

Partial Amendment to “Business Rules” and Subordinate Rules in Association with Introduction of New Products at Osaka Exchange

I. Purpose of Amendment

1. Partial amendment to the “Business Rules” and the subordinate rules concerning the Securities and Similar Contracts Clearing Business in association with the listing of 3-Month TONA Futures

In association with the listing of 3-Month TONA Futures on Osaka Exchange, Inc., JSCC will make necessary amendments to the Business Rules and the subordinate rules concerning the Securities and Similar Contracts Clearing Business, including an addition of 3-Month TONA Futures to the Contracts Subject to Clearing under the JGB Futures Clearing Qualification.

2. Partial amendment to the “Handling of Business Rules” concerning the Securities and Similar Contracts Clearing Business in association with the listing of Nikkei 225 micro Futures/mini Options

In association with the listing of Nikkei 225 micro Futures on and the commencement of the trading of mini Options at Osaka Exchange, Inc., JSCC will make necessary amendment to the Handling of Business Rules and other rules concerning the Securities and Similar Contracts Clearing Business.

3. Partial Amendment to “Rules on Fees” concerning the Securities and Similar Contracts Clearing Business in association with the listing of ESG Index Futures

In association with the listing of ESG Index Futures on Osaka Exchange, Inc., JSCC will make necessary amendments to the Rules on Fees concerning the Securities and Similar Contracts Clearing Business.

II. Outline of Amendments

1. Partial Amendment to “Business Rules” concerning the Securities and Similar Contracts Clearing Business in association with the listing of 3-Month TONA Futures

(1) Contracts Subject to Clearing

- Interest rate futures contracts are added to the Contracts Subject to Clearing.

(Remarks)

• Article 3 of the Business Rules concerning the Securities and Similar

(2) Clearing Participant

- Interest rate futures contracts are added to the Contracts Subject to Clearing under JGB Futures Clearing Qualification.

Contracts Clearing Business and other provisions

- Article 5 of the Business Rules concerning the Securities and Similar Contracts Clearing Business

(3) Notification of Clearing Participant concerning Interest Rate Futures

- The case when a Clearing Participant commences or suspends trading in the interest rate futures contracts is added to the matters to be notified by Clearing Participants.

- Article 19 of the Business Rules concerning the Securities and Similar Contracts Clearing Business

(4) Settlement of Contracts for Clearing

- Provisions concerning the matters, including the close-out quantity notification, the settlement price and the settlement, are prescribed.

- Articles 73-6 to 73-8, 73-9-2 and 73-10, et al. of the Business Rules concerning the Securities and Similar Contracts Clearing Business

(5) Clearing Fee

- Clearing Fees related to 3-Month TONA Futures are prescribed.
 - 17.5 yen per Trading Unit for the obligations assumed by JSCC in the relevant month, 87.5 yen per Trading Unit for the quantity pertaining to the final settlement

- Appendix to the Rules on Fees concerning the Securities and Similar Contracts Clearing Business

(6) Other

- Other necessary amendments are made.

- Articles 21-2, 46, 46-2 and 73-44, et al. of the Business Rules concerning the Securities and Similar Contracts Clearing Business

2. Partial Amendment to “Handling of Business Rules” and other rules concerning the Securities and Similar Contracts Clearing Business in association with the listing of Nikkei 225 micro Futures/mini Options

(1) Settlement Price

- The provisions concerning the settlement price of micro Futures under the Index Futures Contracts are prescribed.

- Article 20-8 of the Handling of Business Rules

(2) Clearing Fee

- Clearing Fees related to Nikkei 225 micro Futures are prescribed
 - 0.2 yen per Trading Unit for the obligations assumed by JSCC in the relevant month, 1.3 yen per Trading Unit for the quantity pertaining to the final settlement
- Clearing Fees related to Nikkei 225 mini Options are prescribed.
 - 1 yen per Trading Unit for the obligations assumed by JSCC in the relevant month, 13 yen per Trading Unit for the quantity pertaining to the final settlement
- To be set by changing the clearing fee for the existing

- Appendix to the Rules on Fees concerning the Securities and Similar Contracts Clearing Business

Nikkei 225 Option Contracts (weekly contract) for which the trading will end in association with the commencement of Nikkei 225 mini Options

3. Partial Amendment to “Rules on Fees” concerning the Securities and Similar Contracts Clearing Business in association with the listing of ESG Index Futures Contracts

(1) Clearing Fee

- Clearing Fees related to the S&P/JPX 500 ESG Score Tilted Index Futures, the FTSE JPX Net Zero Japan 500 Index Futures, and the Nikkei 225 Climate Change 1.5°C Target Index Futures. are prescribed.
 - 20 yen per Trading Unit for the obligations assumed by JSCC in the relevant month, 130 yen per Trading Unit for the quantity pertaining to the final settlement

• Appendix to the Rules on Fees concerning the Securities and Similar Contracts Clearing Business

III. Effective Date

1. These amendments shall come into force on May 29, 2023.
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 May 29, 2023.

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New Products at Osaka Exchange

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Chapter 1 General Provisions

(Article 1 Purpose)

1 These Business Rules set forth the matters necessary for the Financial Instruments Obligation Assumption Business and related businesses and the businesses incidental thereto^{*1}, for which the subject contracts shall be the contracts stipulated in each Item of Paragraph 2 of Article 3^{*2}, and each of which is conducted by Japan Securities Clearing Corporation^{*3}.

(*¹ hereinafter referred to as “Securities and Similar Contracts Clearing Business”)

(*² hereinafter referred to as “Securities and Similar Contracts”)

(*³ hereinafter referred to as “JSCC”)

2 These Business Rules^{*1} shall apply only to the Securities and Similar Contract Clearing Business conducted by JSCC, and shall not apply to the Financial Instruments Obligation Assumption Business and the like conducted in relation to any contracts subject to clearing other than the Securities and Similar Contracts or any other businesses conducted by JSCC.

(*¹ including any rules and regulations promulgated hereunder)

(Article 2 Financial Instruments Obligation Assumption Business and Related Businesses)

JSCC shall engage in the Financial Instruments Obligation Assumption Business which covers the Securities and Similar Contracts conducted pursuant to these Business Rules and the business prescribed in Paragraph 1 of Article 156-6 of the Financial Instruments and Exchange Act (Act No.25 of 1948; hereinafter referred to as “the Act”) which relates to the foregoing.

(Article 3 Contracts Subject to Clearing)

1 The financial instruments which are the subject of the contract^{*1} constituting the obligation subject to the Securities and Similar Contract Clearing Business conducted by JSCC shall be the financial instruments set forth in each Item provided below:

(*¹ hereinafter referred to as “Contracts Subject to Clearing”)

(1) Stocks issued by domestic corporations^{*1};

(*¹ including stock acquisition right securities, preferred equity capital contribution securities^{*1-1} and capital contribution securities^{*1-2} issued by a domestic corporation)

(*¹⁻¹ referring to those issued by a cooperative-organization-type financial institution; the same applies hereinafter)

(*¹⁻² referring to those issued by a corporation established under a special law^{*1-2-1})

(*¹⁻²⁻¹ excluding preferred equity capital contribution securities)

- (2) Stocks issued by foreign corporations*¹;
(*¹ including stock acquisition right securities issued by foreign a corporation and
depository receipts for foreign stocks*¹⁻¹)
(*¹⁻¹ referring to those which represent the rights in respect of the stock issued by a
foreign corporation; the same applies hereinafter)
- (3) Investment trust beneficiary securities*¹, investment securities*², foreign investment trust
beneficiary securities and foreign investment securities;
(*¹ referring to the beneficiary securities of investment trusts; the same applies
hereinafter)
(*² including Investment securities acquisition right securities)
- (4) Beneficiary securities of beneficiary securities issuing trusts and beneficiary securities of
foreign beneficiary securities issuing trusts*¹;
(*¹ referring to securities or certificates which have the characteristics of beneficiary
securities of beneficiary securities issuing trusts and issued by a foreign corporation;
the same applies hereinafter)
- (5) Covered warrants*¹;
(*¹ referring to the securities stipulated in Item (19) of Paragraph 1 of Article 2 of the Act;
the same applies hereinafter)
- (6) Bonds;
- (7) Gold;
- (8) Silver;
- (9) Platinum;
- (10) Palladium;
- (11) Ribbed Smoked Sheet*¹;
- (12) Technically Specified Rubber*²;
- (13) Soybean;
- (14) Azuki;
- (15) Corn;
- (16) Gasoline;
- (17) Gas Oil;
- (18) Crude Oil; ~~and~~
- (19) Standardized instruments which are created by a Financial Instruments Exchange for
Market Transactions of Derivatives by standardizing interest rates, maturity periods
and/or other conditions of Financial Instruments; ~~and~~
(20) Interest on monetary claim.
(*¹ hereinafter referred to as “RSS”)

(*2 hereinafter referred to as “TSR”)

2 The Contracts Subject to Clearing*1 shall consist of the contracts set forth in each of the following Items:

(*1 limited to the contracts prescribed by JSCC)

(1) Buying and selling securities in a market prescribed in (a) or (b) below*1 which is operated and managed by a market operator*2 designated by JSCC;

(*1 hereinafter referred to as “Designated Financial Instruments Market”)

(*2 hereinafter referred to as “Designated Market Operator”)

(a) Financial Instruments Exchange Market

(b) Proprietary Trading System*1

(*1 referring to an institution similar to a Financial Instruments Exchange Market, which is conducted through the electronic data processing system stipulated in Item (10) of Paragraph 8 of Article 2 of the Act; the same applies hereinafter)

(2) Security Option Contract*1 in a Designated Financial Instruments Market;

(*1 referring to the contract stipulated in Item (3) of Paragraph 21 of Article 2 of the Act in respect of buying and selling stock and the contract stipulated in the said Item that is prescribed by the Designated Market Operator as corresponding to a contract stipulated in Item (2) of the same Paragraph*1-1); the same applies hereinafter)

(*1-1 limited to those related to securities)

(3) JGB Futures Contract*1 in a Designated Financial Instruments Market;

(*1 referring to the securities futures contract stipulated in Item (1) of Paragraph 21 of Article 2 of the Act on standardized instruments in respect of Japanese Government Bonds, or the securities futures contract stipulated in Item (2) of the same Paragraph in respect of the price of the relevant standardized instruments; the same applies hereinafter)

(4) Option Contract on JGB Futures*1 in a Designated Financial Instruments Market;

(*1 referring to the securities option contract stipulated in Item (3) of Paragraph 21 of Article 2 of the Act in respect of JGB Futures Contract; the same applies hereinafter)

(4)-2 Interest Rate Futures Contracts*1 in a Designated Financial Instruments Market:

(*1 referring to the transactions stipulated in Item (2) of Paragraph 21 of Article 2 of the Act that relate to the financial indicator calculated based on an interest on monetary claim; the same applies hereinafter)

(5) Index Futures Contract*1 in a Designated Financial Instruments Market;

(*1 referring to the index*1-1 contract stipulated in Item 2 of Paragraph 21 of Article 2 of the Act; the same applies hereinafter)

(*1-1 including index related to Commodity*1-1-1 *1-1-2)

- (*¹⁻¹⁻¹ referring to commodities stipulated in Item (3)-3 of Paragraph 24 of Article 2 of the Act; the same applies hereinafter)
- (*¹⁻¹⁻² hereinafter referred to as “Commodity Index”)
- (6) Index Option Contract*¹ in a Designated Financial Instruments Market;
(*¹ referring to the index option contract stipulated in Item 3 of Paragraph 21 of Article 2 of the Act and prescribed by the Designated Market Operator as corresponding to a contract stipulated in Item 2 of the same Paragraph*¹⁻¹; the same applies hereinafter)
(*¹⁻¹ limited to those related to index)
- (6)-2 Commodity Futures Contract*¹ in a Designated Financial Instruments Market;
(*¹ referring to the transactions stipulated in Item 1 or Item 2 of Paragraph 21 of Article 2 of the Act that relate to Commodity; the same applies hereinafter)
- (6)-3 Option Contract on Commodity Futures*¹ in a Designated Financial Instruments Market;
(*¹ referring to the transactions stipulated in Item 3 of Paragraph 21 of Article 2 of the Act and prescribed by the Designated Market Operator as corresponding to a contract stipulated in Item 2 of the same Paragraph*¹⁻¹; the same applies hereinafter)
(*¹⁻¹ limited to those related to Commodities)
- (7) Lending and borrowing*¹ of cash, Stocks And The Like*² that are necessary for settling the buying/selling set forth in Item (1), and the buying/selling of the underlying securities resulting from the exercise of the option under Security Option Contract;
(*¹ limited to the lending made by the Designated Securities Finance Company to a Clearing Participant in accordance with the Rules for Money/Securities Loan Transaction through the settlement system of the Designated Market Operator; hereinafter referred to as the “Money/Securities Loan Transaction”)
(*² referring to the stocks and the like stipulated in the Lending Rules for Lending/Borrowing Transaction*²⁻¹ prescribed by the Securities Finance Company*²⁻² which the Designated Market Operator designated and notified to JSCC as the entity to conduct the operations prescribed in Paragraph 1 of Article 156-24 of the Act through the settlement system of that Market; the same applies hereinafter in this Article)
(*²⁻¹ herein referred to simply as the “Rules for Money/Securities Loan Transaction”)
(*²⁻² must be a Clearing Participant*²⁻²⁻¹; herein referred to as the “Designated Securities Finance Company”)
(*²⁻²⁻¹ referring to the Clearing Participant prescribed in Article 5; the same applies hereinafter in this Article and the following Article)
- (8) Lending and borrowing of Stocks And The Like that is necessary for the Money/Securities Loan Transaction*¹;

- (*¹ limited to the lending made by a Clearing Participant to the Designated Securities Finance Company in accordance with the Rules for Money/Securities Loan Transaction through the settlement system of the Designated Market Operator; hereinafter referred to as the "Securities Lending Transaction")
- (9) Transfer of the Collateral, etc.*¹ for the Money/Securities Loan Transaction or the Securities Lending Transaction;
- (*¹ referring to the stocks and the like collateralizing a cash loan, and the cash collateralizing a stock loan and the like under the Money/Securities Loan Transaction and the cash collateralizing a stock borrowing and the like under the Securities Lending Transaction, both of which are prescribed by the Rules for Money/Securities Loan Transaction; the same applies hereinafter)
- (10) Buying and selling resulting from Buy-In*¹; and
- (*¹ referring to the Buy-In prescribed in Article 63; the same applies hereinafter until Article 54)
- (11) Exchange FX Contract*¹.
- (*¹ referring to the contract set forth in Item 2 of Paragraph 21 of Article 2 of the Act which relates to currency prices; the same applies hereinafter)
- (12) Delivery/receipt of exchange traded fund beneficiary certificate or payment /receipt of money or delivery/receipt of exchange traded fund component stocks related to creation*¹ of securities investment trust*², partial redemption of principal of securities investment trust or exchange of exchange traded fund beneficiary certificate*³ for exchange traded fund component stocks*⁴
- (*¹ including additional creation; the same applies hereinafter)
- (*² Referring to securities investment trust set forth in Paragraph 4 of Article 2 of Act on Investment Trusts and Investment Corporations*²⁻¹, that (i) to manage the fluctuation of net asset value per a share of its trust property to correspond with the fluctuation of market price in Financial Instrument Market or other index and (ii) its beneficiary certificate is listed on the financial instruments exchange are set forth in investment trust terms set forth in Paragraph 1 of Article 4 of the said Act; the same applies hereinafter)
- (*²⁻¹ Act No. 198 of 1951, hereinafter referred to as "Investment Trust Act")
- (*³ referring to beneficiary certificate for securities investment trust; the same applies hereinafter)
- (*⁴ referring to respective issue covered by investment of the relevant securities investment trust or belongs to its trust property, among Listed Securities etc. set forth in Item 1 of Article 1-10 the Order for Enforcement of the Financial Instruments and

Exchange Act; the same applies hereinafter)

(13) Delivery/receipt of exchange traded fund beneficiary certificate or payment/receipt of money or delivery/receipt of exchange traded fund component stocks to perform obligations under the contracts listed in the preceding Item.

3 In these Business Rules*¹, the term “stocks and other securities” means, depending on their types, the stocks and other securities stipulated in Paragraph 1 of Article 2 of the Act and the rights which are deemed to constitute such stocks and other securities under the provisions of Paragraph 2 of such Article.

(*¹including other rules that are prescribed pursuant to these Business Rules)

(Article 4 Non-business Days)

1 JSCC shall have the days set forth in each of the following Items as its holidays*¹ in respect of the Contracts Subject to Clearing set forth in Item (1) through Item (10) and Item (12) and Item (13) of Paragraph 2 of the preceding Article:

- (1) Sundays;
- (2) National holidays;
- (3) When a national holiday falls on Sunday, the immediately following day which is not a national holiday;
- (4) The day which immediately follows and at the same time immediately precedes national holidays;
- (5) Saturdays;
- (6) January 1;
- (7) January 2;
- (8) January 3; and
- (9) December 31.

(*¹hereinafter simply referred to as “Non-business Days”)

2 JSCC shall have the days set forth in each of the following Items as its Non-business Days in respect of the Contract Subject to Clearing set forth in Item (11) of Paragraph 2 of the preceding Article*¹:

- (1) Sundays;
- (2) Saturdays;
- (3) January 1; and
- (4) When January 1 falls on Sunday, the immediately following day.

(*¹hereinafter referred to as “FX Non-business Days”)

3 Notwithstanding the provisions of the preceding two Paragraphs, for the hours stated in the

following items, the provisions set forth in each of such items shall apply:

(1) trading hours within the Non-business Day when the close of trading sessions prescribed by the Designated Market Operator belongs to that Non-business Day:

JSCC shall conduct the Securities and Similar Contract Clearing Business;

(2) trading hours of each trading session opened on the Non-business Day set forth in Paragraph 1^{*1} designated by the Designated Market Operator as the day it opens trading sessions^{*2} and trading hours within the day on which the close of such trading session belongs:

JSCC shall conduct the assumption of obligations related to the Contract Subject to Clearing for the Securities and Similar Contract Clearing Business set forth in Article 46 for the Clearing Participants submitted the notification set forth in Paragraph 5 of Article 19.

(*¹ excluding Items (1), (5) and (6))

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

4 JSCC may, when it deems necessary, have extraordinary Non-business Days or FX Non-business Days.

5 JSCC may, when it deems necessary, extraordinarily suspend or conduct all or part of the operation with respect to the Securities and Similar Contract Clearing Business.

6 In the case of the preceding two Paragraphs, JSCC shall notify in advance Clearing Participants, trust company, etc. registered pursuant to the provisions of Paragraph 1 of Article 10-4 and Designated Market Operators to that effect.

(*¹ hereinafter referred to as "Registered ETF Trust Bank" and together with Clearing Participant, collectively referred to as "Clearing Participant, etc. ")

Chapter 2 Clearing Participants

Section 1 General Clauses

(Article 5 Clearing Participants)

1 A Clearing Participant means a company which has obtained JSCC's Clearing Qualification.

2 The Clearing Qualification prescribed in the preceding Paragraph consists of nine categories of qualifications: Securities Clearing Qualification; JGB Futures Clearing Qualification; Index Futures Clearing Qualification; Precious Metal Futures Clearing Qualification; Rubber Futures Clearing Qualification; Agricultural Futures Clearing Qualification; Petroleum Futures Clearing Qualification; FX Clearing Qualification and ETF Special Clearing Qualification. Each of these qualifications is prescribed in the following Items:

- (1) Securities Clearing Qualification is the qualification to become a counterparty in JSCC's Financial Instruments Obligation Assumption Business performed with respect to the Contracts Subject to Clearing listed in Item (1), Item (7) through Item (10), Item (12) and Item (13) of Paragraph 2 of Article 3, and to become a counterparty in the buying/selling transaction in respect of the underlying securities resulting from the exercise of the option under Security Option Contract;
- (2) JGB Futures Clearing Qualification is the qualification to become a counterparty in JSCC's Financial Instruments Obligation Assumption Business performed with respect to the Contracts Subject to Clearing listed in Items (3) ~~to and Item~~ (4)-2 of Paragraph 2 of Article 3;
- (3) Index Futures Clearing Qualification is the qualification to become a counterparty in JSCC's Financial Instruments Obligation Assumption Business performed with respect to the Contracts Subject to Clearing listed in Item (2), Item (5) and Item (6) of Paragraph 2 of Article 3^{*1};
(*1 with respect to the Contracts Subject to Clearing listed in Item (5), excluding those related to Commodity Index)
- (4) Precious Metal Futures Clearing Qualification is the qualification to become a counterparty in JSCC's Financial Instruments Obligation Assumption Business performed with respect to the Contracts Subject to Clearing listed in Item (6)-2 and Item (6)-3 of Paragraph 2 of Article 3^{*1};
(*1 only those related to gold, silver, platinum and palladium);
- (5) Rubber Futures Clearing Qualification is the qualification to become a counterparty in JSCC's Financial Instruments Obligation Assumption Business performed with respect to the Contracts Subject to Clearing listed in Item (6)-2 of Paragraph 2 of Article 3^{*1};

(*1 only those related to RSS and TSR).

