appendix 1-2 "Table Concerning Calculation of Risk Amount and Threshold for Judgment to be Used for Judgment of Whether or Not to Increase Amount Required for Margin" according to the criteria listed below:

- (1) Liquidity criteria; and
- (2) Concentration criteria.

2 JSCC calculates the threshold for judgment as set forth in the preceding Paragraph monthly as of the last day of the previous month^{*1} as the base date for calculation and publish it on the first day^{*2} of the relevant month.

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

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

3 The threshold for judgment published pursuant to the provisions of the preceding Paragraph shall apply from the third day^{*1} of the relevant month.

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

4 The amount of add-on charge when the measures of increasing an amount required for the Margin are taken pursuant to the provisions of Paragraph 1 through Paragraph 3 of Article

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

8 of the Rules on Margin shall be the amount obtained as per Appendix 2 "Table Concerning Calculation of Add-on Charge to Amount Required for Margin when Measures of Increasing Amount Required for Margin are Taken."

(Article 3. Default Contingent Margin)

1 The amount of the Default Contingent Margin considered to be owed by a Clearing Participant as set forth in Paragraph 1 of Article 9 of the Rules on Margin shall be the amount obtained by subtracting the Applicable Required Clearing Fund from the Calculatory Required Clearing Fund. In such case, the terms used above shall have the meanings set forth in the following items:

(1) Calculatory Required Clearing Fund

The required amount of clearing fund calculated pursuant to the provisions of Paragraph 1 of Article 68 of the Business Rules on Business of Assuming Commodity Transaction Debts without an application of the special provisions for clearing fund for Default Settlement Period under the provisions of Article 69 of the Business Rules on Business of Assuming Commodity Transaction Debts.

(2) Applicable Required Clearing Fund

The required amount of clearing fund for Default Settlement Period pursuant to the provisions of Article 69 of the Business Rules on Business of Assuming Commodity Transaction Debts.

2 An increase of the required amount of the Margin set forth in Paragraph 1 of Article 9 of the Rules on Margin shall be triggered when the amount of the Default Contingent Margin set forth in the preceding Paragraph becomes a positive value.

3 When the amount of the Default Contingent Margin obtained through a calculation pursuant to the provisions of Paragraph 1 on any day on or after the next day following the day on which the Default Settlement Period commences is less than the amount of the Default Contingent Margin calculated on the previous day during the relevant Default Settlement Period, the amount of the Default Contingent Margin shall be the amount of the Default Contingent Margin calculated on such previous day.

(Article 4. Handling of Foreign Currency)

1 The currencies to be designated by JSCC as set forth in Article 10 of the Rules on Margin shall be Japanese yen and the currency of the United States of America.

2 The certain rate to be prescribed by JSCC as set forth in Article 14, Article 18 and Article 23 of the Rules on Margin shall be 95 percent in the case of the currency of the United States of America.

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

(Article 4-2 Handling of Amount of Preliminary Margin Add-on)

The rate to be prescribed by JSCC that is to be used for a calculation of the amount of the preliminary Margin add-on set forth in Paragraph 1 of Article 12-2 of the Rules on Margins shall be the rate determined by JSCC according to the number of consecutive days that are designated by the Designated Market Operator as the day it opens trading sessions on a Non-Business Day^{*1} and the Clearing Qualification related to the Futures ~~and Option~~ Contracts traded at the market of the Designated Market Operator on the Holiday Trading Day.

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

(Article 5. Handling of Cash)

1 When a Clearing Participant makes a deposit of the Margin prescribed in Article 12 and Article 13 of the Rules on Margin with JSCC in cash, it shall do so by way of a remittance into the account maintained in the name of JSCC with a bank selected by such Clearing Participant from among the banks designated by JSCC.

2 When the cash deposited with JSCC as Margin is returned to the Clearing Participant, it shall be returned by JSCC from the account maintained in its name to the account designated by the Clearing Participant.