(6) Agricultural Futures Clearing Qualification is the qualification to become a counterparty in JSCC's Financial Instruments Obligation Assumption Business performed with respect to the Contracts Subject to Clearing listed in Item (6)-2 of Paragraph 2 of Article 3*1;

(*1 only those related to Soybean, Azuki and Corn)

(7) Petroleum Futures Clearing Qualification is the qualification to become a counterparty in JSCC's Financial Instruments Obligation Assumption Business performed with respect to the Contracts Subject to Clearing listed in Item (5) of Paragraph 2 of Article 3*1;

(*1 only those related to Commodity Index*1-1)

(*1-1 only those related to Gasoline, Gas Oil and Crude Oil)

(8) FX Clearing Qualification is the qualification to become a counterparty in JSCC's Financial Instruments Obligation Assumption Business performed with respect to the Contracts Subject to Clearing listed in Item (11) of Paragraph 2 of Article 3.

(9) ETF Special Clearing Qualification is the qualification to become a counterparty in JSCC's Financial Instruments Obligation Assumption Business performed with respect to the Contracts Subject to Clearing listed in Item (10), Item (12) and Item (13) of Paragraph 2 of Article 3.

(*1 contracts listed in Item (10) shall be limited to buying)

3 In these Business Rules, a company that has obtained Securities Clearing Qualification prescribed in Item (1) of the immediately preceding Paragraph is referred to as "Securities Clearing Participant", a company that has obtained JGB Futures Clearing Qualification prescribed in Item (2) of said Paragraph is referred to as "JGB Futures Clearing Participant", a company that has obtained Index Futures Clearing Qualification prescribed in Item (3) of said Paragraph is referred to as "Index Futures Clearing Participant", a company that has obtained Precious Metal Futures Clearing Qualification prescribed in Item (4) of said Paragraph is referred to as "Precious Metal Futures Clearing Participant", a company that has obtained Rubber Futures Clearing Qualification prescribed in Item (5) of said Paragraph is referred to as "Rubber Futures Clearing Participant", a company that has obtained Agricultural Futures Clearing Qualification prescribed in Item (6) of said Paragraph is referred to as "Agricultural Futures Clearing Participant", a company that has obtained Petroleum Futures Clearing Qualification prescribed in Item (7) of said Paragraph is referred to as "Petroleum Futures Clearing Participant", a company that has obtained any of the Clearing Qualifications prescribed in Items (4) through (7) is referred to as "Commodity Futures Clearing Participant", a company that has obtained FX Clearing Qualification prescribed in Item (8) of said Paragraph is referred to as "FX Clearing

Participant” and ETF Special Clearing Qualification prescribed in Item (9) of said Paragraph is referred to as “ETF Special Clearing Participant”.

4 With regard to JSCC’s Securities and Similar Contract Clearing Business, each category of the Clearing Qualification prescribed in Items (1) through (7) of Paragraph 2 shall be classified into two types of qualifications: one is the clearing qualification that does not authorize the Clearing Participant to operate the Brokerage for Clearing of Securities, etc.*¹; and the other is the clearing qualification that authorizes the Clearing Participant to operate the Brokerage for Clearing of Securities in accordance with Chapter 3*². A Clearing Participant with the Principal Clearing Qualification shall be referred to as a Principal Clearing Participant, and a Clearing Participant with the Agency Clearing Qualification shall be referred to as an Agency Clearing Participant.

(*¹ hereinafter referred to as the “Principal Clearing Qualification”)

(*² hereinafter referred to as the “Agency Clearing Qualification”)

Section 2 Obtaining Clearing Qualification, etc.

(Article 6 Application and Approval for Clearing Qualification, etc.)

1 A Financial Instruments Business Operator^{*1} may apply to JSCC separately by each type of Clearing Qualification it intends to obtain, by specifying whether it applies for the Principal Clearing Qualification or the Agency Clearing Qualification, in accordance with the relevant rules of JSCC. To apply for any of the Clearing Qualifications listed below, only a person who satisfies the requirement set forth in the relevant Item may apply for such Clearing Qualification: (*¹limited to those who conduct Type 1 Financial Instruments Business Operator or Type 2 Financial Instruments Business Operator; the same applies hereinafter)

(1) Securities Clearing Qualification or JGB Futures Clearing Qualification

An entity which has obtained registration of the operation with respect to the acts prescribed in Item 1 of Paragraph 1 of Article 28 of the Act:

(2) Index Futures Clearing Qualification

An entity which has obtained registration of the operation with respect to the acts prescribed in Item 1 of Paragraph 1 of Article 28 of the Act^{*1}:

(*¹ in the case where an entity which has trading qualification relating to Security Option Contracts intends to apply for Index Futures Clearing Qualification, limited to an entity which has obtained registration of the said operation and either holds Securities Clearing Qualification or has designated a Designated Securities Clearing Participant^{*1-1})(*¹⁻¹ referring to a Clearing Participant^{*1-1-1} (i) which has been designated with respect to a transaction relating to Securities Clearing Qualification as an entity to which the Brokerage for Clearing of Securities, etc. is always commissioned in accordance with the rules of the Designated Market Operator by an entity^{*1-1-2} which is a trading participant^{*1-1-3} or a member of a Designated Market Operator, but (ii) which does not have JSCC's Clearing Qualification corresponding to the category of such trading qualification^{*1-1-4} or membership that such entity holds; the same applies hereinafter)

(*¹⁻¹⁻¹ hereinafter referred to as "Designated Clearing Participant")

(*¹⁻¹⁻² hereinafter referred to as "Non-Clearing Participant")

(*¹⁻¹⁻³ in the case where the Designated Market Operator is an institution operating Proprietary Trading System, referring to an entity which is qualified to participate in buying and selling securities; the same applies hereinafter)

(*¹⁻¹⁻⁴ in the case where the Designated Market Operator is an institution operating Proprietary Trading System, referring to the qualification to participate in buying and selling securities; the same applies hereinafter)

- (3) Precious Metal Futures Clearing Qualification^{*1}, Rubber Futures Clearing Qualification^{*1}, Agricultural Futures Clearing Qualification^{*1} or Petroleum Futures Clearing Qualification^{*1}; (^{*1} Agency Clearing Qualification only)

An entity which has obtained registration of the operation with respect to the acts prescribed in Item 1 Item (12) of Paragraph 1 of Article 28 of the Act:

- (4) FX Clearing Qualification

An entity which has obtained registration of operation with respect to the acts prescribed in Item 3 of Paragraph 2 of Article 28 of the Act^{*1}

(^{*1}in the case of a person who intends to be commissioned an Exchange FX Contract, registration of such operation as well as the operation with respect to the act prescribed in Paragraph 5 of the said Article):

- 2 A Registered Financial Institution^{*1} may apply to JSCC, according to the category of the Clearing Qualification shown below, separately by each type of Clearing Qualification it intends to obtain, by specifying whether it applies for such category of Clearing Qualification as the Principal Clearing Qualification or the Agency Clearing Qualification, in accordance with the relevant rules of JSCC:

(^{*1}referring to the Registered Financial Institution prescribed in Paragraph 11 of Article 2 of the Act; the same applies hereinafter)

- (1) Securities Clearing Qualification or Index Futures Clearing Qualification^{*1}; or

(^{*1} Agency Clearing Qualification only)

- (2) JGB Futures Clearing Qualification, Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification, Petroleum Futures Clearing Qualification or FX Clearing Qualification.

- 3 A Securities Finance Company may apply to JSCC for Securities Clearing Qualification in accordance with the relevant rules of JSCC specifying its intention to apply for the Principal Clearing Qualification which is subject to the condition that the scope of the Contracts Subject to Clearing be limited to the transactions listed in each of Item (7) through Item (10) of Paragraph 2 of Article 3.

- 4 A person engaging in the business of buying/selling of Commodities, its brokerage, intermediary or agency, manufacturing, processing or use of Commodities^{*1} may apply for the acquisition of Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification separately by type of the Clearing Qualification it intends to obtain by representing that it intends to acquire Principal Clearing Qualification through procedures prescribed by JSCC.

(^{*1} hereinafter referred to as “Commercials”)

- 5 When applying for acquisition of Precious Metal Futures Clearing Qualification, Rubber Futures

Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification according to the provisions of Paragraph 1, Paragraph 2 or the preceding Paragraph, the applicant for an acquisition of a Clearing Qualification intends to obtain a guarantee^{*1} of its Parent^{*2} shall submit to JSCC the document concerning the guarantee of the Parent in the form prescribed by JSCC^{*3}.

(*1 hereinafter referred to as "Parental Guarantee")

(*2 referring to the parent company of the applicant for an acquisition of a Clearing Qualification^{*2-1} and a subsidiary of the parent company of the applicant for an acquisition of a Clearing Qualification^{*2-2} and other person acknowledged by JSCC as a person equivalent thereto; the same applies hereinafter)

(*2-1 referring to another corporation and the like having control over the financial and business policies of the applicant for an acquisition of a Clearing Qualification, and including the parent company of such other corporation; the same applies hereinafter)

(*2-2 referring to another corporation and the like whose financial and business policies are controlled by the parent company of the applicant for an acquisition of a Clearing Qualification and including a subsidiary of such other corporation and the like; the same applies hereinafter)

(*3 including other document deemed by JSCC to have the same contents as such document)

6 Settlor company of an investment trust^{*1} and a party who intends to be a settlor company of an investment trust may apply for the ETF Special Clearing Qualification, in a manner prescribed by JSCC.

(*1 referring to a settlor company of an investment trust set forth in Paragraph 11 of Article 2 of Investment Trust Act; the same applies hereinafter)

7 When an application for Clearing Qualification has been filed pursuant to the provisions of each of the preceding Paragraphs and JSCC deems as a result of examination that the applicant for the Clearing Qualification is appropriate to be qualified, JSCC shall approve the relevant Clearing Qualification.

8 Notwithstanding the provisions of Paragraphs 1 through 5, a Specified Successor Financial Institution^{*1} may apply to JSCC for a Clearing Qualification according to the procedures as prescribed by JSCC. If such application is made, JSCC may approve the acquisition of the relevant Clearing Qualification by such applicant.

(*1 referring to a Specified Successor Financial Institution prescribed in Item (5) of Paragraph 3 of Article 126-34 of the Deposit Insurance Act (Act No. 34 of 1971); the same applies hereinafter)

9 The approval set forth in the preceding two Paragraphs shall be granted designating the date on which the applicant is to obtain the Clearing Qualification.

10 In the case where a new applicant for Securities Clearing Qualification simultaneously

applies for Index Futures Clearing Qualification, Item (2) of Paragraph 1 shall be applied by deeming that the applicant has Securities Clearing Qualification. Also, in the case where a new applicant for Index Futures Clearing Qualification is expected to designate a Designated Securities Clearing Participant simultaneously with the application for such Clearing Qualification, Item (2) of Paragraph 1 shall be applied by deeming that the applicant has designated a Designated Securities Clearing Participant.

11 Trust company, etc.¹ may, by representing it is a trustee of securities investment trust² or it intends to be a trustee of securities investment trust, apply for registration of Registered ETF Trust Bank with JSCC, in a manner prescribed by JSCC.

(¹referring to a trust company, etc. set forth in Article 3 of Investment Trust Act; the same applies hereinafter)

(²when trust company, etc. which has executed a trust agreement between the trustee in respect of the relevant securities investment trust to which an administrative operation has been delegated exists, the relevant trust company, etc.; the same applies hereinafter)

12 JSCC shall, when an application for registration of Registered ETF Trust Bank pursuant to the provisions of the preceding Paragraph is made and JSCC deems an applicant for registration is appropriate by examination, approve the registration of the relevant Registered ETF Trust Bank.

(Article 7 Criteria for Clearing Qualification)

1 The examination stipulated in Paragraph 7 of the immediately preceding Article with respect to the application set forth in Paragraph 1 or Paragraph 2 of said Article^{*1} shall be conducted on the matters described in the following Items in respect of the applicant for Clearing Qualification and other matters which are deemed to be necessary for the operation of the Securities and Similar Contract Clearing Business:

(^{*1} excluding the application related to Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification)

(1) Management Structure

The applicant has a sound management structure (e.g., it is not controlled or influenced by a person who is deemed inappropriate taking JSCC's operation of the Securities and Similar Contract Clearing Business into account) such that the credibility of JSCC's Securities and Similar Contract Clearing Business among the general public can be expected to be sufficiently protected;

(2) Financial Basis

The applicant is expected to fulfill the requirements set forth in either of A) or B) below in

accordance with the classification of A) and B), and to have stable profitability as Clearing Participant by the date on which the applicant is to obtain the Clearing Qualification;

A) Financial Instruments Business Operator:

- (a) The amount of its stated capital is not less than 300 million yen;
- (b) The amount of its net worth is not less than 2 billion yen^{*1} and is larger than its stated capital;
(*1 20 billion yen in the case of the Agency Clearing Qualification)
- (c) The Capital-to-Risk Ratio^{*1} is more than 200 percent; and
(*1 in the case of an entity which does not engage in the act set forth in Item (1) of Paragraph 1 of Article 28 of the Act as business, referring to the ratio determined by applying *mutatis mutandis* Paragraph 1 of Article 46-6 of the Act; the same applies hereinafter)
- (d) In the case of a Special Financial Instruments Business Operator^{*1}, the consolidated Capital-to-Risk Ratio is more than 200 percent.
(*1 limited to a person filed the notification under Paragraph 2 of Article 57-5 of the Act; the same applies hereinafter)

B) Registered Financial Institutions:

- (a) The amount of its stated capital or the total amount of capital contribution^{*1} is not less than 300 million yen;
(*1 in the case of a mutual company, the total amount of the foundation fund^{*1-1})
(*1-1 including the amount of reserve for redemption of the foundation fund)
- (b) The amount of its net assets is not less than 2 billion yen^{*1} and is larger than its stated capital or total amount of capital contribution^{*2};
(*1 20 billion yen in the case of the Agency Clearing Qualification)
(*2 in the case of a mutual company, the total amount of the foundation fund^{*2-1})
(*2-1 including the amount of reserve for redemption of the foundation fund)
- (c) In the case of the Registered Financial Institution subject to Uniform International Standards, , it satisfies the requirements set forth in a. to c. below (in the case where it is a foreign bank, the requirements equivalent thereto):
 - a. Its non-consolidated or consolidated Common Equity Tier 1 ratio^{*1} exceeds 4.5 percent;
(*1 for a institution which operates with investment from its members, its non-consolidated or consolidated common capital contribution Tier 1 ratio; the same shall apply hereinafter)
 - b. Its non-consolidated or consolidated Tier 1 ratio exceeds 6 percent; and
 - c. Its non-consolidated or consolidated Total Capital ratio exceeds 8 percent; and

(d) In the case of a Registered Financial Institution other than those subject to Uniform International Standards, foreign banks and insurance companies^{*1}, its non-consolidated or consolidated capital adequacy ratio under the domestic standards exceeds 4 percent; and

(*¹ hereinafter referred to as “Financial Institution subject to Japanese Standard”)

(e) In the case where the Registered Financial Institution is an insurance company, its non-consolidated or consolidated solvency margin ratio exceeds 400 percent.

(3) Business Execution Structure

The applicant has an appropriate structure for business execution regarding the settlement of the Contracts Subject to Clearing in respect of the assumption of obligations set forth in Article 46^{*1}; the management of the risk of loss; and the compliance with the Laws and Regulations^{*2}, dispositions of the administrative agencies based on the Laws and Regulations, these Business Rules and other rules.

(*¹ including buying/selling and transactions of the underlying securities resulting from the exercise of the option under Security Option Contract, JGB Futures Contract resulting from the exercise of the option under Option Contract on JGB Futures prescribed in Item (4) of Paragraph 2 of Article 3, the transaction resulting from the exercise of the option under Index Option Contract prescribed in Item (6) of said Paragraph, the transaction set forth in Item (12) and Item (13) of the said Paragraph in respect of an investment trust, the transaction with respect to the obligation which is newly incurred as a result of the completion of the Give-up prescribed in Article 46-2, and the securities borrowing/lending pursuant to the provisions of Article 64)

(*² referring to the Act and related laws and regulations; the same applies hereinafter)

2 The examination stipulated in Paragraph 7 of the immediately preceding Article with respect to the application set forth in Paragraph 3 of said Article shall be conducted on the matters described in the following Items in respect of the applicant for Clearing Qualification and other matters which are deemed necessary for the operation of the Securities and Similar Contract Clearing Business:

(1) Financial Basis

The applicant is expected to fulfill the requirements set forth below and to have stable profitability as Clearing Participant by the date on which it is to obtain the Clearing Qualification:

A) The amount of its stated capital is not less than 100 million yen;

B) The amount of its net assets is not less than 2 billion yen and is larger than its stated capital; and

(2) The matters set forth in Item (1) and Item (3) of the preceding Paragraph.

3 The examination stipulated in Paragraph 7 of the preceding Article with respect to the application set forth in Paragraphs 1, 2 or 4 of said Article that relates to an application for acquisition of Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification shall be conducted on the matters described in the following Items in respect of the applicant for Clearing Qualification and other matters which are deemed to be necessary for the operation of the Securities and Similar Contract Clearing Business:

(1) Management Structure

The applicant has a sound management structure (e.g., it is not controlled or influenced by a person who is deemed inappropriate taking JSCC's operation of the Securities and Similar Contract Clearing Business into account) such that the credibility of JSCC's Securities and Similar Contract Clearing Business among the general public can be expected to be sufficiently protected;

(2) Financial Basis

The applicant is expected to fulfill the requirements set forth in A), B) or C) below in accordance with the classification of A), B) and C), and to have stable profitability as Clearing Participant by the date on which the applicant is to obtain the Clearing Qualification;

A) In the case of a Financial Instruments Business Operator:

- (a) The amount of its stated capital is not less than 300 million yen;
- (b) The amount of its net worth is not less than 2 billion yen^{*1} and is larger than its stated capital;
(*1 20 billion yen in the case of the Agency Clearing Qualification)
- (c) Its Capital-to-Risk Ratio is more than 200%.
- (d) In the case of a Special Financial Instruments Business Operator, the consolidated Capital-to-Risk Ratio is more than 200 percent.

B) In the case of a Registered Financial Institution:

- (a) The amount of its stated capital or the total amount of capital contribution^{*1} is not less than 300 million yen;
(*1 in the case of a mutual company, the total amount of the foundation fund^{*1-1})
(*1-1 including the amount of reserve for redemption of the foundation fund)
- (b) The amount of its net assets is not less than 2 billion yen^{*1} and is larger than its stated capital or total amount of capital contribution^{*2};
(*1 20 billion yen in the case of the Agency Clearing Qualification)
(*2 in the case of a mutual company, the total amount of the foundation fund^{*2-1})
(*2-1 including the amount of reserve for redemption of the foundation fund)

(c) In the case of a Registered Financial Institution subject to Uniform International Standards,

when it falls under conditions specified in i to iii. below^{*1}

(*1 in the case of a foreign bank, when it shall fall under the conditions equivalent thereto):

- i its non-consolidated or consolidated Common Equity Tier 1 ratio exceeds 4.5%;
- ii its non-consolidated or consolidated Tier 1 ratio exceeds 6 percent; and
- iii Its non-consolidated or consolidated Total Capital ratio exceeds 8 percent; and

(d) In the case of a Registered Financial Institution subject to Japanese Standard, when its non-consolidated or consolidated capital adequacy ratio under the Japanese Standard exceeds 4%.

(e) In the case where the Registered Financial Institution is an insurance company, its non-consolidated or consolidated solvency margin ratio exceeds 400 percent.

C) Commercial

(a) The amount of its stated capital is not less than 300 million yen;

(b) The amount of its net assets is not less than 2 billion yen;

(c) Through a screening as prescribed by JSCC, it is confirmed that the status of its stockholders' equity is appropriate vis-à-vis the assets and the like it owns.

(3) Financial Basis of Parent

When an applicant for an acquisition of a Clearing Qualification has submitted a document prescribed in Paragraph 5 of the preceding Article, the applicant is expected to fulfill the requirements set forth in A). (c) or (d) , B). (c), (d) or (e) or C). (c) of the preceding Item, and the amount of stated capital or the total amount of capital contribution^{*1} of the Parent of the applicant for an acquisition of a Clearing Qualification^{*2} is not less than 300 million yen and the amount of its net assets^{*3} is not less than 2 billion yen and is larger than its stated capital or total amount of capital contribution^{*3};

(*1 in the case of a mutual company, the total amount of the foundation fund^{*1-1})

(*1-1 including the amount of reserve for redemption of the foundation fund)

(*2 only the Parent who grants Parental Guarantee for the applicant for an acquisition of a Clearing Qualification)

(*3 in the case of a Financial Instruments Business Operator, net worth)

(*4 in the case of a mutual company, the total amount of the foundation fund^{*4-1})

(*3-1 including the amount of reserve for redemption of the foundation fund)

(4) Business Execution Structure

The applicant has an appropriate structure for business execution regarding the settlement of the Contracts Subject to Clearing in respect of the assumption of obligations set forth in Article 46^{*1}; the management of the risk of loss; and the compliance with the Laws and Regulations, dispositions by the administrative agencies based on the Laws and Regulations, these Business Rules and other rules.

(*¹ including transactions that come into existence from the exercise of the Option on Commodity Futures prescribed in Item (6)-3 of Paragraph 2 of Article 3)

(5) Trading Participant Qualifications

To apply for Principal Clearing Qualification, it is a trading participant or a member of the Designated Market Operator, or expects to become a trading participant or a member of the Designated Market Operator by the date on which the relevant Clearing Qualification should be acquired.

(6) Office

Have an office or place of business within Japan.

- 4 Examination set forth in Paragraph 7 of preceding Article related to an application in Paragraph 6 of the said Article, , shall be conducted for the items listed in Item (1) or Item (3) of Paragraph 1, with respect to an applicant and for other items which JSCC deems necessary for the operation of Securities and Similar Contracts Clearing Business.

(Article 8 Completion of Procedures for Obtaining Clearing Qualification)

- 1 When JSCC has approved Clearing Qualification pursuant to the provisions of Paragraph 7 of Article 6, JSCC shall cause the applicant for the Clearing Qualification^{*1} to deposit a clearing fund and complete other procedures for obtaining the Clearing Qualification as prescribed by JSCC by the day^{*2} which immediately precedes the date designated by JSCC pursuant to the provisions of Paragraph 9 of said Article.

(*¹ excluding applicants to acquire the ETF Special Clearing Qualification)

(*²if such day falls on a Non-business Day, the day shall be the immediately preceding business day; the same applies hereinafter except for Item (2) and Item (4) of Paragraph 3 of Article 64)

- 2 When the applicant^{*1} did not complete the procedures set forth in the preceding Paragraph by the day immediately preceding the date designated by JSCC pursuant to the provisions of Paragraph 9 of Article 6, the application for the Clearing Qualification shall be deemed to have been withdrawn.

(*¹ Excluding an applicant who is a Specified Successor Financial Institution)

- 3 When JSCC approves the Clearing Qualification pursuant to Paragraph 8 of Article 6, JSCC shall have the applicant for the Clearing Qualification deposit Clearing Funds and follow other procedures for acquisition of Clearing Qualification as required by JSCC.

(Article 9 Date of Obtaining Clearing Qualification)

- 1 When the applicant for Clearing Qualification has completed the procedures set forth in Paragraph 1 or 3 of the preceding Article^{*1}, JSCC shall grant the Clearing Qualification in

respect of the relevant application on the date designated by JSCC pursuant to the provisions of Paragraph 9 of Article 6.

(*1 in respect of the procedures under Paragraph 3 of the preceding Article, the provisions of this Paragraph shall apply only for the procedures which JSCC requires the applicant to follow by the date designated by JSCC pursuant to the provisions of Paragraph 6 of Article 6)

2 When JSCC grants the applicant Clearing Qualification pursuant to the preceding Paragraph, JSCC shall notify to that effect to each Clearing Participant having the Clearing Qualification of the same category, each Registered ETF Trust Bank^{*1} and to each Designated Market Operator which operates the Financial Instruments Market with respect to the Contracts Subject to Clearing pertaining to that category of the Clearing Qualification.

(*1 limited to the cases when the Securities Clearing Qualification or the ETF Special Clearing Qualification is granted)

(Article 10 Handling of Unsettled Contracts When Non-Clearing Participant Obtains Clearing Qualification)

When a Non-Clearing Participant becomes a Clearing Participant by obtaining the Clearing Qualification corresponding to such trading qualification or membership pursuant to Paragraph 1 of the preceding Article, such Non-Clearing Participant shall take over its unsettled Contracts for Clearing, which are pursuant to the commissions of the Brokerage for Clearing of Securities, etc.,^{*1} from the Designated Clearing Participant.

(*1 referring to the contracts prescribed in Item (3) of Paragraph 1 of Article 7 and contracts prescribed in Item (4) of Paragraph 3 of said Article; the same applies hereinafter)

(Article 10-2 Change to Category of Clearing Qualification)

Provisions of Paragraph 1, Paragraph 2, Paragraph 4 and Paragraph 5 and Paragraph 7 through Paragraph 9 of Article 6, Article 7, Article 9, Paragraph 2 of Article 23 and Article 26 shall apply *mutatis mutandis* to the case when a Clearing Participant changes the category of Clearing Qualification held by it. In such case, the phrase “apply for Clearing Qualification” in Paragraph 1, Paragraph 2, Paragraph 4, Paragraph 5 and Paragraph 7 of Article 6 shall be deemed to be “apply for change to the category of Clearing Qualification”, the phrase “applicant for Clearing Qualification” in the Paragraph 9 of Article 6 and Article 7 and Article 9 shall be deemed to be “applicant for change to the category of Clearing Qualification”, the phrase “date on which the applicant is to obtain the Clearing Qualification” in Paragraph 9 of Article 6 and Item (2) of Paragraph 1 and Item (2) of Paragraph 3 of Article 7 shall be deemed to be “date on which the applicant is to change the category of the Clearing Qualification”, the phrase “grant the Clearing Qualification” in Paragraph 1 of Article

9 shall be deemed to be “change the category of the Clearing Qualification”, the phrase “grants the applicant Clearing Qualification” in Paragraph 2 of such Article shall be deemed to be “changes the category of the Clearing Qualification”, the phrase “applies for renouncing” in Paragraph 2 of Article 23 shall be deemed to be “applies for change to the category of Clearing Qualification to Principal Clearing Qualification”, and the word “renunciation” in Article 26 shall be deemed to be “change to the category” respectively.

(Article 10-3 Handling related to Parental Guarantee)

When a Commodity Futures Clearing Participant satisfies the criteria stipulated in Item (3) of Paragraph 3 of Article 7, it may obtain a Parental Guarantee by having the Parent submit a document concerning the guarantee in the form prescribed by JSCC^{*1} to JSCC. In this case, the provisions of these Business Rules^{*2} related to the Parent shall apply to such Parent.

(*1 including other documents deemed by JSCC to have the same contents as such document)

(*2 including any rules and regulations promulgated hereunder)

(Article 10-4 Registration of Registered ETF Trust Bank)

- 1 Examination set forth in Paragraph 7 of the preceding Article related to an application in Paragraph 6 of the said Article shall be for the items listed in Item (1) or Item (3) of Paragraph 1 and other items which JSCC deems necessary for the operation of the Securities and Similar Contracts Clearing Business in respect of an applicant for registration as the Registered ETF Trust Bank .
- 2 JSCC shall, when it registers an applicant as the Registered ETF Trust Bank pursuant to the provisions in the preceding Item, notify Securities Clearing Participant, ETF Special Clearing Participant and each Registered ETF Trust Bank to that effect

Section 3 Obligation, etc. of Clearing Participants

(Article 11 Conclusion of Clearing Participant Agreement)

A Clearing Participant shall enter into the Clearing Participant Agreement prescribed by JSCC with JSCC.

(Article 12 Clearing Participant's Representative)

1 A Clearing Participant shall, in accordance with the rules of JSCC, register with JSCC in advance an individual, among its representative directors or representative executive officers*¹, who is appropriate to represent the Clearing Participant vis-à-vis JSCC as the Clearing Participant's representative.

(*¹ if a Clearing Participant is a corporation established in accordance with the laws and ordinances of a foreign country, from among its representatives in Japan holding a position at least equal to a director or an executive officer)

2 Only Clearing Participant's representative shall represent the Clearing Participant vis-à-vis JSCC; provided, however, that as for daily routine operations, a Clearing Participant may have a deputy for daily routine operations engaging in those operations specifying in advance the scope of such operations and registering such person with JSCC.

(Article 13 Person in Charge of Settlement Operation)

A Clearing Participant shall designate an individual from among its directors, officers or employees to be in charge of supervising the operation of the settlement of Contracts for Clearing, and register such individual with JSCC in accordance with the rules of JSCC.

(Article 14 Cooperative or Controlling Relationship with Directors, Officers, or Other Persons)

1 When JSCC deems that a cooperative or controlling relationship with a director, officer or other person of a Clearing Participant is inappropriate taking into account JSCC's operation of the Securities and Similar Contract Clearing Business, JSCC may conduct a hearing to the Clearing Participant and request for a change presenting the reason therefore; provided, however, that if the Clearing Participant submits a written statement, such submission may substitute the hearing.

2 The procedures of the hearing prescribed in the preceding Paragraph shall be in accordance with the rules of JSCC.

3 When the Clearing Participant refuses the hearing set forth in Paragraph 1 without a justifiable reason, JSCC may request for the change set forth in said Paragraph without a hearing.

- 4 When the Clearing Participant deems that the request for a change pursuant to Paragraph 1 is unwarranted, the Clearing Participant may file a petition in writing against such request with JSCC presenting the reason therefor within 10 days after the receipt of the notice of the request for a change.
- 5 When JSCC receives the petition set forth in the preceding Paragraph, it shall convene a meeting of its board of directors without delay.
- 6 If, at the meeting of the board of directors set forth in the preceding Paragraph, it was deemed appropriate to modify or withdraw the request for a change set forth in Paragraph 1, such request for a change shall be immediately modified or withdrawn.

(Article 15 Payment of Fees by Clearing Participant, etc.)

A Clearing Participant, etc. shall pay the fees prescribed by the rules of JSCC to JSCC in accordance with those rules.

(Article 15-2 Deposit of Initial Margin)

- 1 A Clearing Participant*¹ shall deposit with JSCC, in accordance with the rules of JSCC, the initial margin, by each category prescribed in each of the following Items, for the purpose of ensuring performance of its obligations owed to JSCC:
(*¹excluding an ETF Special Clearing Participant; the same applies hereinafter in this Article)
 - (1) An initial margin relating to Securities Clearing Qualification; and
 - (2) An initial margin relating to JGB Futures Clearing Qualification.
- 2 When the deposited balance of the initial margin falls short of the required amount of the initial margin as prescribed by the rules of JSCC, the Clearing Participant shall deposit with JSCC an amount at least equal to such shortfall by 2 P.M. on the day*¹ which immediately follows the day on which such shortfall occurs.
(*¹ if such day falls on a Non-business Day, it shall be the immediately following business day; the same applies hereinafter)
- 3 Cash may be deposited as initial margin, but only in any of the currencies designated by JSCC. In this case, the appraisal value of the cash initial margin in a currency other than Japanese yen shall be the amount equal to the value of cash in that currency converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of that currency in the Tokyo foreign exchange market on the day which is two days before the day on which the initial margin is deposited*¹ multiplied by a certain rate determined by JSCC.
(*¹ if such day falls on a Non-business Day, it shall be the immediately following business day; the same applies hereinafter)
- 4 Securities*¹ may be deposited in lieu of cash as initial margin in accordance with the rules of

JSCC.

(*1 limited to the securities which are deemed appropriate by JSCC taking the liquidity and other factors into account)

5 The substituting price of the securities stipulated in the preceding Paragraph shall be calculated by multiplying the market price, as determined by JSCC,^{*1} as of the day^{*1} which precedes the date of the deposit by two days, by a certain rate determined by JSCC^{*2}; provided, however, that JSCC may extraordinarily change the substituting price, when JSCC deems it particularly necessary to do so, such as in the case of an excessive fluctuation in the market.

(*1 in the case where the applicable securities are foreign government bonds^{*1-1}, 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; the same applies hereinafter)

(*1-1 referring to the securities listed in Item (17) of Paragraph 1 of Article 2 of the Act that have characteristics described in Item (1) of Paragraph 1 of Article 2 of the Act)

(*2 when a Clearing Participant utilizes the foreign book-entry transfer institution^{*2-1} designated by JSCC for the deposit of such securities, the value determined pursuant to the provisions of the contract between the relevant Clearing Participant, JSCC and the relevant foreign book-entry transfer institution; the same applies hereinafter)

(*2-1 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 laws and regulations of a foreign country)

6 In addition to the provisions of the preceding two Paragraphs, matters concerning the securities to be deposited in lieu of cash as initial margin shall be prescribed by JSCC.

(Article 15-3 Intraday Deposit of Initial Margin relating to Securities Clearing Qualification)

1 If an event occurs which is prescribed by JSCC as an event that the market of transaction relating to Securities Clearing Qualification has shown excessive fluctuation during any day session or if JSCC otherwise determines it necessary to do so, when the deposited balance of the initial margin relating to Securities Clearing Qualification deposited with JSCC falls short of the required amount of initial margin (the intraday amount) relating to Securities Clearing Qualification as prescribed by the rules of JSCC, the relevant Clearing Participant shall additionally deposit with JSCC an amount at least equal to such shortfall by 4:00 P.M. of the same day.

2 Notwithstanding the provisions of the preceding Paragraph, a Clearing Participant with

respect to which the required amount of initial margin (the intraday amount) relating to Securities Clearing Qualification minus the required amount of initial margin relating to Securities Clearing Qualification set forth in Paragraph 2 of the preceding Article is less than 30,000,000 yen shall not be obligated to make additional deposit of the initial margin relating to Securities Clearing Qualification as required under the preceding Paragraph.

- 3 When JSCC causes to be made an additional deposit of initial margin relating to Securities Clearing Qualification pursuant to the provisions of Paragraph 1, it shall notify the relevant Clearing Participant to such effect promptly after 11:00 A.M. of the same day.

(Article 15-4 Increase in Required Amount of Initial Margin relating to Securities Clearing Qualification)

- 1 If the Risk Amount^{*1} considered to be attached to Unsettled Contracts^{*2} in transactions relating to Securities Clearing Qualification of a Clearing Participant exceeds Margin Increase Trigger Base Amount^{*3}, JSCC may increase the required amount of initial margin relating to Securities Clearing Qualification as prescribed by the rules of JSCC.

(*1 referring to the amount prescribed by the rules of JSCC; the same applies in this Article.)

(*2 referring to the contracts which remain unsettled; the same applies hereinafter.)

(*3 referring to the amount prescribed by the rules of JSCC.)

- 2 The Risk Amount set forth in the preceding Paragraph shall be calculated for transactions relating to Securities Clearing on each business day and after the close of the morning session on each business day, and JSCC will determine whether to increase the required amount of initial margin relating to Securities Clearing Qualification based on the calculation result of such Risk Amount.
- 3 If, due to an increase of the required amount of initial margin relating to Securities Clearing Qualification as a result of the calculation of the Risk Amount for a business day as set forth in the preceding Paragraph, the deposited balance of initial margin relating to Securities Clearing Qualification deposited by a Clearing Participant with JSCC falls short of the required amount of initial margin relating to Securities Clearing Qualification after the increase, the relevant Clearing Participant shall additionally deposit with JSCC an amount at least equal to such shortfall by 2:00P.M. on the next day following the day such shortfall occurred.
- 4 If, due to an increase of the required amount of initial margin relating to Securities Clearing Qualification as a result of the calculation of the Risk Amount after the close of the morning session on a business day as set forth in Paragraph 2, the deposited balance of initial margin relating to Securities Clearing Qualification deposited by a Clearing Participant with JSCC falls short of the required amount of initial margin relating to Securities Clearing

Qualification after the increase, the relevant Clearing Participant shall additionally deposit with JSCC an amount at least equal to such shortfall by 4:00P.M. on the same day.

(Article 16 Deposit of Clearing Fund)

1 A Clearing Participant*¹ shall deposit with JSCC, in accordance with the rules of JSCC, the clearing funds, by each category prescribed in each of the following Items, for the purpose of ensuring performance of its obligations owed to JSCC, and applying to compensation for any loss suffered by JSCC as set forth in these Business Rules in the event of JSCC acknowledging default, etc. of any other Clearing Participant:

- (1) A clearing fund relating to Securities Clearing Qualification;
- (2) A clearing fund relating to JGB Futures Clearing Qualification;
- (3) A clearing fund relating to Index Futures Clearing Qualification;
- (4) A clearing fund relating to Precious Metal Futures Clearing Qualification;
- (5) A clearing fund relating to Rubber Futures Clearing Qualification;
- (6) A clearing fund relating to Agricultural Futures Clearing Qualification
- (7) A clearing fund related to Petroleum Futures Clearing Qualification; and
- (8) A clearing fund relating to FX Clearing Qualification.

(*excluding an ETF Special Clearing Participants; the same applies hereinafter in this Article)

2 When the deposited balance of the clearing fund set forth in the immediately preceding Paragraph falls short of the required amount of the clearing fund as prescribed by the rules of JSCC, the Clearing Participant shall deposit with JSCC an amount at least equal to such shortfall by 2 P.M. on the day which immediately follows the day on which such shortfall occurs.

3 A Clearing Participant must deposit the amount determined by JSCC in respect of the clearing fund as set forth in Paragraph 1*¹ in Japanese yen cash.

(*¹ hereinafter referred to as "Clearing Fund Cash Requirement")

4 A Clearing Participant may deposit an amount exceeding the Clearing Fund Cash Requirement in the currency designated by JSCC. In this case, when a Clearing Participant deposits cash in any currency other than Japanese yen, its appraisal value shall be the amount equal to the value of cash in that currency converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of that currency in the Tokyo foreign exchange market on the day which is two days before the date of deposit multiplied by a certain rate determined by JSCC.

5 Notwithstanding the provisions of the immediately preceding Paragraph, securities*¹ may be

deposited in lieu of cash as to the portion of clearing fund exceeding the Clearing Fund Cash Requirement in accordance with the rules of JSCC.

(*1 limited to the securities which are deemed appropriate by JSCC taking the liquidity and other factors into account)

- 6 The substituting price of the securities stipulated in the preceding Paragraph shall be calculated by multiplying the market price, as determined by JSCC, as of the day which precedes the date of the deposit by two days, by a certain rate determined by JSCC; provided, however, that JSCC may extraordinarily change the substituting value, when JSCC deems it particularly necessary to do so, such as in the case of an excessive fluctuation in the market.
- 7 In addition to the provisions of the preceding two Paragraphs, matters concerning the securities to be deposited in lieu of cash as clearing fund shall be prescribed by JSCC.

(Article 17 Special Provisions for Clearing Fund in Default Settlement Period)

- 1 Notwithstanding the provisions of Paragraph 1 of the preceding Article, the required amount of clearing fund*1 for each Clearing Participant by type of Clearing Qualification during the Default Settlement Period*2 shall be the required amount of clearing fund for each of the Clearing Qualifications of each such Clearing Participant on the day immediately preceding the date on which such Default Settlement Period commences.

(*1 excluding those listed in Items (1) and (8) of Paragraph 1 of the preceding Article; the same applies hereinafter in this Article)

(*2 referring to the Default Settlement Period set forth in Paragraph 1 of Article 76-2; the same applies hereinafter; but excluding the last day of the Default Settlement Period)

- 2 In the case where a clearing fund is applied in whole or in part during the Default Settlement Period pursuant to Item (2) of Paragraph 1 of Article 78-2, notwithstanding the provisions of Paragraph 2 of the preceding Article, a Clearing Participant shall not be obliged to make additional deposit of clearing fund in the amount equivalent to such application until the relevant Default Settlement Period ends.

(Article 17-2 Obligation of Registered ETF Trust Bank)

- 1 A Registered ETF Trust Bank shall submit a letter of undertaking to JSCC that it shall comply with this Business Rules and other rules in the form prescribed by JSCC.
- 2 Provisions in Article 11 through Article 14 shall apply *mutatis mutandis* to a Registered ETF Trust Bank. In this case, the reference to "Clearing Participant", "Clearing Participant Agreement" or "Clearing Participant Representative" shall be deemed to be "Registered ETF Trust Bank", "Registered ETF Trust Bank Agreement" and "Registered ETF Trust Bank Representative".

(Article 18 Liability for Securities and Similar Contract Clearing Business)

JSCC shall not be held liable to indemnify Clearing Participant, etc. for the damages suffered by it in the course of its business operation in relation to the Securities and Similar Contract Clearing Business performed by JSCC unless a willful misconduct or gross negligence on the part of JSCC is found.