(Article 6. Intraday Settlement Prices)

The Intraday Settlement Price to be prescribed by JSCC as set forth in Article 25 of the Rules on Margin shall be, out of the contract prices^{*1} in respective clearing period, the last contract price in the exchange trade immediately prior to the time of calculation of the Intraday Settlement Price; provided, however, that in the event that no such contract price exists, the Intraday Settlement Price shall be the Settlement Price for the immediately preceding trading day^{*2}; provided, further that, when JSCC deems it inappropriate, JSCC shall decide the Intraday Settlement Price at each applicable occasion.

(*1 excluding the contract price under Strategy Contracts; the same applies hereinafter)

(*2 for the contract month contract^{*2-1} on the first trading day, the Settlement Price for the contract month contract whose last trading day is the nearest to that of the relevant contract month)

(*2-1 referring to the contract month contracts prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

(Article 7. Conditions under Which Emergency Margin Is Deposited)

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

1 The thresholds to be prescribed by JSCC as set forth in Paragraph 1 of Article 26 of the Rules on Margin shall be the following:

(1) With respect to the contract month contracts which are selected by JSCC from the oil Futures Contracts, in the case where the difference between the contract price in the exchange trade immediately prior to 1:00 P.M. and the Intraday Settlement Price exceeds the amount previously prescribed by JSCC;

(2) With respect to the contract month contracts which are selected by JSCC from the Gold Futures Contracts, in the case where the difference between the contract price in the exchange trade immediately prior to 1:00 P.M. and the Intraday Settlement Price^{*1} exceeds the amount previously prescribed by JSCC;

(*1 referring to the intraday settlement price prescribed in Article 20-4 of the Rules on Margins, etc. for Futures and Options Contracts related to the Securities and Similar Contracts Clearing Business of JSCC)

(3) With respect to the contract month contracts which are selected by JSCC from the Index Futures Contracts, in the case where the difference between the contract price in the exchange trade immediately prior to 1:00 P.M. and the Intraday Settlement Price^{*1} exceeds the price previously prescribed by JSCC;

(*1 referring to the intraday settlement price prescribed in Article 20-4 of the Rules on Margins, etc. for Futures and Options Contracts related to the Securities and Similar Contracts Clearing Business of JSCC)

(4) With respect to the contract month contracts which are selected by JSCC from the JGB Futures Contracts, in the case where the difference between the contract price in the exchange trade immediately prior to 1:00 P.M. and the Intraday Settlement Price^{*1} exceeds the amount previously prescribed by JSCC;

(*1 referring to the intraday settlement price prescribed in Article 20-4 of the Rules on Margins, etc. for Futures and Options Contracts related to the Securities and Similar Contracts Clearing Business of JSCC)

2 The provisions of Paragraph 1 of Article 20-5 of the Handling of Business Rules concerning JSCC's Securities and Similar Contracts Clearing Business shall apply mutatis mutandis to the contract price in the exchange trade immediately prior to 1:00 P.M. referenced in Item (4) of the preceding Paragraph. In such event, the phrase, "3:02 P.M." in Item (1) of Paragraph 1 of Article 20-5 of the said rules shall be deemed to be "1:00 P.M." and the phrase "the session" in the same Item shall be deemed to be "the Afternoon Session".

(Article 8. Emergency Settlement Prices)

The Emergency Settlement Price to be determined by JSCC as set forth in Article 28 of the

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

Rules on Margin shall be, out of the contract prices in respective clearing period, the last contract price in the exchange trade immediately prior to the time of calculation of the Emergency Settlement Price; provided, however, that in the event that no such contract price exists, it shall be the Settlement Price for the immediately preceding trading day^{*1}; provided, further that, when JSCC deems it inappropriate, JSCC shall decide the Emergency Settlement Price at each applicable occasion.

(*1 for the contract month contract^{*1-1} on the first trading day, the Settlement Price for the contract month contract whose last trading day is the nearest to that of the relevant contract month)

(*1-1 referring to the contract month contracts prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

(Article 9. Notification of Position for Customer's Account and Commodity Clearing Transactions)

The cutoff time to be prescribed by JSCC as set forth in Article 33 of the Rules on Margin shall be 7:00 P.M. on the current day.