(Article 19 Matters to be Notified)

When a Clearing Participant, etc. intends to carry out any of the following acts, it shall notify JSCC of the details in advance in accordance with the rules of JSCC:

(1) The acts set forth in A) through E) below according to the category of the Clearing Participant, etc. as set forth therein:

A) Securities Clearing Participant, JGB Futures Clearing Participant or Index Futures Clearing Participant - any of the acts set forth in (a) through (c) below according to the category set forth therein within which it falls:

(a) In the case of a Financial Instruments Business Operator:

Discontinuance of the operations prescribed in Item 1 of Paragraph 1 of Article 28 of the Act

(b) In the case of a Registered Financial Institution:

Discontinuance of the Registered Financial Institution Business*¹

(*referring to the Registered Financial Institution Business prescribed in Item (3) of Paragraph 1 of Article 33-5 of the Act; the same shall apply hereinafter)

(c) In the case of a Securities Finance Company:

Discontinuance of the operations prescribed in Paragraph 1 of Article 156-24 of the Act

B) Commodity Futures Clearing Participant;

The acts set forth in (a) through (c) below according to the category set forth therein:

(a) In the case of a Financial Instruments Business Operator:

Discontinuance of the operations prescribed in Item (12) of Paragraph 1 of Article 28 of the Act

(b) In the case of a Registered Financial Institution:

Discontinuance of the Registered Financial Institution Business or discontinuance of the operations concerning Commodity Futures Contracts and Option on Commodity Futures

(c) Commercials

Discontinuance of the operations concerning Commodity Futures Contracts and Option

on Commodity Futures

C) FX Clearing Participant - any of the acts set forth in (a) through (c) below according to the category set forth therein within which it falls:

(a) In the case of a Financial Instruments Business Operator*¹:

(*¹excluding those falling within the category of (b) below)

Discontinuance of the operations prescribed in Item (3) of Paragraph 2 of Article 28 of the Act

(b) In the case of a Financial Instruments Business Operator*¹:

(*¹limited to those to whom an Exchange FX Contract is commissioned)

Discontinuance of the operations prescribed in Item (3) of Paragraph 2 of Article 28 of the Act or Paragraph 5 of the same Article

(c) In the case of a Registered Financial Institution:

Discontinuance of the Registered Financial Institution Business

D) ETF Special Clearing Participant

Discontinuance of the operations prescribed in Item (2) of Paragraph 4 of Article 28 of the Act

E) Registered ETF Trust Bank

Discontinuance of the operations prescribed in Paragraph 1 of Article 2 of the Trust Business Act (Act No. 154 of June 4, 2004)

(2) Merger in which the Clearing Participant, etc. becomes a disappearing corporation and is merged into another company, and merger in which the Clearing Participant, etc. merges with another company and establishes a new company;

(3) Dissolution of the Clearing Participant due to any reason other than merger or decision to commence bankruptcy proceeding;

(4) Succession by another company of all or a part of the Business*¹ of the Clearing Participant due to a corporate divestiture;

(*¹referring to the business relating to the Registered Financial Institution Business or the business relating to Commodity Futures Contracts and Option Contract on Commodity Futures in the case of a Registered Financial Institution, to the business relating to the operations prescribed in Paragraph 1 of Article 156-24 of the Act in the case of a Securities Finance Company, and to the business relating to Commodity Futures Contracts and Option Contract on Commodity Futures in the case of a Commercial; the same applies in this Article and Paragraph 5 of Article 29)

(5) Transfer of all or a part of the Business;

(6) Merger in which the Clearing Participant, etc. becomes a surviving company after being

merged with another company;

(7) Succession of all or a part of the Business from another company due to a corporate divestiture;

(8) Acquisition of all or a part of the Business;

(9) Change in the trade name or corporate name^{*1};

(*1 including a change in the trade name or corporate name in English)

(10) Change in the composition of its directors or officers; or

(11) Change in the address of its headquarters or principal office^{*1}.

(*1 as to Commodity Futures Clearing Participants, including an office or a place of business concerning Commodity Futures and Option Contract on Commodity Futures)

(12) In case of a Commodity Futures Clearing Participant, when it has joined or withdrawn from a Designated Market Operator^{*1};

(*1 including when it has obtained or lost the trading qualification)

2 In addition to the provisions set forth in the preceding Paragraph, when an Agency Clearing Participant is to discontinue the operations in respect of the Brokerage for Clearing of Securities, etc., it shall notify JSCC of the details in advance in accordance with the rules of JSCC.

3 In case where a Clearing Participant has obtained the Parental Guarantee from its Parent, in addition to the provisions set forth in the preceding two Paragraphs, when the Parent is to discontinue acts listed in Item (2) through Item (8) of Paragraph 1 and the operations of granting the Parental Guarantee, it shall notify JSCC of the details of such discontinuation in advance in accordance with the rules prescribed by JSCC. In such case, the references to “Clearing Participant” in Item (2) and Item (6) of the said Paragraph shall be deemed to be “the Parent^{*1},” and the phrase “to the business relating to the Registered Financial Institution Business or the business relating to Commodity Futures Contracts and Option Contract on Commodity Futures in the case of a Registered Financial Institution, to the business relating to the operations prescribed in Paragraph 1 of Article 156-24 of the Act in the case of a Securities Finance Company; and to the business relating to Commodity Futures Contracts and Option Contract on Commodity Futures in the case of a Commercial” in Item (4) of the said Paragraph shall be deemed to be “to the operations of granting Parental Guarantee for the Clearing Participant.”

(*1 only those granting Parental Guarantee for the relevant Clearing Participant)

4 In addition to the provisions set forth in Paragraph 1, when ETF Special Clearing Participant and/or Registered ETF Trust Bank intends to add or delete the issue of exchange traded fund beneficiary certificate subject to Clearing by JSCC, it shall notify JSCC of the issues to be added or deleted in advance in a manner prescribed by JSCC, in respect to Creation Of

Securities Investment Trust, etc.*1.

(*1 delivery/receipt of exchange traded fund beneficiary certificate or payment/receipt of money or delivery/receipt exchange traded fund beneficiary securities related to creation of securities investment trust, partial redemption of principal of securities investment trust or exchange of exchange traded fund beneficiary certificate and exchange traded fund component stocks; the same applies hereinafter)

5 In addition to the provisions set forth in Paragraphs 1 through 3, when it falls under the cases set forth in the items below, the person specified in the relevant item shall give notification to JSCC in advance in a manner prescribed by JSCC:

(1) When a Clearing Participant commences trading on Holiday Trading Days as a Trading Participant of the Designated Market Operator:

The relevant Clearing Participant;

(2) When a Non-Clearing Participant under the Clearing Brokerage Agreement with an Agency Clearing Participant commences the Brokerage for Clearing of Securities, etc. on Holiday Trading Days in association with its commencement of trading on Holiday Trading Days as a Trading Participant of the Designated Market Operator:

The relevant Agency Clearing Participant.

(3) When a JGB Futures Clearing Participant commences or suspends trading in Interest Rate Futures Contracts as a Trading Participant of the Designated Market Operator:

The relevant JGB Futures Clearing Participant

(4) When a Non-Clearing Participant under the Clearing Brokerage Agreement with an Agency Clearing Participant*1 commences or suspends Brokerage for Clearing of Securities, etc. in association with its commencement or suspension of trading in the relevant Interest Rate Futures Contracts:

The relevant Agency Clearing Participant

(*1 applies only to a JGB Futures Clearing Participant)

(Article 20 Matters to be Reported)

When a Clearing Participant, etc. falls under the circumstances prescribed by JSCC, it shall immediately report the details to JSCC.

(Article 21 Examination on Clearing Participant, etc.)

1 In the event which is stipulated in each Item provided below*1, or if JSCC deems it necessary to do so for its operation of the Securities and Similar Contract Clearing Business, JSCC may request Clearing Participant, etc. to submit a report or document which should serve as reference regarding the business, operation, or assets of the Clearing Participant, or may

cause its employees to inspect the Clearing Participant, etc.'s business, operation, financial condition, books, documents, or other materials:

(*1 for the ETF Special Clearing Participants and the Registered ETF Trust Banks, the cases stipulated in Item (1) and (3))

- (1) In the event JSCC conducts an examination on the status of the Clearing Participant, etc.'s compliance with these Business Rules or other rules;
- (2) In the event JSCC conducts an examination on the financial condition of the Clearing Participant;
- (3) In the event JSCC conducts an examination on the certainty about the performance of the Clearing Participant, etc.'s obligation owed to JSCC; and
- (4) In the event JSCC is requested by Designated Market Operator to provide information with regards to an examination aiming at securing fairness in buying/selling securities, other transactions and the like, and JSCC deems it appropriate to respond to such request.

2 The provisions of the preceding Paragraph shall apply *mutatis mutandis* to the case where JSCC conducts examination of the financial status of the Parent which provides the Parental Guarantee for such Clearing Participant or otherwise JSCC considers necessary for the operation of JSCC's Securities and Similar Contracts Clearing Business. In such case, the references to "Clearing Participant" or "Clearing Participant, etc." in the preceding Paragraph shall be deemed to be "the Parent^{*1}."

(*1 only those granting Parental Guarantee for the relevant Clearing Participant)

(Article 21-2 Inquiry to Clearing Participant Holding Excessive Position in respect of Unsettled Contracts under Commission)

1 When JSCC considers that there is a possibility of excessive position holding in respect of Futures and Option Contracts^{*1 *2} and Contracts Subject to Clearing prescribed in Article 2 of the Business Rules on Business of Assuming Commodity Transaction Debts^{*3*4} under commission by its customers^{*5}, JSCC may ask the relevant Clearing Participant^{*6} to report all or a part of below listed matters:

(*1 referring to Securities Option Contracts, JGB Futures Contracts, Option Contracts on JGB Futures Contracts, Interest Rate Futures Contracts, Index Futures Contracts, Index Option Contracts, Commodity Futures Contracts and Option Contract on Commodity Futures; the same applies hereinafter)

(*2 including contracts under commission of the Brokerage for Clearing of Securities, etc. by Non-Clearing Participants; the same applies in this Article)

(*3 including the transactions under commission of commodity clearing transactions^{*3-1} by

Non-Clearing Participants)

(*³⁻¹ referring to commodity clearing transactions prescribed in Item (20) of Article 2 of the Commodity Derivatives Act^{*³⁻¹⁻¹}; the same applies hereinafter)

(*³⁻¹⁻¹ Act No.239 of 1950)

(*⁴ hereinafter referred to as “Futures, Option and the Like”)

(*⁵ referring to the case where the Amount Corresponding to Risk^{*⁵⁻¹} assumed to be owed under the Unsettled Contracts related to the Futures, Option and the Like of the relevant Clearing Participant is suspected to be excessive, compared to the relevant Clearing Participant’s net worth^{*⁵⁻²} or its financial condition such as cash, etc. ^{*⁵⁻³})

(*⁵⁻¹ referring to the amount corresponding to the risk of loss which can result from fluctuations of prices of each issue relating to the contracts in which the relevant Clearing Participant^{*⁵⁻¹⁻¹} has Unsettled Contracts related to the Futures, Option and the Like; the same applies in Article 29-2 and Article 29-3)

(*⁵⁻¹⁻¹ in case where the Clearing Participant has obtained Parental Guarantee, the Parent granted the Parental Guarantee)

(*⁵⁻² in the case of a Registered Financial Institution or Commercial, the amount of its net assets)

(*⁵⁻³ including contracts pursuant to the commissions of the Brokerage for Clearing of Securities, etc. from Non-Clearing Participants)

(*⁶ excluding ETF Special Clearing Participant; the same applies hereinafter in this Article)

(1) details of the Unsettled Contracts related to the relevant Futures and Option Contracts of the customer whose required amount of Margin related to the Unsettled Contracts of the Futures and Option Contracts is the largest^{*¹};

(*¹ hereinafter referred to as the “Largest Customer”)

(2) the required amount of Margin and the like related to the Unsettled Contracts of the relevant Futures and Option Contracts of the Largest Customer;

(3) status of deposit with or posting to JSCC of the Margin related to the Unsettled Contracts of the relevant Futures and Option Contracts of the Largest Customer; and

(4) the Clearing Participant’s customer management framework and other information related to the relevant Futures and Option Contracts of the Largest Customer.

2 When asked reporting by JSCC pursuant to the provisions of the immediately preceding Paragraph, the Clearing Participant must submit the report by the day that is the third day^{*¹} from and including the day it is asked reporting.

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

3 When JSCC considers it still necessary after receiving report set forth in the immediately

preceding Paragraph, JSCC may ask the relevant Clearing Participant to report all or a part of below listed matters in respect of the customers of the Largest Customer*¹:

(*¹ hereinafter referred to as the “Indirect Customer”)

(1) details of the Unsettled Contracts related to the relevant Futures and Option Contracts of the Indirect Customer whose required amount of Margin related to the Unsettled Contracts is the largest*¹;

(*¹ hereinafter referred to as the “Largest Indirect Customer”)

(2) the required amount of margin and the like related to the Unsettled Contracts of the relevant Futures and Option Contracts of the Largest Indirect Customer;

(3) status of deposit with or posting to JSCC of the Margin related to the Unsettled Contracts of the relevant Futures and Option Contracts of the Largest Indirect Customer; and

(4) the Largest Customer’s customer management framework and other information related to the relevant Futures and Option Contracts of the Largest Indirect Customer.

4 When asked reporting by JSCC pursuant to the provisions of the immediately preceding Paragraph, the Clearing Participant must submit the report to JSCC by the day that is the sixth day from and including the day it is asked reporting.

5 If the Clearing Participant fails to submit the report by the deadline set forth in Paragraph 2 or 4, as the case may be, JSCC may increase the required amount of Margin related to the Futures and Option Contracts under commission by customers or commission through the Brokerage for Clearing of Securities by a Non-Clearing Participant up to 130 percent of such required amount.

Section 4 Renunciation/Forfeiture, etc. of Clearing Qualification

(Article 22 Application for Renouncing Clearing Qualification)

- 1 When a Clearing Participant intends to renounce its Clearing Qualification, it shall apply for the renunciation with respect to each category of the Clearing Qualification to be renounced in accordance with the rules of JSCC.
- 2 When an Index Futures Clearing Participant*¹ intends to renounce its Securities Clearing Qualification, such Index Futures Clearing Participant shall simultaneously apply for renouncing its Index Futures Clearing Qualification, unless such Index Futures Clearing Participant is expected to designate a Designated Securities Clearing Participant simultaneously with the renouncement of its Securities Clearing Qualification.
(*¹excluding an Index Futures Clearing Participant which does not hold a trading qualification relating to a Security Option Contract)
- 3 When an Index Futures Clearing Participant*¹ intends to terminate a Contract for Commissioning Clearance*² entered into with a Designated Securities Clearing Participant, it shall apply for renouncing its Index Futures Clearing Qualification prior to the termination, unless such Index Futures Clearing Participant obtains Securities Clearing Qualification or designates another Clearing Participant as Designated Securities Clearing Participant simultaneously with the termination of the Contract for Commissioning Clearance.
(*¹excluding an Index Futures Clearing Participant which does not hold a trading qualification relating to a Security Option Contract)
(*² referring to the Contract for Commissioning Clearance prescribed in Article 39; the same applies hereinafter until Article 34)
- 4 In the event that a Clearing Participant applies for renouncing its Futures Clearing Qualification*¹, JSCC shall notify to that effect to all the other Clearing Participants having the Clearing Qualification of the same category and to the Designated Market Operator which operates the Financial Instruments Market with regards to the Contracts Subject to Clearing pertaining to the relevant Clearing Qualification.
(*¹ referring to 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; the same applies hereinafter)

(Article 22-2 Exceptional Treatment of Application for Renouncing Clearing Qualification Associated with Secession of Exchange FX Contracts)

When a Designated Market Operator intends to cease trading of Exchange FX Contracts*¹,

and no other Designated Market Operator operates a market for Exchange FX Contracts, then, notwithstanding the provisions of Paragraph 1 of the preceding Article, Clearing Participants holding FX Clearing Qualification at the time of such secession shall be deemed to have applied for renouncing such FX Clearing Qualification as of the date designated by JSCC.

(*1 referring to a secession of Exchange FX Contracts stipulated by the Designated Market Operator)

(Article 23 Handling of Unsettled Contract of Participant Renouncing Securities Clearing Qualification, FX Clearing Qualification or ETF Special Clearing Qualification)

- 1 When a Securities Clearing Participant, a FX Clearing Participant or an ETF Special Clearing Qualification applies for renouncing its Clearing Qualification, it shall completely dissolve beforehand all the Contracts for Clearing pertaining to the relevant Clearing Qualification which remain unsettled.
- 2 When an Agency Clearing Participant related to Securities Clearing Qualification or FX Clearing Qualification applies for renouncing the Agency Clearing Qualification, it shall beforehand terminate all the Contracts for Commissioning Clearance pertaining to the relevant Clearing Qualification.

(Article 24 Exception in the case of Merger, etc. of Participant Renouncing Clearing Qualification)

- 1 The Clearing Participant may choose not to dissolve the unsettled Contracts for Clearing to the extent permitted by JSCC notwithstanding the provisions of Paragraph 1 of the preceding Article and Paragraph 2 of Article 26 if JSCC determines that it is unnecessary to dissolve all of the unsettled Contracts for Clearing pertaining to the relevant Clearing Qualification of the Clearing Participant in such circumstances as that, simultaneously with the renunciation of the Clearing Qualification, the relevant Clearing Participant is merged into, or causes its business through a corporate divestiture to be succeeded by, or causes its business to be transferred to, another company that is going to obtain or has already obtained the Clearing Qualification of the same category as that of the relevant Clearing Participant.
- 2 The Agency Clearing Participant may choose not to cause every Contract for Commissioning Clearance concluded by it to be terminated to the extent permitted by JSCC notwithstanding the provisions of Paragraph 2 of the preceding Article and Paragraph 2 of Article 26 if JSCC determines that it is unnecessary to terminate all the Contracts for Commissioning Clearance pertaining to the relevant Agency Clearing Qualification of the Agency Clearing Participant in such circumstances as that, simultaneously with the renunciation of the

Agency Clearing Qualification, the relevant Agency Clearing Participant is merged into, or causes its business through a corporate divestiture to be succeeded to by, or causes its business to be transferred to, another company that is going to obtain or has already obtained the Agency Clearing Qualification of the same category as that of the relevant Agency Clearing Participant.

(Article 25 Suspension of Assumption of Obligation for the Participant Renouncing Clearing Qualification)

1 From the day immediately following the day on which JSCC receives an application for renouncing Clearing Qualification from a Clearing Participant*¹, JSCC shall stop assuming new obligations*² under the Contracts Subject to Clearing which pertain to the relevant Clearing Qualification and to which the relevant Clearing Participant is a party, except for the assumption of new obligations under the Contract Subject to Clearing executed by a Clearing Participant holding the Futures Clearing Qualification for the purpose of liquidation of the Contracts for Clearing prescribed in Paragraph 2 of Article 26 that are unsettled.

(*¹ where the Clearing Qualification for which renunciation is applied is a Securities Clearing Qualification, JGB Futures Clearing Qualification, Index Futures Clearing Qualification, Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification Agricultural Futures Clearing Qualification, Petroleum Futures Clearing Qualification or ETF Special Clearing Qualification and such day falls on a Non-business Day, or where the Clearing Qualification for which renunciation is applied is an FX Clearing Qualification and such day falls on an FX Non-business Day, it shall be the immediately following business day)

(*² including the obligation to be incurred as a result of the completion of the Give-up prescribed in Article 46-2, the same applies hereinafter)

2 Notwithstanding the provisions of the preceding Paragraph if JSCC determines that it is unnecessary to dissolve the unsettled Contracts for Clearing of the Clearing Participant in such circumstances as that, simultaneously with the renunciation of the Clearing Qualification, the relevant Clearing Participant is merged into, or causes its business through a corporate divestiture to be succeeded by, or causes its business to be transferred to, another company that is going to obtain or has already obtained the Clearing Qualification of the same category as that of the relevant Clearing Participant; JSCC may choose not to stop assuming all or a part of the obligations under the Contracts Subject to Clearing to which the relevant Clearing Participant applying for renouncing the Clearing Qualification is a party.

(Article 26 Approval for Renunciation of Clearing Qualification)

- 1 The approval of the renunciation of Securities Clearing Qualification, FX Clearing Qualification or ETF Special Clearing Qualification shall be made by JSCC by designating a particular date in the future and the relevant Clearing Qualification shall be nullified on that date.
- 2 If a Clearing Participant applies for renouncing its Futures Clearing Qualification pursuant to Paragraph 1 of Article 22, the Clearing Participant shall renounce its Clearing Qualification at the latest time at which it completed the matters listed below:
 - (1) The time designated by JSCC on the 30th day from the next day following the date of such application^{*1}
 - (^{*1} if the application for the renunciation is submitted during a Default Settlement Period or a Default Settlement Period commences during the period between the date of such application and the date of renunciation of the Clearing Qualification that would otherwise become effective in respect of the relevant Clearing Participant, the time designated by JSCC on the last day of the Default Settlement Period)
 - (2) The time at which the Clearing Participant completely dissolved all the Contracts for Clearing pertaining to the relevant Clearing Qualification subject to the application for renunciation which remain unsettled.
 - (3) When the Clearing Participant is an Agency Clearing Participant, the time at which it terminate all the Contracts for Commissioning Clearance pertaining to the relevant Agency Clearing Qualification.
- 3 In the event JSCC has approved the renunciation of Clearing Qualification pursuant to Paragraph 1 or a Clearing Participant renounces its Clearing Qualification pursuant to Paragraph 2, JSCC shall notify to that effect to all the other Clearing Participants having the Clearing Qualification^{*1} of the same category and Registered ETF Trust Banks^{*2} and to the Designated Market Operator which operates the Financial Instruments Market with regards to the Contracts Subject to Clearing pertaining to the relevant Clearing Qualification.

^{*1}(including ETF Special Clearing Participants in case of the renunciation of Securities Clearing Qualification and Securities Clearing Participant in case of the renunciation of ETF Special Clearing Qualification, respectively)

^{*2} (limited to the case of renunciation of Securities Clearing Qualification or ETF Special Clearing Qualification)

(Article 26-2 Revocation of Registration as a Registered ETF Trust Bank)

- 1 When a Registered ETF Trust Bank intends revocation of its registration, it shall apply for revocation of the registration as a Registered ETF Trust Bank, in a manner prescribed by

JSCC.

- 2 When an application prescribed in the preceding Item is made, JSCC shall designate a future particular date and revoke its registration of the relevant Registered ETF Trust Bank on such date.
- 3 JSCC shall, when it accepts application set forth in Paragraph 1, notify to that effect to each Securities Clearing Participant and each ETF Special Clearing Participant.

(Article 27 Refund of Clearing Fund upon Renunciation of Clearing Qualification)

- 1 When a Clearing Participant renounces all or a part the Clearing Qualifications ^{*1}, JSCC shall refund the clearing fund related to the renounced Clearing Qualification after the date of the renunciation; provided, however, that if there remains unsettled Contracts for Clearing of the Clearing Participant which has renounced such Clearing Qualifications, or if JSCC otherwise deems it necessary, JSCC may suspend the refund of the clearing fund related to the renounced Clearing Qualification until such reason ceases to exist.

(*1 including renunciation due to a revocation of Clearing Qualification; the same applies hereinafter in this Article and the following Article)

- 2 Notwithstanding the provisions of Paragraph 1, in the case where an application for renunciation of a Futures Clearing Qualification of a Clearing Participant is submitted during the Default Settlement Period prescribed in Paragraph 1 of Article 76 or in the case where the Default Settlement Period commences during the period from the date of such application to the time of renunciation of the Clearing Qualification that would otherwise become effective in respect of the relevant Clearing Participant, and when the compensation for loss by the clearing fund of Clearing Participants other than the Default Clearing Participant occurs, JSCC shall refund the clearing fund by each type of Clearing Qualification listed in Article 17 after deducting the amount required for such compensation of loss on and after the date of renunciation by the relevant Clearing Qualification.

(Article 28 Performance of Obligation upon Nullification of Clearing Qualification)

The entity that has lost its Clearing Qualification shall apply the money, securities, warehouse receipts and the like^{*1} or Commodity to be returned from JSCC toward the satisfaction of all of its obligations owed to JSCC as Clearing Participant.

(*1 referring to warehouse receipts and other documents to be exchanged for the Settlement by Delivery; the same applies hereinafter)

(Article 28-2 Application of These Business Rules upon Renunciation, etc. of Clearing Qualification)

When a Clearing Participant renounces its Clearing Qualification or the registration of a Registered ETF Trust Bank is revoked, if there remain any claim or obligation arising from any cause before such renunciation or revocation, the provisions of these Business Rules^{*1} shall apply to such claims and obligations.

(*1 including any rules and regulations promulgated hereunder)

Section 5 Measures to be Taken with respect to Clearing Participants, etc.

(Article 29 Measures to be Taken with respect to Clearing Participants, etc.)

1 When JSCC deems that a Clearing Participant, etc. falls under any of the following Items, JSCC may conduct a hearing for the relevant Clearing Participant, etc. and take the measures to prohibit the Cross Margining Request^{*1}, to issue the Instructions for Improvement^{*2}, to suspend the assumption of all or a part of the obligations under the Contracts Subject to Clearing to which such Clearing Participant is a party, or to revoke the Clearing Qualification of such Clearing Participant or the registration presenting the reason therefor. In such event, the revocation of the Clearing Qualification or the registration shall require a resolution adopted at the meeting of the board of directors:

(*1 referring to the Cross Margining Request set forth in Paragraph 1 of Article 73-15-2; the same applies in Article 34)

(*2 referring to the instructions issued to the relevant Clearing Participant, etc. regarding improvements to be made to its business execution structure, etc., to the extent deemed necessary and appropriate for JSCC's operation of the Securities and Similar Contract Clearing Business; the same applies hereinafter)

- (1) When the Clearing Participant does not submit the notification set forth in Article 19, or the report set forth in Article 20, or submits any false notification/report;
- (2) When the Clearing Participant refuses, prevents or evades the examination set forth in Article 21 or Article 21-2, or does not submit the report/document or submits any false report/document pursuant to such Article;
- (3) When its business execution structure is deemed to be flawed; and
- (4) In addition to the events described in the preceding Items, when the Clearing Participant, etc. violates these Business Rules, other rules, or measures taken pursuant to the foregoing, or when JSCC deems it necessary taking into account its operation of the Securities and Similar Contract Clearing Business if the Clearing Participant, etc. damages the reputation of JSCC or other Clearing Participants, etc..

2 When a Clearing Participant, etc. falls under any of the following Items^{*1}, JSCC may conduct a hearing for the relevant Clearing Participant, etc. and take the measures to suspend the assumption of all or a part of the obligations under the Contracts Subject to Clearing to which such Clearing Participant, etc. is a party and/or any other measures deemed necessary and appropriate by JSCC, presenting the reason therefor:

^{*1}(including the case the provisions of Paragraph 2 of Article 17 shall apply *mutatis mutandis*)

- (1) When the Clearing Participant refuses to comply with a request made pursuant to the

- provisions of Article 14 to change the cooperative or controlling relationship with a director, officer or other person;
- (2) When a majority of the voting rights^{*1} of all the shareholders or a majority of the voting rights relating to capital contributions has come to be held by a person or persons who is or are deemed to be inappropriate taking JSCC's operation of the Securities and Similar Contract Clearing Business into account; or
- (*¹ including the voting rights pertaining to the shares which are deemed to have voting rights pursuant to Paragraph 3 of Article 879 of the Companies Act (Act No. 86 of 2005), but excluding the voting rights pertaining to the shares whose voting rights cannot be exercised on any of the matters that may be resolved on at general meetings of shareholders)
- (3) When a person holding the same or greater degree of control over the Clearing Participant, etc. as or than that held by a director or an executive officer—whether such person holds a title of consultant, advisor or otherwise—is deemed to be inappropriate taking JSCC's operation of the Securities and Similar Contract Clearing Business into account.
- 3 When a Clearing Participant falls under any of the following Items, JSCC may conduct a hearing for the relevant Clearing Participant and take the measures to suspend the assumption of all or a part of the obligations under the Contracts Subject to Clearing to which such Clearing Participant is a party until the relevant condition ceases to exist:
- (1) When the amount of its stated capital or the total amount of capital contributions^{*1} becomes less than 300 million yen^{*2} and a swift recovery from such condition cannot be expected;
- (*¹ in the case of a mutual company, the total amount of the foundation fund^{*1-1})
 (*¹⁻¹ including the amount of reserve for redemption of the foundation fund)
- (*² in the case of a Securities Finance Company which has obtained the Clearing Qualification pursuant to the application made under Paragraph 3 of Article 6, 100 million yen)
- (2) When the amount of its net worth^{*1} becomes less than 300 million yen^{*2} and a swift recovery from such condition cannot be expected;
- (*¹ in the case of a Registered Financial Institution, a Securities Finance Company, and a Commercials, the amount of its net assets)
 (*² in the case of a Commodity Futures Clearing Participant, 1 billion yen)
- (3) In the case of a Financial Instruments Business Operator, when its Capital-to-Risk Ratio becomes less than 120 percent and a swift recovery from such condition cannot be expected;

- (4) In the case of a Special Financial Instruments Business Operator, when its consolidated Capital-to-Risk Ratio becomes less than 120 percent and a swift recovery from such condition cannot be expected;
- (5) In the case of a Registered Financial Institution subject to Uniform International Standards, when any one of the events set forth in A) to C) below occurs with respect to it*¹:
- (*¹in the case of a foreign bank, any event equivalent thereto occurs and JSCC determines it necessary)
- A) Its non-consolidated or consolidated Common Equity Tier 1 ratio becomes less than 2.25 percent and a swift recovery from such condition cannot be expected;
- B) Its non-consolidated or consolidated Tier 1 ratio becomes less than 3 percent and a swift recovery from such condition cannot be expected; or
- C) Its non-consolidated or consolidated Total Capital ratio becomes less than 4 percent and a swift recovery from such condition cannot be expected;
- (6) In the case of a Financial Institution subject to Japanese Standard*¹, when its non-consolidated or consolidated capital adequacy ratio under the domestic standards becomes less than 2 percent and a swift recovery from such condition cannot be expected;
- (*¹ excluding any Registered Financial Institution which has obtained the Clearing Qualification pursuant to the application made under Paragraph 3 of Article 6, if such Registered Financial Institution is a Securities Finance Company)
- (7) In the case of an insurance company, when its non-consolidated or consolidated solvency margin ratio becomes less than 100 percent and a swift recovery from such condition cannot be expected; and
- (8) In the case of a Commercial, when JSCC considers, as prescribed by JSCC, that status of shareholders' equity is not adequate vis-à-vis the assets and the like it owns.
- 4 In the case where a Clearing Participant is an Agency Clearing Participant and falls under any of the following Items, JSCC may conduct a hearing for the relevant Clearing Participant and take the measures to suspend the assumption of all or a part of the obligations*¹ under the Contracts Subject to Clearing to which such Clearing Participant is a party until the relevant condition ceases to exist:
- (*¹ limited to the obligations relating to the Brokerage for Clearing of Securities, etc.)
- (1) When the amount of its net worth*¹ becomes less than 20 billion yen and a swift recovery from such condition cannot be expected;
- (*¹ in the case of a Registered Financial Institution, the amount of its net assets)
- (2) In the case of a Financial Instruments Business Operator, when its Capital-to-Risk Ratio

becomes less than 200 percent and a swift recovery from such condition cannot be expected;

(3) In the case of a Special Financial Instruments Business Operator, when its consolidated Capital-to-Risk Ratio becomes less than 200 percent and a swift recovery from such condition cannot be expected;

(4) In the case of a Registered Financial Institution subject to Uniform International Standards, when any one of the events set forth in A) to C) below occurs with respect to it*¹:

(*¹ in the case of a foreign bank, when any event equivalent thereto occurs and JSCC determines it necessary)

A) Its non-consolidated or consolidated Common Equity Tier 1 ratio becomes less than 4.5 percent and a swift recovery from such condition cannot be expected;

B) Its non-consolidated or consolidated Tier 1 ratio becomes less than 6 percent and a swift recovery from such condition cannot be expected; or

C) Its non-consolidated or consolidated Total Capital ratio becomes less than 8 percent and a swift recovery from such condition cannot be expected;

(5) In the case of a Financial Institution subject to Japanese Standard, when its non-consolidated or consolidated capital adequacy ratio under the domestic standards becomes less than 4 percent, and a swift recovery from such condition cannot be expected; and

(6) In the case of an insurance company, when its non-consolidated or consolidated solvency margin ratio becomes less than 400 percent and a swift recovery from such condition cannot be expected.

5 In the event that a Clearing Participant has notified JSCC of the matters set forth in Item (1) of Paragraph 1 of Article 19 or has made a public announcement of any of the matters set forth in Item (2) through Item (5) of Paragraph 1 of the said Article*¹, but does not apply for the renunciation of its Clearing Qualification, JSCC may conduct a hearing for the relevant Clearing Participant and take the measures to suspend the assumption of all or a part of the obligations under the Contracts Subject to Clearing to which such Clearing Participant is a party.

(*¹ in the case of Item (4) of Paragraph 1 of the said Article, limited to the succession of the entire Business, and in the case of Item (5), limited to the transfer of the entire Business)

6 In the event that an Agency Clearing Participant has submitted the notification set forth in Paragraph 2 of Article 19 but does not apply for the renunciation of its Agency Clearing Qualification, JSCC may conduct a hearing for the relevant Clearing Participant and take the

measure to suspend the assumption of all or a part of the obligations under the Contracts Subject to Clearing*¹ to which such Clearing Participant is a party.

(*¹ limited to the obligations relating to the Brokerage for Clearing of Securities, etc.)

7 When the Parent granting the Parental Guarantee for a Clearing Participant falls under either Item (1) or Item (2) of Paragraph 3, JSCC may conduct a hearing for the relevant Clearing Participant and take the measures to suspend the assumption of all or a part of the obligations under the Contracts Subject to Clearing to which such Clearing Participant is a party until the relevant condition ceases to exist. In such case, the phrase “in the case of a Commodity Futures Clearing Participant, 1 billion yen” in Item (2) of the said Paragraph shall be deemed to be “in the case of the Parent granting Parental Guarantee for a Commodity Futures Clearing Participant, 20 billion yen.”

8 In the event that the Parent granting the Parental Guarantee for a Clearing Participant intends to cancel the Parental Guarantee or a Clearing Participant gave a notification to JSCC on discontinuation of the operation of granting the Parental Guarantee for the Clearing Participant or the Parent made a public announcement under any of Item (3) through Item (5) of Article 19, but does not apply for renouncing its Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification, JSCC may, following consultation with the Clearing Participant, suspend the assumption of all or a part of the obligations under the Contracts Subject to Clearing to which such Clearing Participant is a part.

(Article 29-2 Measures to be Taken with respect to Clearing Participants with Excessive Positions)

1 In the event that a Clearing Participant is deemed to hold excessive positions*¹ or there is deemed to be a real possibility of such event, JSCC may take any of the measures set forth in the following Items and/or any other measures deemed necessary by JSCC:

(*¹ referring to the event where the Amount Corresponding to Risk assumed to be owed under the relevant Clearing Participant’s Unsettled Contracts is deemed excessive, compared to the relevant Clearing Participant’s*¹⁻¹ net worth*¹⁻² or its financial condition such as cash, etc., and such Amount Corresponding to Risk arises from the contracts on the account of such Clearing Participant or the contracts pursuant to the commissions from a small number of customers*¹⁻³; the same applies in the following Article)

(*¹⁻¹ in case where the Clearing Participant obtains a Parental Guarantee, the Parent granted the Parental Guarantee)

(*¹⁻² in the case of a Registered Financial Institution, a Securities Finance Company or a Commercials, the amount of its net assets)

(*¹⁻³ including contracts pursuant to the commissions of the Brokerage for Clearing of Securities, etc. and commodity clearing transactions from Non-Clearing Participants)

(1) Increase in the required amount of the Margin and the Like*¹;

(*¹ referring to the initial margin, clearing fund or Margin*¹⁻¹; the same applies hereinafter in this Paragraph)

(*¹⁻¹ referring to the Margin relating to the Future and Option Contracts on the Clearing Participant's own account, or the Futures and Option Contracts pursuant to the commissions from a customer or commissions of the Brokerage for Clearing of Securities, etc. from a Non-Clearing Participant, or the Margin relating to the Exchange FX Contracts on the Clearing Participant's own account, or the Exchange FX Contracts pursuant to the commissions from a customer or commissions of the Brokerage for Clearing of Securities, etc. from a Non-Clearing Participant)

(2) In the case where securities or warehouse receipts are deposited in lieu of cash as the Margin and the Like, limitations on the securities designated by JSCC; and

(3) In the case where securities or warehouse receipts are deposited in lieu of cash as the Margin and the Like, reduction in the rate by which the securities' market value shall be multiplied when calculating the substituting price.

2 In the event that any of the measures set forth in the preceding Paragraph is taken with respect to the Margin relating to the Futures and Option Contracts or the Margin relating to the Exchange FX Contracts pursuant to the commissions from a customer or commissions of the Brokerage for Clearing of Securities, etc. from a Non-Clearing Participant, the Clearing Participant which is subject to such measure shall take the measure, which is the same as the above-referenced measure, with respect to the relevant customer or the relevant Non-Clearing Participant.

(Article 29-3 Instructions for Improvement on Position Holding)

1 In the event that, even after the increase of the required amount of Margin as set forth in Paragraph 5 of Article 21-2, the Clearing Participant still fails to submit report set forth in Paragraph 1 or 3, as the case may be, of Article 21-2, that, even after the measures set forth in the preceding Article are taken, the relevant Clearing Participant is still deemed to hold excessive positions on the date designated by JSCC or that it is deemed necessary to immediately eliminate the risk relating to the likelihood of the relevant Clearing Participant's performance of its obligations owed to JSCC due to an increase in the Amount Corresponding to Risk of the relevant Clearing Participant, etc., JSCC may conduct a

hearing for the relevant Clearing Participant and, to the extent necessary, issue the instructions for improvement on position holding^{*1} pursuant to resolutions adopted at the meeting of the board of directors.

(*1 limited to those relating to Futures and Option Contracts or Exchange FX Contracts)

2 The Clearing Participant to which the instructions for improvement on position holding set forth in the preceding Paragraph is issued shall take concrete measures such as enhancing its capital^{*1}, settling its unsettled Contracts for Clearing or transferring them to other Clearing Participants, etc., in order to resolve the matters for which such Instructions were issued, on or before the date designated by JSCC in each case.

(*1 in case where the Clearing Participant obtained Parental Guarantee, enhancing the capital of the Parent granted the Parental Guarantee)

3 In the event that the relevant Clearing Participant intends to transfer its Unsettled Contracts to such other Clearing Participants in accordance with the provisions of the preceding Paragraph, such Clearing Participant shall obtain in advance the approval of JSCC and such other Clearing Participants.

4 When the preceding Paragraph applies, if the Unsettled Contracts to be transferred are commissioned by a customer, the relevant Clearing Participant shall obtain such customer's approval of the transfer of such Unsettled Contracts.

5 When Paragraph 3 applies, if the Unsettled Contracts to be transferred are pursuant to the commissions of the Brokerage for Clearing of Securities, etc. from a Non-Clearing Participant, the relevant Clearing Participant shall obtain such Non-Clearing Participant's approval of the transfer of the Unsettled Contracts.

6 In addition to the matters prescribed in these Business Rules, any matters necessary for the instructions for improvement on position holding shall be prescribed by JSCC on each applicable occasion.

(Article 29-4 Measures to be Taken with respect to Clearing Participants When their Collateral Deposit Status is Deemed Inappropriate, etc.)

1 In the event that any Clearing Participant deposits with JSCC Stocks And The Like^{*1} in lieu of cash as the Clearing Deposit ^{*2} and the Margin^{*3}, if the deposited amount aggregated by issue exceeds the amount equal to 2% of the number of listed shares^{*3} of such issue, JSCC may take the measures set forth in any of the following Items with respect to the relevant Clearing Participant:

(*1 referring to stocks, preferred equity capital contribution securities, investment trust beneficiary securities and investment securities; the same applies in this Article)

(*2 referring to the Clearing Deposit prescribed in Article 74 and the Clearing Deposit

prescribed in Article 70 of the Business Rules on Business of Assuming Commodity Transaction Debts: the same applies in this Article)

(*³ limited to the Margin relating to the Futures and Option Contracts on the Clearing Participant's own account, the Margin under commission by customers that relates to the Futures and Option Contracts on account of persons in the same corporate group^{*3-1} as the relevant Clearing Participant and the persons that are substantially deemed as the persons in the same corporate group as the relevant Clearing Participant^{*3-2} and other Margin prescribed by JSCC; the same applies in this Paragraph)

(*³⁻¹ referring to the corporate group as set forth in Item (2) of Paragraph 1 of Article 5 of the Act; the same applies hereinafter)

(*³⁻² hereinafter referred to as "Affiliates")

(*³ in the case of preferred equity capital contribution securities, the number of listed units of the preferred equity capital contribution securities; in the case of investment trust beneficiary securities, the number of listed units of the beneficiary securities; and in the case of investment securities, the number of listed units of the investment securities; the same applies hereinafter)

(1) In the case where securities are deposited in lieu of cash as the Clearing Deposit and in the case where securities or warehouse receipts are deposited in lieu of cash as Margin, limitations on securities designated by JSCC; and

(2) In the case where securities are deposited in lieu of cash as the Clearing Deposit and in the case where securities or warehouse receipts are deposited in lieu of cash as Margin, reduction in the rate by which the securities' market value shall be multiplied when calculating the substituting price.

2 In the event that any Clearing Participant deposits with JSCC Stocks And The Like in lieu of cash as the Clearing Deposit and the Margin^{*1}, if the deposited amount aggregated by issue exceeds the amount equal to 5% of the number of listed shares of such issue, JSCC may take the measures set forth in any of the following Items with respect to the relevant Clearing Participant:

(*¹ limited to the Margin relating to the Futures and Option Contracts on the Clearing Participant's own account, the Margin for the Futures and Option Contracts on account of Affiliates and other Margin prescribed by JSCC; the same applies in this Paragraph and Paragraph 4)

(1) In the case where securities are deposited in lieu of cash as the Clearing Deposit and in the case where securities or warehouse receipts are deposited in lieu of cash as Margin, limitations on securities designated by JSCC; and

(2) In the case where securities are deposited in lieu of cash as the Clearing Deposit and in

the case where securities or warehouse receipts are deposited in lieu of cash as Margin, reduction in the rate by which the securities' market value shall be multiplied when calculating the substituting price.