(Article 10. Notification of Contractual Amounts for LG Contract for Replacement Deposit)

The method of notification of the contractual amount as set forth in Paragraph 1 of Article 52 of the Rules on Margin and necessary matters concerning the LG Contract for Replacement Deposit set forth in Article 54 of the said Rules shall be as per the "Rules on Handling concerning LG Contract for Replacement Deposit."

(Article 11. Notification of Contractual Amount for LG Contract for Direct Deposits)

The method of receiving an approval from JSCC as set forth in Paragraph 1 of Article 55 and Paragraph 1 of Article 56 of the Rules on Margin, the method of notification of the contractual amount as set forth in Paragraph 1 of Article 57 of the said Rules and necessary matters concerning the LG Contract for Direct Deposit as set forth in Article 59 of the said Rules shall be as per the "Rules on Handling concerning LG Contract for Direct Deposit."

(Article 12. Securities in lieu of Cash)

Matters concerning the Securities in lieu of Cash for the Margin, Customer Margin, Brokerage Margin and Clearing Brokerage Margin shall be prescribed in Appendix 3.

(Article 13. Handling of Japanese Government Bonds)

When a Clearing Participant deposits the Japanese Government Bonds described in

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

Paragraph 2 of Appendix 3 with JSCC, the Clearing Participant shall make such deposit by way of a book-entry transfers to the account held in the name of JSCC at the Bank of Japan.

(Article 14. Handling of Stocks, etc.)

1 When a Clearing Participant deposits the securities set forth in the following Items, the Clearing Participant shall make such deposit by way of a book-entry transfer to the account held in the name of JSCC at Japan Securities Depository Center, Inc.:

(1) Stocks, beneficiary securities of investment trusts, beneficiary securities of foreign investment trusts, foreign investment securities, beneficiary securities of beneficiary securities issuing trusts, beneficiary securities of foreign beneficiary securities issuing trusts, bonds^{*1} and Convertible Bonds described in Paragraph 2 of Appendix 3;

(*1 excluding Japanese Government Bonds and bonds with stock acquisition rights)

(2) Investment securities described in Paragraph 2 of Appendix 3 that are listed on any of the domestic Financial Instruments Exchange.

2 JSCC shall entrust the task of submitting to JASDEC reports concerning the deposited securities prescribed in the following Item to the Clearing Participant which has deposited such securities, and the Clearing Participant so entrusted with the task shall submit the relevant reports to JASDEC. In such event, the Clearing Participant so entrusted with the task may cause third parties to submit the relevant reports.

(1) Reports concerning the entrustment status of management for Special Shareholders in connection with stocks issued by domestic corporations;

(2) Reports concerning the entrustment status of management for Special Holders of Beneficiary Securities in connection with investment trust beneficiary securities;

(3) Reports concerning the entrustment status of management for Special Holders of Investment Securities in connection with investment securities; and

(4) Reports concerning the entrustment status of management for Special Holders of Beneficiary Securities in connection with beneficiary securities of beneficiary securities issuing trust.

(Article 15. Exclusion from Securities Deposited in lieu of Cash)

1 In the event that any stock^{*1} that is listed on one or more domestic Financial Instruments Exchange(s) comes to meet, in all of such domestic Financial Instruments Exchanges where it is listed, any of the delisting criteria prescribed by such Financial Instruments Exchange(s)^{*2}, JSCC shall exclude such stock and the Corporate Bonds issued by the issuer of such stock^{*3} from the securities which may be deposited in lieu of cash as the Margin, Customer Margin, Brokerage Margin and the Clearing Brokerage Margin,

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

commencing on the day immediately following the day on which such delisting criteria are met:

(*¹ including beneficiary securities of investment trusts, beneficiary securities of foreign investment trusts, investment securities, foreign investment securities, beneficiary securities of beneficiary securities issuing trust and beneficiary securities of foreign beneficiary securities issuing trust; the same applies hereinafter)

(*² excluding the cases prescribed in the following Items)

(*³ excluding the relevant beneficiary securities of investment trusts, beneficiary securities of foreign investment trusts, beneficiary securities of beneficiary securities issuing trust and beneficiary securities of foreign beneficiary securities issuing trust)

(1) In the event that the issuer of the relevant stock becomes a wholly-owned subsidiary of another corporation whose stock is listed on a Financial Instruments Exchange*¹ through a share exchange or equity transfer;

(*¹ hereinafter referred to as the "Listed Company")

(2) In the event that the issuer of the relevant stock merges with a Listed Company through an absorption-type merger; or

(3) Otherwise, in the event that the relevant stock is to be delisted and that the stock which is to be granted in exchange for such stock is expected to be listed immediately on a Financial Instruments Exchange.