3 In the event that the ratio of the total amount of the appraisal value of securities deposited in lieu of cash other than municipal bonds, special bonds, corporate bonds and Japanese yen denominated foreign bonds ,warehouse receipts and the amount of cash to the required amount of collateral relating to the Clearing Deposit and the Margin^{*1} exceeds 80%, JSCC may take the measures set forth in any of the following Items with respect to the relevant Clearing Participant:

(*1 limited to the Margin relating to the Futures and Option Contracts on the Clearing Participant's own account and the Margin for the Futures and Option Contracts on account of Affiliates; the same applies in this Paragraph)

(1) In the case where securities are deposited in lieu of cash as the Clearing Deposit and in the case where securities or warehouse receipts are deposited in lieu of cash as Margin, limitations on securities designated by JSCC; and

(2) In the case where securities are deposited in lieu of cash as the Clearing Deposit and in the case where securities or warehouse receipts are deposited in lieu of cash as Margin, reduction in the rate by which the securities' market value shall be multiplied when calculating the substituting price.

4 In the event that the securities issued by a Clearing Participant^{*1} are deposited with JSCC in lieu of cash as the Clearing Deposit and the Margin, JSCC may take the measures set forth in any of the Items of Paragraph 2 with respect to such Clearing Participant in connection with the securities issued by such Clearing Participant.

(*1 including securities issued by the parent company^{*1-1} or subsidiary^{*1-2} of the relevant Clearing Participant, or any subsidiary of such parent company)

(*1-1 referring to an entity who is deemed to be the parent company of the relevant Clearing Participant under the provisions of Paragraph 3 of Article 8 of the Regulations Concerning the Terms, Forms and Preparation Methods of Financial Statements, etc.^{*1-1-1}; the same applies hereinafter in this Paragraph)

(*1-1-1 Ministry of Finance Ordinance No. 59 of 1963; hereinafter referred to as the "Financial Statements, etc. Regulations")

(*1-2 referring to an entity who is deemed to be a subsidiary of the relevant Clearing Participant under the provisions of Paragraph 3 of Article 8 of the Financial Statements, etc. Regulations; the same applies hereinafter in this Paragraph)

5 In addition to the cases described in each of the preceding Paragraphs, if deemed necessary by JSCC in order to ensure the performance by a Clearing Participant of its obligations owed

to JSCC, JSCC may take measures set forth in each of the preceding Paragraphs with respect to the relevant Clearing Participant.

(Article 29-5 Suspension of Assumption of Obligations of Clearing Participant whose Risk Increased during Specific Time Period)

In the event that, in respect of a Clearing Participant, the Amount Corresponding to Risk calculated in the manner prescribed by JSCC as the risk amount assumed to be owed by such Clearing Participant under normal market conditions exceeds the amount pre-determined by JSCC during the period of time prescribed by JSCC, JSCC may take measures of suspension of assumption of all or a part of obligations under the Contracts Subject to Clearing to which the relevant Clearing Participant is a party.

(Article 29-6 Suspension of Assumption of Obligations of Clearing Participant whose Risk Increased in case of Consecutive Non-business Days on which Designated Market Operator Opens Trading Sessions)

1 When the Designated Market Operator designates Holiday Trading Days during consecutive Non-business Days^{*1*}, JSCC shall calculate, at the timing prescribed below, the risk amount assumed to be owed by the Clearing Participants submitted the notification under Paragraph 5 of Article 19 and the indicator value prescribed by JSCC based on Margins and clearing fund the relevant Clearing Participant has deposited:

- (1) The judgment timing prescribed by JSCC^{*3};
- (2) The timing within the Holiday Trading Day immediately following the day to which the timing set forth in the preceding Paragraph belongs, which JSCC designates as deadline.

(*1 including the case where a Non-business Day not designated as Holiday Trading Day exists during that consecutive Non-business Days;)

(*2 hereinafter referred to as "Consecutive Holiday Trading Days")

(*3 excluding the last day of the Consecutive Holiday Trading Days)

2 At the timing set forth in Item (1) of the preceding Paragraph, JSCC shall also calculate the excess of such indicator value over the value separately prescribed by JSCC, if any, in addition to the calculation of the indicator value set forth in the preceding Paragraph.

3 At the timing set forth in Item (1) of Paragraph 1, when the indicator value set forth in Paragraph 1 related to a Clearing Participant exceeds the value prescribed by JSCC and the amount of such excess exceeds the amount prescribed by JSCC, JSCC shall notify the relevant Clearing Participant of such amount of excess over the amount prescribed by JSCC and ask the Clearing Participant to take either of the following actions:

- (1) Deposit the amount equal to such excess with JSCC as the Clearing Participant's house Margin by the timing set forth in Item (2) of Paragraph 1; or
 - (2) Bring down the indicator value set forth in Paragraph 1 so that such value as of the timing set forth in Item (2) of Paragraph 1 is below the value set forth in the preceding Paragraph.
- 4 When JSCC asks a Clearing Participant to take actions set forth in the preceding Paragraph, if the relevant Clearing Participant takes neither of such actions, or otherwise JSCC considers necessary, JSCC may suspend, entirely or partially, an assumption of obligations based on the Contracts Subject to Clearing to which the relevant Clearing Participant is a party during the relevant Consecutive Holiday Trading Days.

(Article 30 Measures against Clearing Participant, the Obligations of which JSCC has Ceased to Assume Due to Failure to Apply for Renouncing Clearing Qualification upon Discontinuation of Business, etc.)

- 1 In the event that JSCC has suspended, pursuant to Paragraph 5, Paragraph 6 or Paragraph 8 of Article 29, assumption of the obligations under the Contracts Subject to Clearing to which the relevant Clearing Participant is a party, JSCC may cause such Clearing Participant to transfer its unsettled Contracts for Clearing to other Clearing Participants or to make other arrangements that JSCC deems necessary.
- 2 JSCC may assume the obligations under the Contracts Subject to Clearing to which the relevant Clearing Participant is a party in order to make the arrangements set forth in the preceding Paragraph or otherwise to the extent that JSCC deems necessary.
- 3 When JSCC deems it necessary, it may cause other Clearing Participants to make the arrangements set forth in Paragraph 1. In such case, an entrustment agreement shall be deemed to have been formed between such other Clearing Participant and the Clearing Participant whose obligations ceased to be assumed by JSCC pursuant to said Paragraph.

(Article 31 Lifting of the Measures of Suspension of Assumption of Obligation, etc.)

- 1 In the event that JSCC has suspended assumption of obligations*¹ pursuant to Article 29 without specifying its duration, the Clearing Participant subject to such suspension, when it has eliminated the reason for such suspension, may file a petition with explanatory documents for the lifting of such suspension.

(*¹excluding the suspension of assumption made only in respect of the obligations pertaining to the Brokerage for Clearing of Securities, etc.)

- 2 When JSCC deems it appropriate to lift the suspension based on the petition set forth in the preceding Paragraph, JSCC shall approve such petition.

3 In the event that the Clearing Participant set forth in Paragraph 1 fails to obtain the approval set forth in the preceding Paragraph within one year from the day on which it was subjected to such suspension, JSCC may revoke the Clearing Qualification of the relevant Clearing Participant by a resolution adopted at the meeting of the board of directors.

4 The provisions of the preceding three Paragraphs shall apply *mutatis mutandis* to the case where JSCC suspended assumption of obligations*¹ pursuant to Article 29 without specifying its duration. In such case, the phrase “may revoke the Clearing Qualification of” in Paragraph 3 shall be deemed to be “may revoke the Agency Clearing Qualification of and grant the Principal Clearing Qualification to”.

(*¹ limited to the suspension of assumption made only in respect of the obligations pertaining to the Brokerage for Clearing of Securities, etc.)

5 The provisions of Paragraph 1 and Paragraph 2 shall apply *mutatis mutandis* to the case where any measure set forth in Article 29-2 through Article 29-4 is taken.

(Article 32 Making Objection, etc.)

The proviso of Paragraph 1 of Article 14, and the provisions of Paragraph 2 and Paragraph 3 of said Article shall apply *mutatis mutandis* to the hearing set forth in Article 29 and Article 29-3, and the provisions of Paragraph 4 through Paragraph 6 of Article 14 shall apply *mutatis mutandis* to the measures set forth in Article 29 through Article 29-4. In this case, the reference to “Clearing Participant” shall be deemed to be “Clearing Participant, etc.”

(Article 33 Measures against Clearing Participant, etc. Having Ceased to be a Financial Instruments Business Operator)

A Clearing Participant, etc. shall forfeit its Clearing Qualification set forth in each of the following Items or have its registration of Registered ETF Trust Bank revoked when the event described in the relevant Item occurs to it:

(1) When a Securities Clearing Participant, JGB Futures Clearing Participant or Index Futures Clearing Participant ceases to be a Financial Instruments Business Operator or Registered Financial Institution which has obtained registration of the operation with respect to the acts prescribed in Item (1) of Paragraph 1 of Article 28 of the Act*¹: Securities Clearing Qualification, JGB Futures Clearing Qualification or Index Futures Clearing Qualification; or

(*¹ in the case of a Securities Finance Company which has obtained Clearing Qualification pursuant to the application made under Paragraph 3 of Article 6, when it ceases to be a Securities Finance Company)

(2) When a Commodity Futures Clearing Participant becomes none of a Financial Instruments

Business Operator registered in respect of the business related to the acts listed in Item (12) of Paragraph 1 of Article 28 of the Act, Registered Financial Institution or a trading participant or member of the Designated Market Operator:

Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification;

- (3) When an FX Clearing Participant ceases to be a Financial Instruments Business Operator or Registered Financial Institution which has obtained registration of the operation with respect to the acts prescribed in Item (3) of Paragraph 2 of Article 28 of the Act^{*1}:

FX Clearing Qualification;

(*1 or, in the case where such FX Clearing Participant is an entity accepting commission of an Exchange FX Contract, registration of such business as well as the business relating to the act set forth in Paragraph 5 of the said Article)

- (4) When an ETF Special Clearing Participant ceases to be a settlor company of an investment trust:

ETF Special Clearing Qualification;

- (5) When a Registered ETF Trust Bank ceases to be a trust company, etc.:

Registration as a Registered ETF Trust Bank; or

- (6) When it has been dissolved:

All Clearing Qualifications and registration as a Registered ETF Trust Bank.

(Article 33-2 The Disciplinary Measures Assessment Committee)

1 When JSCC intends to take any of the measures set forth in Article 29, Article 29-2 or Article 29-3 with respect to a Clearing Participant, etc., JSCC shall consult with the Disciplinary Measures Assessment Committee in advance about the appropriateness of taking the relevant measure and respect the opinion of the Committee.

2 Notwithstanding the provisions of the preceding Paragraph, when JSCC intends to take the measure set forth in Article 29-2^{*1} or when there otherwise is an urgent need therefor, JSCC shall be permitted to take such measure without consulting with the Disciplinary Measures Assessment Committee.

(*1 limited to those relating to contracts on the Clearing Participant's own account)

3 When JSCC takes measures of emergency suspension^{*1}, it shall immediately report such effect to the Disciplinary Measures Assessment Committee.

(*1 referring to suspension of assumption of all or a part of obligations under Article 29-5; the same applies hereinafter)

4 In addition to the provisions prescribed in the preceding three Paragraphs, matters

concerning the Disciplinary Measures Assessment Committee shall be prescribed in other rules.

(Article 34 Notice of Measures, etc.)

1 When JSCC is to suspend assumption of all or a part of obligations, or to revoke Clearing Qualification or the registration pursuant to these Business Rules*¹, JSCC shall notify to that effect in advance to the Designated Market Operator, in respect of which either the relevant Clearing Participant, etc. or a Non-Clearing Participant which has entered into the Contract for Commissioning Clearance with such Clearing Participant has a trading qualification or a membership, and also to its Designated Securities Finance Company*².

(*¹ excluding the emergency suspension)

(*² in the case where the relevant Clearing Participant is a Securities Finance Company*²⁻¹, to the Designated Market Operator which designated such Securities Finance Company as the Designated Securities Finance Company)

(*²⁻¹ limited to the one which has obtained the Clearing Qualification pursuant to the application made under Paragraph 3 of Article 6)

2 When JSCC took measures of emergency suspension, it shall immediately notify such effect to the Designated Market Operator mentioned in the immediately preceding paragraph.

3 The provisions of Paragraph 1 shall apply *mutatis mutandis* to the case where a Clearing Participant has forfeited Clearing Qualification pursuant to Article 33 and to the case where the registration as a Registered ETF Trust Bank is revoked. In such case, the word “in advance” in said Paragraph shall be deemed to be “immediately”.

4 When JSCC has, pursuant to these Business Rules, suspended assumption of all or a part of the obligations in respect of the Brokerage for Clearing of Securities, etc., or revoked Clearing Qualification of an Agency Clearing Participant; or when an Agency Clearing Participant has forfeited Clearing Qualification pursuant to the provisions of Article 33, the relevant Agency Clearing Participant shall immediately notify to that effect to the Non-Clearing Participants which have entered into the Contract for Commissioning Clearance with it, unless JSCC specifically approves in case of the emergency suspension.

5 When JSCC prohibits the Cross Margining Request pursuant to the provisions of Paragraph 1 of Article 29, the Clearing Participant subject to such measures must immediately notify the Cross Margining User*¹ and the Cross Margining Accepting Party*² under its Cross Margining Request of such effect.

(*¹ as such term defined in Article 2.1.(13)-8 of the Interest Rate Swap Clearing Business Rules (hereinafter referred to as “IRS Business Rules”); the same applies hereinafter)

(*² referring to an entity which gives notice of acceptance of a Cross Margining Request

pursuant to the provisions of IRS Business Rules; the same applies hereinafter)

6 When JSCC has taken the measure set forth in Article 29-2^{*1} or the measure set forth in Article 29-3 with respect to a Clearing Participant, JSCC shall immediately notify to that effect to the Designated Market Operator relating to the contracts which have cross relation to the reason of the relevant measure.

(*1 limited to the measure with respect to the Margin)

7 When JSCC has prohibited Cross Margining Request, given a Clearing Participant, etc. Instructions for Improvement, suspended assumption of all or a part of obligations, revoked Clearing Qualification or the registration, or given instructions for improvement on position holding pursuant to these Business Rules, JSCC shall notify to that effect to every Clearing Participant, etc. or publish to that effect not later than 6 months after the day on which such measure was taken; provided, however, that if JSCC deems necessary and appropriate taking into account the possible market impact should it make such notification or publication, JSCC may make such notification or publication not earlier than 6 months after the day on which such measure was taken.

8 In the event that JSCC makes notification or publication prescribed in the preceding Paragraph, JSCC shall set the extent to be notified or published on each applicable occasion taking into account the importance of the measures subject to such notification or publication, or the possible market impact should it make such notification or publication.

9 When a Clearing Participant has forfeited its Clearing Qualification pursuant to the provisions of Article 33, JSCC shall notify to that effect to each Clearing Participant^{*1}, and when registration of Registered ETF Trust Bank is revoked pursuant to the provision of said Article, JSCC shall notify to that effect to the Securities Clearing Participant and the ETF Special Clearing Participant, respectively.

(*1 including the ETF Special Clearing Participant, in case of renunciation of the Securities Clearing Qualification, Securities Clearing Participant, in case of the ETF Special Clearing Qualification, respectively)

(Article 35 Treatment of Clearing Participant whose Obligations have Ceased to be Assumed)

1 In the event that JSCC has suspended assumption of all or a part of the obligations pursuant to the provisions of this Chapter^{*1}, the relevant Clearing Participant may, obtaining JSCC's approval, transfer its unsettled Contracts for Clearing to other Clearing Participants during the period of suspension.

(*1 excluding an entire or partial suspension of assumption of obligations under the provisions of Paragraph 4 of Article 29-6)

2 In addition to the provisions of the preceding Paragraph, in the event that JSCC has

suspended assumption of the obligations pursuant to Paragraph 1 Article 29 with respect to a Clearing Participant due to the disobedience of the instructions for improvement on position holding set forth in Article 29-3, JSCC may cause such Clearing Participant to transfer its unsettled Contracts for Clearing to other Clearing Participants or to make other arrangements that JSCC deems necessary.

- 3 When JSCC deems it necessary, it may cause other Clearing Participants to make the arrangements set forth in the preceding Paragraph. In such case, an entrustment agreement shall be deemed to have been formed between such other Clearing Participant and the Clearing Participant whose obligations ceased to be assumed by JSCC pursuant to said Paragraph.

(Article 36 Handling of Unsettled Contracts for Clearing belonging to such Entities as Those whose Clearing Qualification have been Revoked)

- 1 When JSCC has, pursuant to these Business Rules, revoked Clearing Qualification, or a Clearing Participant has forfeited its Clearing Qualification pursuant to Article 33, JSCC may cause the relevant Clearing Participant to transfer its unsettled Contracts for Clearing to other Clearing Participants or to make other arrangements that JSCC deems necessary.
- 2 When JSCC deems it necessary, it may cause other Clearing Participants to make the arrangements set forth in the preceding Paragraph. In such event, an entrustment agreement shall be deemed to have been formed between such other Clearing Participant and the relevant former Clearing Participant.
- 3 The relevant former Clearing Participant set forth in Paragraph 1 shall continue to be regarded as Clearing Participant for the purpose of settling the unsettled Contracts for Clearing belonging to such former Clearing Participant or of making arrangements, or otherwise to the extent JSCC deems necessary.

(Article 37 Recommendation to Clearing Participant, etc.)

- 1 When JSCC determines that the operational or financial condition of a Clearing Participant, etc., or the financial condition of the Parent granted the Parental Guarantee for a Clearing Participant etc. is not appropriate taking JSCC's operations of the Securities and Similar Contract Clearing Business into account, JSCC may recommend the relevant Clearing Participant to take appropriate measures.
- 2 In the event JSCC has made the recommendations set forth in the preceding Paragraph and determines that it is necessary to do so, JSCC may request the relevant Clearing Participant etc. to submit a report with respect to its handling of the recommendations.

Chapter 3 Brokerage for Clearing of Securities, etc.

(Article 38 Contracts Eligible for Brokerage for Clearing of Securities, etc.)

1 The contracts which can be subject of the Brokering for Clearing of Securities, etc. to be executed by an Agency Clearing Participant are the Contracts Subject to Clearing set forth in Paragraph 2 of Article 3*¹.

(*¹ limited to those in respect of Item (1) through Item (9), Item (11) and Item (13) of said Paragraph)

2 Each of the following contracts shall be regarded as being resulted from the Brokerage for Clearing of Securities, etc., and these Business Rules shall apply to these contracts accordingly: of the buying/selling and transactions of the underlying stocks resulting from the exercise of the option under Security Option Contract, those resulting from the exercise of the option under Security Option Contract by the entity which does not hold the Securities Clearing Qualification*¹ and from the exercise of the option under Security Option Contract through the Brokerage for Clearing of Securities, etc.; of JGB Futures Contracts resulting from the exercise of the option under Option Contract on JGB Futures set forth in Item (4) of Paragraph 2 of Article 3, those resulting from the exercise of the option under Option Contract on JGB Futures through the Brokerage for Clearing of Securities, etc.; of the transactions resulting from the exercise of the option under Index Option Contract set forth in Item (6) of said Paragraph, those resulting from the exercise of the option under Index Option Contract through the Brokerage for Clearing of Securities, etc.; and of the Commodity Futures Contracts resulting from the exercise of the option under Option Contract on Commodity Futures set forth in Item (6)-3 of the said Paragraph, those resulting from the exercise of the option under Option Contract on Commodity Futures through the Brokerage for Clearing of Securities, etc. Provided, however, that the foregoing does not apply to the buying/selling of the underlying stocks resulting from the exercise of the option under Security Option Contract pursuant to the commission of the Brokerage for Clearing of Securities, etc. from a Securities Clearing Participant.

(*¹ limited to those give rise to buying/selling of the underlying stocks)

3 Of the contracts prescribed in Item (2) through Item (6)-3 of Paragraph 2 of Article 3, the contracts between JSCC and the Designated Clearing Participant of a Non-Clearing Participant resulting from the completion of the Give-up*¹ under which the relevant Non-Clearing Participant is also a Trading Participant Executing Clearance*² shall be regarded as resulting from the Brokerage for Clearing of Securities, etc., and these Business Rules shall apply to such contracts accordingly.

(*¹ referring to the Give-up prescribed by the Designated Market Operator*¹⁻¹; the same

applies hereinafter)

(*¹⁻¹ limited to the Designated Market Operator which operates the Designated Financial Instruments Market prescribed in Item (2) through Item (6)-3 of Paragraph 2 of Article 3)

(*² referring to the Trading Participant Executing Clearance prescribed in item (1) of Paragraph 1 of Article 46-2)

(Article 39 Conclusion, etc. of Contract for Commissioning Clearance with Non-Clearing Participant)

1 An Agency Clearing Participant to operate the Brokerage for Clearing of Securities for contracts listed in Items (1) through (9) and Item (11) of Paragraph 2 of Article 3, etc. is required to enter into the Contract for Commissioning Clearance— containing the provisions to the effect that when an Non-Clearing Participant is to form a Contract Subject to Clearing on behalf of a Clearing Participant, such Non-Clearing Participant shall be regarded as applying for the Brokerage for Clearing of Securities, etc., and such Clearing Participant shall be regarded as accepting the application, and other provisions prescribed by JSCC — with the Non-Clearing Participant which commissions the Brokerage for Clearing of Securities, etc.

2 An Agency Clearing Participant may become the counterparty of a Non-Clearing Participant who does not own Securities Clearing Qualification with respect to the Contracts Subject to Clearing set forth in Item (13) of Paragraph 2 of Article 3 for commissioning of the Brokerage for Clearing of Securities, etc., only when it is designated as the Designated Clearing Participant with respect to a contract related to the Securities Clearing Qualification by the relevant Non-Clearing Participant.

3 An Agency Clearing Participant shall, when it operates the Brokerage for Clearing of Securities, etc. set forth in the preceding Paragraph, confirm that Non-Clearing Participant which is its counterparty, has designated items listed in the following Items in advance for each of subject contracts.

- (1) ETF Special Clearing Participant who becomes a counterparty with respect to the relevant Contracts Subject to Clearing.
- (2) Classification of receipt or delivery of exchange traded fund beneficiary certificate and money and exchange traded fund component stocks with respect to the contract which is a basis for the relevant subject contracts.
- (3) Issue and quantity of exchange traded fund beneficiary certificate and exchange traded fund component stocks.
- (4) Amount of money related to relevant Contracts Subject to Clearing.

(5) Date on which exchange traded fund beneficiary certificate is delivered/received, money is paid/receipt and/or exchange traded fund component stocks are delivered/received.

4 JSCC may request the relevant Agency Clearing Participant to submit a report with respect to the contracts under the Brokerage for Clearing of Securities, etc. set forth in the preceding Paragraph, the name of Non-Clearing Participant and other items which JSCC deems as necessary in terms of its risk management.

(Article 40 Notification of Conclusion of Contract for Commissioning Clearance)

When an Agency Clearing Participant intends to enter into the Contract for Commissioning Clearance set forth in Paragraph 1 of the preceding Article, such Agency Clearing Participant shall notify JSCC of its details in advance in accordance with the rules of JSCC.

(Article 41 Notification of Termination of Contract for Commissioning Clearance)

1 In terminating the Contract for Commissioning Clearance, the Agency Clearing Participant set forth in Paragraph 1 of Article 39 shall notify JSCC of its details as prescribed in the following Items, based on the classification of termination referenced in each Item:

(1) Termination by agreement

The Agency Clearing Participant shall submit a notice by three days before the day*¹ on which it intends to terminate the Contract.

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

(2) Termination resulting from a prior written notice of intention to terminate the Contract given by the Agency Clearing Participant to the Non-Clearing Participant*¹

(*¹ excluding the termination set forth in Item (5))

The Agency Clearing Participant shall submit a notice without delay after it has given the notice of intention to terminate.

(3) Termination resulting from a prior written notice of intention to terminate the Contract received by the Agency Clearing Participant from the Non-Clearing Participant.

The Agency Clearing Participant shall submit a notice without delay after it received the notice of intention to terminate.

(4) Termination resulting from the fact that the Non-Clearing Participant has fallen under an acceleration event with regard to the obligations under the contract pursuant to the commissions of the Brokerage for Clearing of Securities, etc.

The Agency Clearing Participant shall submit a notice by the day immediately preceding the day on which it intends to terminate the Contract.

(5) If the Agency Clearing Participant agreed with the Non-Clearing Participant on the condition that the Agency Clearing Participant may terminate the Contract for Commissioning Clearance taking into account securing the performance of the obligations under the contract pursuant to the commissions of the Brokerage for Clearing of Securities, etc., termination resulting from a prior written notice of intention to cancel the Contract given by the Agency Clearing Participant to the Non-Clearing Participant due to the fact that such condition has been fulfilled.

The Agency Clearing Participant shall submit a notice immediately and by the day immediately preceding the day on which it intends to terminate the Contract.

2 In the event that JSCC has received the notice set forth in the preceding Paragraph, JSCC shall notify to that effect to the Designated Market Operators with respect to which the Non-Clearing Participant, which is the counterparty to the Contract to be terminated, has the trading qualification in respect of the transactions covered by the relevant Contract or a membership.

(Article 42 Segregation of Contracts Subject to Clearing)

Agency Clearing Participant shall manage the Contracts Subject to Clearing, segregating those pursuant to the Brokerage for Clearing of Securities, etc. from those that are not.

(Article 43 Transfer of Unsettled Contracts for Clearing in the case of Change of Designated Clearing Participant)

1 In the event that a Non-Clearing Participant has changed its Designated Clearing Participant in accordance with the rules of the Designated Market Operator, the unsettled Contracts for Clearing which are pursuant to the commissions of the Brokerage for Clearing of Securities, etc., from the relevant Non-Clearing Participant at the time of such change shall be transferred from the former Designated Clearing Participant to the new Designated Clearing Participant.

2 In the event that a Clearing Participant, which is a trading participant or a member of a Designated Market Operator, has forfeited its Clearing Qualification, and other Clearing Participant is to be designated as the Designated Clearing Participant pursuant to the rules of the Designated Market Operator, the Contracts for Clearing, belonging to the Clearing Participant forfeiting its Clearing Qualification which remain unsettled at the time of such designation, shall be transferred from the Clearing Participant forfeiting its Clearing Qualification to the Clearing Participant which is newly designated as the Designated Clearing Participant.

(Article 44 Transfer of Unsettled Contracts for Clearing, etc., When Non-Clearing Participant is Suspended from Commissioning the Brokerage for Clearing of Securities, etc.,)

- 1 In the event that a Designated Market Operator, with respect to which a Non-Clearing Participant has its trading qualification or membership, suspended or partly restricted the Non-Clearing Participant from commissioning the Brokerage for Clearing of Securities, etc., suspended or restricted the Non-Clearing Participant's membership, revoked the Non-Clearing Participant's trading qualification, or expelled the Non-Clearing Participant, JSCC shall, according to the details of the measures to be taken by the Designated Market Operator, cause the unsettled Contracts for Clearing which are pursuant to the commissions of the Brokerage for Clearing of Securities, etc., from the relevant Non-Clearing Participant to be transferred to other Clearing Participants or cause other necessary arrangements to be made.
- 2 The provisions of the preceding Paragraph shall not apply to the case where JSCC has suspended assumption of all or a part of the obligations or revoked the Clearing Qualification of the Designated Clearing Participant of the relevant Non-Clearing Participant.

(Article 45 Transfer of Unsettled Contracts for Clearing, etc., When Clearing Participant is Suspended from Trading in Securities, etc.,)

- 1 In the event that a Designated Market Operator, with respect to which a Clearing Participant has its trading qualification or membership, suspended or partly restricted the Clearing Participant from buying/selling securities, etc.*¹, suspended or restricted the Clearing Participant's membership, revoked the Clearing Participant's trading qualification, or expelled the Clearing Participant, JSCC shall, according to the details of the measures to be taken by the Designated Market Operator, cause the unsettled Contracts for Clearing belonging to such Clearing Participant to be transferred to other Clearing Participants or cause other necessary arrangements to be made.
(*¹ referring to buying/selling of securities and Market Transactions of Derivatives)
- 2 The provisions of the preceding Paragraph shall not apply to the case where JSCC has suspended assumption of all or a part of the obligations or revoked the Clearing Qualification of the relevant Clearing Participant.

(Article 45-2 Transfer of Unsettled Contracts, etc., When Clearing Participants Receive Instructions for Improvement)

- 1 In the event that a Clearing Participant which is a Non-Clearing Participant's Designated Clearing Participant receives the instructions for improvement on position holding pursuant to the provisions of Article 29-3 due to the relevant Non-Clearing Participant's failure to

comply with the measure set forth in Paragraph 2 of Article 29-2 without a justifiable reason, such Clearing Participant shall have the right to request the relevant Non-Clearing Participant to settle its Unsettled Contracts pursuant to the commissions of the Brokerage for Clearing of Securities, etc. from the Non-Clearing Participant or to transfer them to other Clearing Participants.

2 In the event that a Clearing Participant receives the instructions for improvement on position holding set forth in the preceding Paragraph, if such Instructions cannot be complied with in spite of reasonable efforts to comply with such Instructions and if the relevant Non-Clearing Participant fails to comply with the request set forth in the preceding Paragraph without a justifiable reason in spite of the Clearing Participant's submission of such request to the relevant Non-Clearing Participant in advance to provide a reasonable grace period, the Clearing Participant may, to the extent deemed reasonably necessary, execute the Offsetting-Sale^{*1} or Offsetting-Purchase^{*2}, or exercise the option^{*3} on the account of such Non-Clearing Participant, in order to settle such the Unsettled Contracts pursuant to the commissions of the Brokerage for Clearing of Securities, etc. from such Non-Clearing Participant.

(*1 referring to the contract which is the opposite of the Long Position^{*1-1}; the same applies hereinafter)

(*1-1 referring to the amount pertaining to the buying contract, out of the amount^{*1-1-1} under an Unsettled Contract relating to Futures and Option Contracts or Exchange FX Contracts; the same applies hereinafter)

(*1-1-1 hereinafter referred to as the "Position")

(*2 referring to the contract which is the opposite of the Short Position^{*2-1}; the same applies hereinafter)

(*2-1 referring to the amount pertaining to the selling contracts out of the Position; the same applies hereinafter)

(*3 including the commission thereof)

Chapter 4 Assumption of Obligations

(Article 45-3 Application etc. for Assumption of Obligations for Contracts Subject to Clearing listed in Item (12) or Item (13) of Paragraph 2 of Article 3)

1 When a Securities Clearing Participant and an ETF Clearing Participant request JSCC to assume the obligations under the contracts listed in Item (12) or Item (13) of Paragraph 2 of Article 3, the application and acceptance listed in each of the following Items and application for the assumption of obligations to JSCC shall be made in a manner prescribed by JSCC:

(1) Application made by the Securities Clearing Participant or the ETF Special Customer^{*1} to the ETF Special Clearing Participant for the contracts listed in Item (12) of Paragraph 2 of Article 3

(*1 Non-Clearing Participant who commissions the Brokerage for Clearing of Securities etc. to an Agency Clearing Participant, pursuant to the provisions of Paragraph 2 of Article 39; the same applies hereinafter)

(2) Acceptance by the ETF Special Clearing Participant who has received an application set forth in the preceding Item to the Securities Clearing Participant or the relevant ETF Special Customer.

2 Application and acceptance set forth in the preceding Item^{*1} shall be deemed as the agreement to owe obligations set forth in following Items, according to the contract category listed in each Item, when the Statement^{*2} is fixed between a Securities Clearing Participant^{*3} who has made an application listed in Item (1) of the preceding Paragraph or an ETF Special Customer^{*4} and an ETF Special Clearing Participant who has made an acceptance listed in Item (2) of the preceding Paragraph, pursuant to the contents of the relevant Statement:

(*1 limited to the applications and acceptance associated with the application for the assumption of obligations set forth in the said Paragraph)

(*2referring to the document in which each Items listed in Paragraph 3 of Article 39 and the items necessary to specify other contract details related to Contracts Subject to Clearing set forth in Item (12), Paragraph 2, Article 3 are written; prepared by an ETF Special Clearing Participant in a manner prescribed by JSCC; the same applies hereinafter)

(*3hereinafter referred to as "Beneficiary Certificate, etc. Applying Clearing Participant")

(*4hereinafter collectively referred to as "Beneficiary Certificate, etc. Applicant" together with Beneficiary Certificate, etc. Applying Clearing Participant)

(1) Creation of securities investment trust

Below listed obligations related to creation of securities investment trust.

(a) Payment obligation of money and delivery obligation of exchange traded fund

component stocks owed by the Beneficiary Certificate, etc. Applicant to the ETF Special Clearing Participant

(b) Delivery obligation of exchange traded fund beneficiary certificate owed by the ETF Special Clearing Participant to the Beneficiary Certificate, etc. Applicant

(2) Partial redemption of principal of securities investment trust

Below listed obligations related to partial redemption of principal of securities investment trust

(a) Delivery obligation of exchange traded fund beneficiary certificate owed by the Beneficiary Certificate, etc. Applicant to the ETF Special Clearing Participant.

(b) Payment obligation of money owed by the ETF Special Clearing Participant to the Beneficiary Certificate, etc. Applicant.

(3) Exchange of exchange traded fund beneficiary certificate for exchange traded fund component stocks

Below listed obligations related to exchange of exchange traded fund beneficiary certificate and exchange traded fund component stocks

(a) Delivery obligation of exchange traded fund beneficiary certificate owed by the Beneficiary Certificate, etc. Applicant to the ETF Special Clearing Participant

(b) Delivery obligation of exchange traded fund component stocks owed by the ETF Special Clearing Participant to the Beneficiary Certificate, etc. Applicant

(c) Delivery obligation of exchange traded fund beneficiary certificate owed by the ETF Special Clearing Participant to the Beneficiary Certificate, etc. Applicant for Residual Number of ETF Shares to be Returned*¹.

(*Number of shares stated in the Statement as the number of shares to be returned from the ETF Special Clearing Participant to the Beneficiary Certificate, etc. Applicant among the number of shares of exchange traded fund beneficiary certificate set forth in the preceding sub-item (a); the same applies hereinafter)

(Article 46 Assumption of Obligations)

1 The assumption of obligations by JSCC as the Securities and Similar Contract Clearing Business shall be done as prescribed in the following Items, based on the classification referenced in each Item:

(1) ~~(1)~~ Contract Subject to Clearing listed in Item (1), Item (3), Item (4)-2, Item (5), Item (6)-2, Item (10) or Item (11) of Paragraph 2 of Article 3;

When a Contract Subject to Clearing is formed pursuant to the rules of the Designated

Market Operator*¹, JSCC shall, in respect of the relevant Contract Subject to Clearing, assume the selling Clearing Participant's obligations owed to the buying Clearing Participant which is the selling Clearing Participant's counterparty in such a manner to discharge the relevant selling Clearing Participant from the relevant obligation, and simultaneously such selling Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC; at the same time, JSCC shall assume the buying Clearing Participant's obligations owed to the selling Clearing Participant which is the buying Clearing Participant's counterparty in such a manner to discharge the relevant buying Clearing Participant from the relevant obligations, and simultaneously such buying Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC.

(*¹ in the case of the Contract Subject to Clearing prescribed in Item (10) of Paragraph 2 of Article 3, pursuant to the rules of JSCC)

- (2) Contract Subject to Clearing listed in Item (2), Item (4), Item (6) or Item (6)-3 of Paragraph 2 of Article 3;

When a Contract Subject to Clearing is formed pursuant to the rules of the Designated Market Operator, JSCC shall, in respect of the relevant Contract Subject to Clearing, succeed to the position*¹ of the option seller in respect of the option held by the buying Clearing Participant which is the selling Clearing Participant's counterparty, and simultaneously such selling Clearing Participant shall hold the position of the seller of a new option opposite to JSCC which is equivalent to the one which was succeeded to by JSCC. In such case, JSCC shall assume the relevant buying Clearing Participant's obligations to pay the contract price owed to the relevant selling Clearing Participant in such a manner to discharge such buying Clearing Participant from the relevant obligations, and simultaneously such buying Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC.

(*¹ excluding the right to claim for the contract price)

- (3) Contract Subject to Clearing listed in Item (7) through Item (9) of Paragraph 2 of Article 3.

When JSCC has received the notification made in accordance with the rules of JSCC from a Designated Securities Finance Company regarding the details of the obligations which should be assumed by JSCC, JSCC shall, after affirming the contents of the notification and pursuant to the contents, assume the Designated Securities Finance Company's obligations*¹ owed to the Clearing Participant which is the Designated Securities Finance Company's counterparty in such a manner to discharge the Designated Securities Finance Company from the relevant obligations, and such Designated Securities Finance

Company shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC; at the same time, JSCC shall assume the Clearing Participant's obligations*² owed to the Designated Securities Finance Company which is the Clearing Participant's counterparty in such a manner to discharge the Clearing Participant from the relevant obligations, and such Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC.

(*¹ referring to the monetary obligations or the obligations to deliver Stocks And The Like in respect of: a lending under the Money/Securities Loan Transaction; a return of the Collateral, etc. resulting from a return of the lent object under the Money/Securities Loan Transaction*¹⁻¹; a delivering of the Collateral, etc. resulting from the borrowing under the Securities Lending Transaction; and a return of the borrowed object under the Securities Lending Transaction)

(*¹⁻¹ in the case of returning the Collateral, etc. in respect of a lending/borrowing of Stocks And The Like*¹⁻¹⁻¹, referring to the return of the Cash Collateralizing a Loan (lending) of Stock and the Like*¹⁻¹⁻² in the amount which should be returned on the date of the return of the lent object as prescribed by the Rules for Money/Securities Loan Transaction)

(*¹⁻¹⁻¹ referring to the Stocks And The Like prescribed in Item (7) of Paragraph 2 of Article 3; the same applies in this Article)

(*¹⁻¹⁻² referring to the cash collateralizing a lending of stocks and the like made by the Designated Securities Finance Company as stipulated in the Rules for Money/Securities Loan Transaction)

(*² referring to the monetary obligations or the obligations to deliver Stocks And The Like in respect of: a lending under the Securities Lending Transaction; a return of the Collateral, etc. resulting from a return of the lent object under the Securities Lending Transaction*²⁻¹; a delivering of the Collateral, etc. resulting from a borrowing under the Money/Securities Loan Transaction, and a return of the borrowed object under the Money/Securities Loan Transaction*²⁻²)

(*²⁻¹ referring to the return of the Cash Collateralizing a Loan (borrowing) of Stock and the Like*²⁻¹⁻¹ in the amount which should be returned on the date of the return of the lent object as prescribed by the Rules for Money/Securities Loan Transaction)

(*²⁻¹⁻¹ referring to the cash collateralizing a borrowing of stocks and the like made by the Designated Securities Finance Company as stipulated in the Rules for Money/Securities Loan Transaction)

(*²⁻² in the case of returning the money borrowed under a cash loan, referring to the repayment of money in the amount which should be repaid on the repayment date

pursuant to the Rules for Money/Securities Loan Transaction)

(4) Contracts Subject to Clearing listed in Item (12) of Paragraph 2 of Article 3

(a) Contracts Subject to Clearing related to creation of securities investment trust

JSCC shall, after affirming the contents of the obligations to be assumed by JSCC^{*1} in a manner prescribed by JSCC and pursuant to the contents, assume the Beneficiary Certificate, etc. Applying Clearing Participant's obligations owed to the ETF Special Clearing Participant, which is the Beneficiary Certificate, etc. Applying Clearing Participant's counterparty pursuant to the provisions of Item (1), sub-item (a) of, Paragraph 2 of Article 45-3, in such a manner to discharge the relevant Beneficiary Certificate, etc. Applying Clearing Participant from the relevant obligations, and simultaneously such Beneficiary Certificate, etc. Applying Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC; at the same time, JSCC shall assume the ETF Special Clearing Participant's obligations owed to the Beneficiary Certificate, etc. Applying Clearing Participant which is the ETF Special Clearing Participant's counterparty, pursuant to the provision of sub-item (b) of said Item, in such a manner to discharge the relevant ETF Special Clearing Participant from the relevant obligations, and simultaneously such ETF Special Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC.

(*¹ including Clearing Qualification Criteria set forth in the following Paragraph)

(b) Contracts Subject to Clearing related to partial redemption of principal of securities investment trust

JSCC shall, after affirming the contents of the obligations to be assumed by JSCC^{*1} in a manner prescribed by JSCC and pursuant to the contents, assume the Beneficiary Certificate, etc. Applying Clearing Participant's obligations owed to the ETF Special Clearing Participant, which is the Beneficiary Certificate, etc. Applying Participant's counterparty, pursuant to the provisions of Item (2), sub-item (a) of, Paragraph 2 of Article 45-3, in such a manner to discharge the relevant Beneficiary Certificate, etc. Applying Clearing Participant from the relevant obligations, and simultaneously such Beneficiary Certificate, etc. Applying Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC; at the same time, JSCC shall assume the ETF Special Clearing Participant's obligations owed to the Beneficiary Certificate, etc. Applying Clearing Participant which is the ETF Special Clearing Participant's counterparty, pursuant to the provision of sub-

item (b) of said Item, in such a manner to discharge the relevant ETF Special Clearing Participant from the relevant obligations, and simultaneously such ETF Special Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC.

(*including Clearing Qualification Criteria set forth in the following Paragraph)

(c) Contracts Subject to Clearing related to exchange of exchange traded fund beneficiary certificate and exchange traded fund component stocks.