2 The provisions of the preceding Paragraph shall apply mutatis mutandis to bonds where the obligations relating to the bonds of the issuer of the bonds that comprise the securities deposited in lieu of cash as the Margin, Customer Margin, Brokerage Margin and Clearing Brokerage Margin become immediately due and payable.

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.

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2021.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on the later of (i) the date on which the amendment to the Articles of Incorporation of Osaka Dojima Commodity Exchange, Inc. related to its trade name change becomes effective, and (ii) the date on which the authorizations of the Minister of Agriculture, Forestry and Fisheries and the Minister of Economy, Trade and Industry are granted.

Supplementary Provisions

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on December 12, 2022.

Supplementary Provisions

These revised Rules shall come into effect on March 6, 2023.

Supplementary Provisions

These revised Rules shall come into effect on June 12, 2023.

Supplementary Provisions

1. These revised Rules shall come into effect on November 6, 2023.
 2. Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised amended 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 amended Rules shall come into effect on the day set by JSCC which is not earlier than November 6, 2023.
-

<<Appendix 1>>

Table Concerning Calculation of Expected Loss Amount

Expected Loss Amount shall be the amount calculated in accordance with the method prescribed by JSCC, based on the amount equivalent to the level covering the amount equivalent to 99% of the fluctuation amounts set forth in a and b below when such fluctuation amounts are ordered by descending order. However, for Futures Contracts separately prescribed by JSCC, it shall be the amount calculated in accordance with the method separately prescribed by JSCC.

a Expected Fluctuation Amount in Reference Period

Expected Fluctuation Amount in Reference Period shall be the fluctuation amount in the value of each issue expected from Historical Scenario in Reference Period.

(Note 1) Reference Period shall be the period from the 1,250th preceding day from the calculation base date to the calculation base date; provided, however, that, if the relevant period is not deemed as appropriate, it shall be the period prescribed by JSCC.

(Note 2) Historical Scenario shall be scenario structured by JSCC in accordance with the method separately prescribed by JSCC for each issue based on fluctuation of Settlement Price for the number of days prescribed by JSCC.

b Stress Scenario Expected Fluctuation Amount

Stress Scenario Expected Fluctuation Amount shall be the fluctuation amount in value of each issue expected from scenarios prescribed by JSCC as extreme but plausible market.

<Appendix 1-2>

Table Concerning Calculation of Risk Amount and Threshold for Judgment to be Used for Judgment of Whether or Not to Increase Amount Required for Margin

1. Calculation Method of Risk Amount and Threshold for Judgment based on Liquidity Criteria

(1) Risk Amount

Risk amount to be used for judgment of whether or not to increase an amount required for Margin based on the liquidity criteria shall be, respectively for position for the proprietary account of a Trading Participant, position pursuant to the commission by a Customer or position of Voluntary Breakdown Unit pursuant to the commission by a Customer, the amount^{*1} obtained according to the below calculation formula by each of the Energy Futures Commodity Group^{*2}. Terms used in the calculation formula shall have the meanings as defined in A) and B) below.

(*1 However if the resultant value becomes negative, it shall be zero.)

(*2 referring to each contract month contract of Crude Oil Futures Contracts, Gasoline Futures Contracts and Kerosene Futures Contracts designated by JSCC; the same applies hereinafter.)

Risk Amount to be Used for Judgment of Whether or Not to Increase Amount Required for Margin based on Liquidity Criteria

= Absolute Value of Sum Total of Liquidity Threshold Adjusted Net Outstanding Position by Issue as of Close of Trading on a Trading Day reduced by Threshold for Judgement prescribed listed in the following item

A) "Liquidity Threshold Adjusted Net Outstanding Position by Issue" means a value obtained according to the below calculation formula:

Liquidity Threshold Adjusted Net Outstanding Position by Issue

= Net Position by Issue of a Clearing Participant as of the Close of Trading on a Trading Day^{*1} X Volume/Position Adjustment Multiplier for each Issue as of the Close of Trading on that Trading day

(*1 referring to the amount obtained as long Position minus short Position; the same applies hereinafter.)

B) Volume/Position Adjustment Multiplier means the value obtained according to the below calculation formula:

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

Volume/Position Adjustment Multiplier

= Beta Value X Delta Value X Underlying Asset Closing Price Ratio X Trading Unit Adjustment Ratio

(Note 1) Beta Value shall be a coefficient prescribed by JSCC based on correlation coefficient between each issue and conversion base issue designated by JSCC for each of Energy Futures Commodity Group.

(Note 2) Delta Value shall be 1 if each issue is Futures Contracts.

(Note 3) Underlying Asset Closing Price Ratio shall be a coefficient prescribed by JSCC based on the closing price of the underlying asset of Conversion Base Issue and the closing price for the relevant trade of the underlying asset of each issue.

(Note 4) Trading Unit Adjustment Ratio means the value obtained according to the below calculation formula:

Trading Unit Adjustment Ratio

= Trading Unit of each Issue / Trading Unit of Conversion Base Issue

(2) Threshold for Judgment

Threshold for judgment to be used for judgment of whether or not to increase an amount required for Margin based on the liquidity criteria shall be, as to trading volume at the Designated Commodity Market, the quantity obtained according to the below calculation formula for each of the Energy Futures Commodity Group. Terms used in the calculation formula shall have the meanings as defined in A) through C) below.

Threshold for Judgment to be Used for Judgment of Whether or not to Increase Amount Required for Margin based on Liquidity Criteria

= Average of Base Trading Volume on each Trading Day during Threshold Calculation Period X Liquidity Threshold Adjustment Multiplier X Expected Holding Period

A) "Threshold Calculation Period" means the period from and including the day that is 60 days^{*1} from and preceding the Trading Day ending on the last day of the previous month^{*2} through the last day of the previous month.

(*1 excluding Non-Business Days.)

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

B) "Base Trading Volume on each Trading Day" means the sum total of the amount obtained by multiplying trading volume of each issue at the relevant Designated

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

Commodity Market on a Trading Day by the Volume/Position Adjustment Multiplier related to the relevant issue as set forth in B) of the preceding Item.

C) "Liquidity Threshold Adjustment Multiplier" means the multiplier designated by JSCC.

D) "Expected Holding Period" shall be 1.

2. Calculation Method of Risk Amount and Threshold for Judgment based on Concentration Criteria

(1) Risk Amount

Risk amount to be used for judgment of whether or not to increase an amount required for Margin based on the concentration criteria shall be, respectively for position for the proprietary account of a Trading Participant, position pursuant to the commission of a Customer or position of Voluntary Breakdown Unit pursuant to the commission of a Customer, the amount obtained according to the below calculation formula by each of the Energy Futures Commodity Group. Terms used in the calculation formula shall have the meanings as defined in A) and B) below.

Risk Amount to be Used for Judgment of Whether or Not to Increase Amount Required for Margin based on Concentration Criteria

= Sum Total of Concentration Threshold Adjusted Net Outstanding Position by Issue as of Close of Trading on a Trading Day reduced by Threshold for Judgement prescribed in the following item^{*1}

(*1 If sum total of Concentration Threshold Adjusted Net Outstanding Position by Issue becomes negative, the value obtained by adding Threshold for Judgement to the sum total of Concentration Threshold Adjusted Net Outstanding Position by Issue.)

(Note) If the value obtained by reducing Threshold for Judgement from the sum total of Concentration Threshold Adjusted Net Outstanding Position by Issue is negative, it shall be zero.

A) "Concentration Threshold Adjusted Net Outstanding Position by Issue" means a value obtained according to the below calculation formula:

Concentration Threshold Adjusted Net Outstanding Position by Issue

= Net Position by Issue of a Clearing Participant as of the Close of Trading on a Trading Day X Volume/Position Adjustment Multiplier for each Issue as of the Close

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

of Trading on that Trading Day

- B) "Volume/Position Adjustment Multiplier" has the same meaning as the Volume/Position Adjustment Multiplier as defined in Item (1), B) of the preceding Paragraph.

(2) Threshold for Judgment

Threshold for judgment to be used for judgment of whether or not to increase an amount required for Margin based on the concentration criteria shall be, as to outstanding position at the Designated Commodity Market, the quantity obtained according to the below calculation formula for the Energy Futures Commodity Group. Terms used in the calculation formula shall have the meanings as defined in A) through C) below.

Threshold for Judgment to be Used for Judgment of Whether or Not to Increase Amount Required for Margin based on Concentration Criteria

= Base Outstanding Position on Threshold Calculation Date X Concentration Threshold Adjustment Multiplier X Expected Holding Period

- A) "Threshold Calculation Date" means the last day of the previous month.
- B) "Base Outstanding Position" means the sum total of the amount obtained by multiplying the outstanding Position of each issue at the relevant Designated Commodity Market on the Threshold Calculation Date by the Volume/Position Adjustment Multiplier related to the relevant issue as set forth in B) of the preceding Item.
- C) "Concentration Threshold Adjustment Multiplier" means the multiplier designated by JSCC.
- D) "Expected Holding Period" shall be 1.

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

<Appendix 2>

Table Concerning Calculation of Add-on Charge to Amount Required for Margin when Measures of Increasing Amount Required for Margin are Taken

The add-on charge to an amount required for Margin shall be, respectively for Position for a Clearing Participant's proprietary account, Position pursuant to the commission by a Customer or Position of Voluntary Breakdown Unit pursuant to the commission by a Customer, the amount obtained according to the below calculation formula by Energy Futures Commodity Group; provided, however, that, if JSCC considers it inappropriate, it shall be the amount determined by JSCC at each applicable occasion. Terms used in the calculation formula shall have the same meaning as those defined in Appendix 1-2, or have the meanings as defined in A) and B) below.

Add-on Charge for Amount Required for Margin

= Greater of Expected Excess Loss based on Liquidity Criteria and Expected Excess Loss based on Concentration Criteria

A) "Expected Excess Loss based on Liquidity Criteria" means the amount obtained according to the below calculation formula for the Energy Futures Commodity Group.

Expected Excess Loss based on Liquidity Criteria

= Risk Amount set forth in Appendix 1-2, Paragraph 1, Item (1) X Margin Equivalent per 1 Unit of Position X Expected Excess Factor When Falling Under Liquidity Criteria

(Note 1) "Margin Equivalent per 1 Unit of Position" means the value ~~of Price Scan Range for the Conversion Base Issue designated by JSCC obtained by averaging the Expected Loss Amount per 1 Unit of long position and short position for each contract month contract of the commodity to which the Conversion Base Issue belongs.~~

(Note 2) "Expected Excess Factor When Falling under Liquidity Criteria" shall be the factor obtained according to the below calculation formula^{*1}.

~~(*1. However if the resultant value becomes negative, it shall be zero.)~~

Expected Excess Factor When Falling under Liquidity Criteria

$$= \sqrt{\frac{\text{Liquidity Base Holding Period Multiplier} - 1}{3}}$$

(Note 2-1) "Liquidity Base Holding Period Multiplier" means the number of days obtained

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

according to the below calculation formula:

Liquidity Base Holding Period Multiplier

= Risk Amount set forth in Appendix 1-2, Paragraph 1, Item (1) / Threshold for Judgment set forth in Appendix 1, Paragraph 1, Item (2)

B) "Expected Excess Loss based on Concentration Criteria" means the absolute value of Expected Excess Loss Amount obtained according to the below calculation formula by the Energy Futures Commodity Group:

Expected Excess Loss based on Concentration Criteria

= Risk Amount set forth in Appendix 1-2, Paragraph 2, Item (1) X Margin Equivalent per 1 Unit of Position X Expected Excess Factor When Falling under Concentration Criteria

(Note 1) "Margin Equivalent per 1 Unit of Position" means the value of Price Scan Range for the Conversion Base Issue designated by JSCG obtained by averaging the Expected Loss Amount per 1 Unit of long position and short position for each contract month contract of the commodity to which the Conversion Base Issue belongs.

(Note 2) "Expected Excess Factor When Falling under Concentration Criteria" means the factor obtained according to the below calculation formula^{*1}:

~~(^{*1} However if the resultant value becomes negative, it shall be zero.)~~

Expected Excess Factor When Falling under Concentration Criteria

$$= \sqrt{\frac{\text{Concentration Base Holding Period Multiplier}}{3}} - 1$$

(Note 1-12-1) "Concentration Base Holding Period Multiplier" means the number of days obtained according to the below calculation formula:

Concentration Base Holding Period Multiplier

= Absolute value of rRisk aAmount set forth in Appendix 1-2, Paragraph 2, Item (1) / Threshold for Judgment set forth in Appendix 1, Paragraph 2, Item (2).

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

<Appendix 3> Table Concerning Types of Securities Deposited in lieu of Cash and their Substituting Prices, etc.

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

(*¹ if such day falls on a Non-Business Day, it shall be the immediately preceding Business Day)

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

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

| Type of Securities and the Like | | Market Price | The rate by which the market price is to be multiplied |
|--|---|---|--|
| Japanese Government Bonds (For Inflation-Indexed Bonds, only those eligible for Clearing under OTC JGB Clearing Service) | Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association | Average of the relevant Reference Statistical Prices for OTC Bond Transactions (For Inflation-Indexed Bonds, the value obtained by multiplying such average by the indexation coefficient published by the Ministry of Finance) | (1) Interest-bearing government bond and discount government bond (excluding government bond with floating rate, Inflation-Indexed Bonds and STRIPs) a Years to maturity of less than 1 year 99% b Years to maturity over 1 year and less than 5 years 98% c Years to maturity over 5 year and less than 10 years 98% d Years to maturity over 10year and less than 20 years 96% e Years to maturity over 20 year and less than 30 years 94% f Years to maturity over 30 years 92% |
| | Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published | The closing price (* ¹) at the Financial Instruments Exchange (* ²) | (2) Government bond with floating rate a Years to maturity of less than 1 year 99% b Years to maturity over 1 year and less than 5 years 99% c Years to maturity over 5 year and less than 10 years 99% d Years to maturity over 10 year and less than 20 years 99% (3) Inflation-Indexed Bonds a Years to maturity of less than 1 year 99% |

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

| | | | |
|---|---|--|---|
| | | | b Years to maturity over 1 year and less than 5 years 98% c Years to maturity over 5 year and less than 10 years 97% d Years to maturity over 10year and less than 20 years 97% e Years to maturity over 20 year and less than 30 years 97% f Years to maturity over 30 years 97% (4) STRIPs a Years to maturity of less than 1 year 99% b Years to maturity over 1 year and less than 5 years 98% c Years to maturity over 5 year and less than 10 years 97% d Years to maturity over 10year and less than 20 years 96% e Years to maturity over 20 year and less than 30 years 93% f Years to maturity over 30 years 91% |
| Bonds guaranteed by the Japanese Government | Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association | Average of the relevant Reference Statistical Prices for OTC Bond Transactions | (1) Years to maturity of less than 1 year 99% (2) Years to maturity over 1 year and less than 5 years 98% (3) Years to maturity over 5 year and less than 10 years 98% (4) Years to maturity over 10year and less than 20 years 96% (5) Years to maturity over 20 year and less than 30 years 94% (6) Years to maturity over 30 years 92% |
| | Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published | The closing price (*1) in the Financial Instruments Exchange (*2) | |
| Municipal bonds (*3) | Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association | Average of the relevant Reference Statistical Prices for OTC Bond Transactions | (1) Years to maturity of less than 1 year 99% (2) Years to maturity over 1 year and less than 5 years 98% (3) Years to maturity over 5 year and less than 10 years 97% (4) Years to maturity over 10year and less than 20 years 95% (5) Years to maturity over 20 year and less than 30 years 93% (6) Years to maturity over 30 years 93% |

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

| | | | |
|--|---|--|--|
| | Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published | The closing price (*1) in the Financial Instruments Exchange (*2) | |
| Special bonds (excluding bonds guaranteed by the Japanese Government)(*4) | Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association | Average of the relevant Reference Statistical Prices for OTC Bond Transactions | (1) Years to maturity of less than 1 year 99% (2) Years to maturity over 1 year and less than 5 years 98% (3) Years to maturity over 5 year and less than 10 years 97% (4) Years to maturity over 10year and less than 20 years 95% (5) Years to maturity over 20 year and less than 30 years 93% (6) Years to maturity over 30 years 91% |
| Corporate Bonds (excluding bonds with stock acquisition rights and Exchangeable Corporate Bonds) (*3) (*4) | Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published | The closing price (*1) in the Financial Instruments Exchange (*2) | |
| Beneficiary securities of public and corporate bond investment trusts(*6) | Whose market prices on the preceding day are published by the Investment Trusts Association Japan | Applicable market price | 85/100 |
| Convertible Bonds (*3) (*6)(*7) Exchangeable Corporate Bonds) (*3) (*7) | Which are listed on a domestic Financial Instruments Exchange | The closing price (*1) in the Financial Instruments Exchange (*2) | 80/100 |

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

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

(*1) With respect to an issue that is listed on multiple Financial Instruments Exchanges, referring to the Financial Instruments Exchange selected in accordance with the order of priority prescribed by JSCC.

Reference Translation

Handling of Rules on Margin for Business of Assuming Commodity Transaction Debts

- (*2) In the case where a final quote is posted in the applicable Financial Instruments Exchange, the closing price refers to such final quote.
- (*3) Limited to those with respect to which an underwriting contract is executed by a Financial Instruments Business Operator in connection with their issuance.
- (*4) With respect to Special bonds*¹ and Corporate Bonds*², limited to those deemed appropriate by JSCC taking the issuing company's creditworthiness and other circumstances into account(e.g. all ratings obtained from Eligible Rating Agencies*³ are A or above, etc.).
 - (*¹ excluding bonds guaranteed by the Japanese Government)
 - (*² excluding bonds with stock acquisition rights and Exchangeable Corporate Bonds)
 - (*³ referring to the Credit Rating Agencies stipulated in Paragraph 36 of Article 2 of the Financial Instruments and Exchange Act and the Specified Related Corporations stipulated in Paragraph 2 of Article 116-3 of the Ordinance of Cabinet Office Concerning Financial Instruments Business, etc. (Ordinance of Cabinet Office No. 52 of 2007).)
- (*5) With respect to corporate bonds, limited to those listed on domestic Financial Instruments Exchanges or those issued by the corporations whose stocks are listed on domestic Financial Instruments Exchanges.
- (*6)With respect to Convertible Bonds, limited to those issued by the corporations whose stocks are listed on domestic Financial Instruments Exchanges.
- (*7)To be excluded from the scope of the Securities in lieu of Cash for Clearing Participant's Proprietary Margin and Affiliate's Margin.

3 With respect to the order of priority to be prescribed by JSCC referenced in the provisions of the preceding Paragraph, the Financial Instruments Exchange with the highest selling/buying volume*¹ of the relevant issue among the Financial Instruments Exchanges: during July through December of the preceding year in the case where the day which is two days before the day of posting or the day of deposit occurs during February through July; or during January through June in the case where the day which is two days before the day of posting or the day of deposit occurs during August through January in the following year, shall be in the first priority position, and the subordinating priority shall be in accordance with the order of the code*² of the Exchanges, Industry Groups, etc.

(*¹ limited to the selling/buying volume pertaining to the Regular Transactions*¹⁻¹ during trading sessions)

(*¹⁻¹ referring to the Regular Transactions prescribed by each Financial Instruments Exchange)

(*² referring to the code prescribed by the Securities Identification Code Committee)

=End=