JSCC shall, after affirming the contents of the obligations to be assumed by JSCC^{*1} in a manner prescribed by JSCC and pursuant to the contents, assume the Beneficiary Certificate, etc. Applying Clearing Participant's obligations owed to the ETF Special Clearing Participant, which is the Beneficiary Certificate, etc. Applying Clearing Participant's counterparty, pursuant to the provisions of Item (3), sub-item (a) of, Paragraph 2 of Article 45-3, in such a manner to discharge the relevant Beneficiary Certificate, etc. Applying Clearing Participant from the relevant obligations, and simultaneously such Beneficiary Certificate, etc. Applying Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC; at the same time, JSCC shall assume the ETF Special Clearing Participant's obligations owed to the Beneficiary Certificate, etc. Applying Clearing Participant which is the ETF Special Clearing Participant's counterparty, pursuant to the provision of sub-item (b) and (c) of said Item, in such a manner to discharge the relevant ETF Special Clearing Participant from the relevant obligations, and simultaneously such ETF Special Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC.

(*1 including Clearing Qualification Criteria set forth in the following Paragraph)

(5) Contracts Subject to Clearing set forth in Item (13) of Paragraph 2 of Article 3

JSCC shall, after affirming the contents of the obligations to be assumed by JSCC^{*1} in a manner prescribed by JSCC and pursuant to the contents, assume the obligations owed by the Agency Clearing Participant, who acts as a Clearing Broker for the ETF Special Customer, to the ETF Special Clearing Participant which is the counterparty of the Agency Clearing Participant in such a manner to discharge the relevant Agency Clearing Participant from the relevant obligations, and simultaneously such Agency Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC; at the same time, JSCC shall assume the ETF Special Clearing Participant's obligations

owed to the Agency Clearing Participant who is the ETF Special Clearing Participant's counterparty in such a manner to discharge the relevant ETF Special Clearing Participant from the relevant obligations, and simultaneously such ETF Special Clearing Participant shall newly incur the obligations owed to JSCC which are equivalent to those assumed by JSCC.

(*1 including Clearing Qualification Criteria set forth in the following Paragraph)

- 2 In respect of the contracts set forth in Item (12) and (13) of Paragraph 2 of Article 3, only contracts which satisfy all of criteria*1 listed in each of the following Items shall be subject to the assumption of obligations pursuant to the preceding Paragraph.

(*1 hereinafter referred to as "Clearing Qualification Criteria")

- (1) The trustee of the relevant securities investment trust is a Registered ETF Trust Bank and has not applied for the revocation of registration set forth in provision of Article 26-2. In this case, in the event that the Registered ETF Trust Bank that is the trustee of the relevant securities investment trust has notified JSCC of the matters set forth in Item (1) of Paragraph 1 of Article 19 or has made a public announcement of any of the matters set forth in Item (2) through Item (5) of Paragraph 1 of the said Paragraph¹, JSCC may deem that the trustee of the relevant securities investment trust has applied for the revocation of its registration.

(*1 limited to succession of all its business as for Item (4) of the said Paragraph, and transfer of all of its business as for Item (5)).

- (2) In respect of the delivery/receipt related to creation, (i) the Statement Fixing Date*1 falls on or after the second preceding Business Day prior to the listing date*2 of the exchange traded fund beneficiary certificate with respect to the creation and (ii) the settlement date stated in the Statement*3 falls on the second following Business Day of the Statement Fixing Date.

(*1 the date on which the Statement prepared by an ETF Special Clearing Participant is fixed after obtaining an approval from the Registered ETF Trust Bank; the same applies hereinafter)

(*2 the earliest day of the listing date for each market, when listed in multiple Designated Market Operators; the same applies hereinafter)

(*3 hereinafter referred to as "ETF Settlement Date ")

- (3) In respect of the delivery/receipt related to partial redemption of principal and exchange, (i) the Statement Fixing Date falls on or after the preceding

Business Day of the listing date of the exchange traded fund beneficiary certificate with respect to the partial redemption of principal and exchange and (ii) ETF Settlement Date is the second following Business Day of the Statement Fixing Date.

- (4) When a decision for de-listing of the exchange traded fund beneficiary certificate has been made, the Statement Fixing Date falls on or before the date^{*1} designated by the Designated Market Operator as the final trading day of the relevant beneficiary certificate.

(*1when multiple Designated Market Operators make a decision for de-listing, the latest day designated by each Designated Market Operator as the final trading day)

- (5) Exchange traded fund component stocks are eligible securities for buying/selling set forth in Item (1) of Paragraph 2 of Article 3¹

(*1limited to the cases where the securities investment trust falls into beneficiary securities of investment trusts listed in Item (1) or Item (2) of Article 12 of the Enforcement Order of the Act of Investment Trusts and Investment Corporations (Act No. 480 of 2000))

- (6) Filing set forth in Paragraph 4 of Article 19 has been made related to the the relevant Creation Of Securities Investment Trust, etc..

3JSCC shall notify the relevant Clearing Participant of the details of the obligations JSCC assumed pursuant to the provisions of the Paragraph 1 and the matters which are necessary for settling those obligations.

4When the Clearing Participant has received the notification set forth in the preceding Paragraph, it shall immediately affirm its contents.

(Article 46-2 Extinguishment and New Incurrence of Obligations Resulting from Completion of the Give-up)

1 In the event where the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator^{*1}, the provisions of the following Items shall apply to the obligations set forth in Paragraph 1 of the preceding Article, depending upon the classifications set forth in such Items:

(*1 limited to a Designated Market Operator which establishes the Designated Financial Instruments Market set forth in Item (2) through Item (6)-3 of Paragraph 2 of Article 3; the same applies hereinafter in this Article)

- (1) Contracts Subject to Clearing listed in Item (3), Item (4)-2, Item (5) or Item (6)-2 of

Paragraph 2 of Article 3

When the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, with respect to the Contract Subject to Clearing which is extinguished as a result of the completion of the Give-up, JSCC's obligations owed to the Clearing Participant*¹ which is also the Trading Participant Executing Trade*² pursuant to the provisions of Item (1) of Paragraph 1 of the preceding Article and the obligations of such Clearing Participant which is also the Trading Participant Executing Trade owed to JSCC shall become extinguished prospectively; at the same time, with respect to the Contract Subject to Clearing which is extinguished as a result of the completion of the Give-up, JSCC shall newly incur obligations owed to the Clearing Participant*³ which is also the Trading Participant Executing Clearance*⁴, which are equivalent to those which JSCC owed to the relevant Clearing Participant which is also the Trading Participant Executing Trade, and the relevant Clearing Participant which is also the Trading Participant Executing Clearance shall newly incur obligations owed to JSCC which are equivalent to those which the relevant Clearing Participant which is also the Trading Participant Executing Trade owed to JSCC.

(*¹ in the case where the relevant Trading Participant Executing Trade is a Non-Clearing Participant, referring to its Designated Clearing Participant; the same applies hereinafter in this Article)

(*² referring to the Trading Participant Executing Trade prescribed by the Designated Market Operator; the same applies hereinafter)

(*³ in the case where the relevant Trading Participant Executing Clearance is a Non-Clearing Participant, referring to its Designated Clearing Participant; the same applies hereinafter in this Article)

(*⁴ referring to the Trading Participant Executing Clearance prescribed by the Designated Market Operator; the same applies hereinafter)

(2) Contracts Subject to Clearing listed in Item (2), Item (4), Item (6) or Item (6)-3 of Paragraph 2 of Article 3

A) In the case where the Trading Participant Executing Trade is a selling Clearing Participant

When the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, with respect to the Contract Subject to Clearing which is extinguished as a result of the completion of the Give-up, the position of the option seller opposite to JSCC that is held by the Clearing Participant which is also the Trading Participant Executing Trade and JSCC's obligations owed to the relevant Clearing Participant which is also the Trading Participant Executing Trade, pursuant

to the provisions of Item (2) of Paragraph 1 of the preceding Article, shall become extinguished prospectively; at the same time, with respect to the Contract Subject to Clearing which is extinguished as a result of the completion of the relevant Give-up, the Clearing Participant which is also the Trading Participant Executing Clearance shall newly hold the position which is equivalent to that of the option seller opposite to JSCC held by the relevant Clearing Participant which is also the Trading Participant Executing Trade, and JSCC shall newly incur obligations owed to the relevant Clearing Participant which is also the Trading Participant Executing Clearance, which are equivalent to those which JSCC owed to the relevant Clearing Participant which is also the Trading Participant Executing Trade.

B) In the case where the Trading Participant Executing Trade is a buying Clearing Participant

When the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, with respect to the Contract Subject to Clearing which is extinguished as a result of the completion of the Give-up, the position of the option seller which is succeeded by JSCC from the selling Clearing Participant and the obligations owed to JSCC by the Clearing Participant which is also the Trading Participant Executing Trade, pursuant to the provisions of Item (2) of Paragraph 1 of the preceding Article, shall become extinguished; at the same time, with respect to the Contract Subject to Clearing which is extinguished as a result of the completion of the relevant Give-up, JSCC shall newly hold the position opposite to the Clearing Participant which is also the Trading Participant Executing Clearance, which is equivalent to that of the option seller which JSCC had succeeded from the selling Clearing Participant, and the relevant Clearing Participant which is also the Trading Participant Executing Clearance shall newly incur obligations owed to JSCC, which are equivalent to those which the relevant Clearing Participant which is also the Trading Participant Executing Trade owed to JSCC.

2 The provisions of Paragraph 2 and Paragraph 3 of the preceding Article shall apply *mutatis mutandis* when the preceding Paragraph applies.

Chapter 4-2 Management of Futures and Option Contracts

(Article 46-3 Management of Clearing Participant's Futures and Option Contracts)

A Clearing Participant must manage the Futures and Option Contracts that are its Contracts Subject to Clearing*¹ through any of the account classifications listed below according to the below-listed classification:

(*¹ excluding contracts under commission of the Brokerage for Clearing of Securities, etc. of Non-Clearing Participants)

(1) Contracts on its own account:

Proprietary account

(2) Contracts commissioned by customers that does not fall under the classification of Item (3) below:

a. Omnibus Account*¹

b. Individual Segregated Account*²

(*¹ referring to an account for the management of Futures and Option Contracts of multiple customers or at the level of the granularity into which a customer position is arbitrarily split; the same applies hereinafter)

(*² referring to an account for the management of Futures and Option Contracts of a single customer or at the level of the granularity into which a customer position is arbitrarily split; the same applies hereinafter)

(3) Contracts on Affiliate's account:

a. Affiliate's omnibus account

b. Affiliates Individual Segregated Account

(Article 46-4 Management of Agency Clearing Participant's Futures and Option Contracts)

An Agency Clearing Participant must manage the Futures and Option Contracts that are its Contracts Subject to Clearing*¹ through any of the account classifications listed below according to the below-listed classification:

(*¹ limited to contracts under commission of the Brokerage for Clearing of Securities, etc. of Non-Clearing Participants)

(1) Contracts on the proprietary account of the relevant Non-Clearing Participant:

Proprietary account of that Non-Clearing Participant

(2) Contracts under commission by customer of the relevant Non-Clearing Participant

a. Omnibus account of that Non-Clearing Participant

b. Individual Segregated Account of that Non-Clearing Participant

Chapter 5 Settlement of Contracts for Clearing

Section 1 Settlement of Contracts for Clearing on Stocks, etc.

(Article 47 Classification of Settlement Method)

- 1 Contracts for Clearing^{*1} shall be settled either by the settlement method in which the securities are delivered to the receiving Securities Clearing Participant, etc. ^{*2} by JSCC only to the extent of the amount and the like of securities and money delivered to JSCC by such Securities Clearing Participant, etc. pursuant to Article 53^{*3}, or by other settlement methods^{*4}.
 (*¹ limited to the contracts on securities^{*1-1} and excluding the securities lending/borrowing prescribed in Article 64; the same applies hereinafter in this Section)
 (*¹⁻¹ excluding Japanese Government Bonds)
 (*² referring to a receiving Securities Clearing Participant and a receiving ETF Special Clearing Participant; the same applies hereinafter)
 (*³ hereinafter referred to as “DVP Settlement”)
 (*⁴ hereinafter referred to as “Non-DVP Settlement”)
- 2 The settlement of the Contracts for Clearing on the securities listed in each of the following Items^{*1} shall be conducted by DVP Settlement, and the settlement of the Contracts for Clearing on the securities other than the Securities Eligible for DVP Settlement shall be conducted by Non-DVP Settlement:
 (*¹ hereinafter referred to as the “Securities Eligible for DVP Settlement”)
- (1) Stocks issued by domestic corporations^{*1};
 (*¹ including stock acquisition right securities and preferred equity capital contribution issued by a domestic corporation)
 - (2) Stocks issued by foreign corporations^{*1};
 (*¹ including stock acquisition right securities and depositary receipts for foreign stocks issued by a foreign corporation)
 - (3) Investment trust beneficiary securities, investment securities^{*1}, foreign investment trust beneficiary securities and foreign investment securities;
 (*¹ including Investment securities acquisition right securities)
 - (4) Beneficiary securities of beneficiary securities issuing trusts and beneficiary securities of foreign beneficiary securities issuing trusts;
 - (5) Covered warrants; and
 - (6) Convertible Bonds^{*1*2}.
 (*¹ referring to the convertible-bond-type corporate bonds with stock acquisition rights where the object of the capital contribution to be made upon the exercise of the right

under such stock acquisition right is the corporate bond in respect of such corporate bond with stock acquisition rights; the same applies hereinafter)

(*2 excluding the one not handled by the Japan Securities Depository Center*2-1 for its book-entry transfer business*2-2)

(*2-1 hereinafter referred to as “JASDEC”)

(*2-2 hereinafter referred to as the “Convertible Bonds Not Handled by JASDEC”)

3 Notwithstanding the provisions of the preceding Paragraph, the settlement listed in each of the following Items shall be conducted in accordance with the provisions of the relevant Item.

(1) Settlement of Contracts for Clearing in respect of a buying/selling transaction which is to be settled on the day of its conclusion*1 and in respect of When-Issued Transaction*2

(*1 hereinafter referred to as the “Same-Day Transaction”)

(*2 referring to the when-issued transactions prescribed in Paragraph 2 of Article 1 of Ordinance of Cabinet Office Concerning the Transaction Stipulated in Article 161-2 of the Financial Instruments and Exchange Act and the Security Money Therefor (Ordinance of the Ministry of Finance No. 75 of 1953); the same applies hereinafter)

The settlement shall be conducted by Non-DVP Settlement.

(2) Settlement of purchase for Buy-In

DVP Settlement and Non-DVP Settlement shall be applied respectively to different occasions: the delivery/receipt of money and securities prescribed in Paragraph 3 of Article 50 shall be conducted by DVP Settlement; the payment/receipt of money prescribed in Item (2) of Paragraph 1 of Article 54 shall be conducted by Non-DVP Settlement.

(3) Settlement of the sale against the purchase for Buy-In

The settlement shall be conducted by Non-DVP Settlement.

(4) In the event buying/selling was realized as a result of Buy-In, delivery of the securities*1 to the receiving Securities Clearing Participant which requested for Buy-In and the accompanying payment/receipt of money to be made on the day of the settlement of such buying/selling*2

(*1 limited to the delivery of the securities that was deferred pursuant to Article 62 due to Delivery Failures and limited to the volume corresponding to the volume of the securities in respect of which buying/selling was realized as a result of such Buy-In)

(*2 hereinafter referred to as the “Settlement of Failed Transaction by Buy-In”)

The settlement shall be conducted by Non-DVP Settlement.

(5) Settlement of the obligation under the buying/selling of the underlying securities resulting from the exercise of the option under Security Option Contract*1

(*1 limited to the buying/selling in respect of Security Option other than the Security Option which enables the buying or selling to be realized in the Trading Units*1-1 at the exercise

price)

(*1-1 referring to the trading unit prescribed by the Designated Market Operator; the same applies hereinafter)

DVP Settlement and Non-DVP Settlement shall be applied respectively to different occasions: the delivery/receipt of money and securities prescribed in Item (1) A) of Paragraph 1 of Article 55 shall be conducted by DVP Settlement, and the payment/receipt of money prescribed in Item (1) B) and Item (2) of said Paragraph shall be conducted by Non-DVP Settlement.

(6) Delivery of exchange traded fund beneficiary certificate for Residual Number of ETF Shares to be Returned to a receiving Securities Clearing Participant related to Contracts Subject to Clearing listed in Item (12) or Item (13) of Paragraph 2 of Article 3

The settlement shall be conducted by Non-DVP Settlement.

(Article 48 Settlement Cutoff Time)

1 Settlement Cutoff Time for DVP Settlement shall be in accordance with each of the following Items:

(1) As for a payment/receipt of money, payment shall be completed by 2:15 P.M. and receipt shall be completed at 2:45 P.M.;

(2) As for a delivery/receipt of securities*1, delivery shall be completed by 1:00 P.M. and receipt shall be completed by 2:15 P.M.

(*1 excluding a delivery/receipt set forth in the following Item)

(3) As for a delivery/receipt of exchange traded fund beneficiary certificate related to Contracts Subject to Clearing to/from ETF Special Clearing Participants listed in Item (12) or Item (13) of Paragraph 2 of Article 3, new recording in JSCC's account of JASDEC set forth in the provisions of Item (1) sub-item (c) of Paragraph 3 of Article 56 shall be completed by 1:00 P.M. and deletion of records in JSCC's account of JASDEC set forth in the provisions of Item (3) sub-item (a) of the said Paragraph shall be completed by 3:30 P.M.

2 Settlement Cutoff Time for Non-DVP Settlement shall be in accordance with each of the following Items:

(1) As for a payment/receipt of money, payment shall be completed by 1:00 P.M. and receipt shall be completed at 2:45 P.M.;

(2) Delivery and receipt of securities shall be completed by 2:45 P.M.; provided that receipt of exchange traded fund beneficiary certificate for Residual Number of ETF Shares to be Returned shall be completed by 3:30 P.M.

3 The provisions of the preceding Paragraph shall not apply to the Same-Day Transaction.

(Article 49 Uniform DVP Settlement Price)

JSCC shall set a Uniform DVP Settlement Price in respect of each issue to be settled by DVP Settlement on a daily basis in accordance with the rules of JSCC.

(Article 50 Money and Securities Transferred for DVP Settlement)

1 The amount of money and the quantity of securities to be delivered or received by a Securities Clearing Participant and an ETF Special Clearing Participant^{*1} for DVP Settlement shall be in accordance with each of the following Items. In this case, the amount of money paid/received and quantity of securities delivered/received by ETF Special Clearing Participants shall be calculated by each Registered ETF Trust Bank which is a trustee of securities investment trust, having the relevant ETF Special Clearing Participant as a settlor, for each of the creation and redemption category for securities investment trust^{*2}, and shall be paid/received or delivered/received according to the respective category set forth therein:

(*1 hereinafter referred to as "Securities Clearing Participants, etc. ")

(*2 including partial redemption of principal of securities investment trust)

(1) The amount of money shall be the amount stipulated in (a) below plus/minus the amount stipulated in (b) through (e):

(a) The difference between the Total Value of the securities sold and the Total Value of the securities purchased, calculated at Uniform DVP Settlement Prices

The difference between the Total Value^{*1} of the securities for sale^{*2} and the Total Value of the securities for purchase^{*3} in respect of the relevant Securities Clearing Participant, etc.'s Contracts Subject to Clearing having that given day as their settlement day^{*4};

(*1 referring to the total sum of the products of Uniform DVP Settlement Price of each issue as for the settlement day multiplied by the number of the security^{*1-1}; the same applies hereinafter)

(*1-1 in the case of an interest-bearing Convertible Bond, add Unit-Based Accrued Interest^{*1-1-1} in respect of that Bond as of that settlement day except where such day falls on the interest payment date)

(*1-1-1 referring to the product of Accrued Interest^{*1-1-1} per trading unit multiplied by the number obtained by dividing the relevant number of the security by the number of the security comprising one trading unit; the same applies hereinafter)

(*1-1-1-1 referring to the accrued interest prescribed by the Designated

Market Operator in respect of buying/selling of an interest-bearing Convertible Bond; the same applies hereinafter in this Section)

(*² in the case of the Contracts Subject to Clearing prescribed in Item (7) through Item (9) and Item (12) and Item (13) of Paragraph 2 of Article 3, the securities to be delivered)

(*³ in the case of the Contracts Subject to Clearing prescribed in Item (7) through Item (9) and Item (12) and Item (13) of Paragraph 2 of Article 3, the securities to be received)

(*⁴ referring to the settlement day^{*4-1} prescribed by the Designated Market Operator in respect of the Contracts Subject to Clearing^{*4-2} or the ETF Settlement Date; the same applies hereinafter)

(*⁴⁻¹ in the case of the Contracts Subject to Clearing prescribed in Item (7) through Item (9) and Item (12) and Item (13) of Paragraph 2 of Article 3, the delivery day prescribed by the Designated Securities Finance Company)

(*⁴⁻² only with respect to the Contracts Subject to Clearing prescribed in Item (1) and Item (7) through Item (10) of Paragraph 2 of Article 3, and the buying/selling of the underlying securities formed as a result of the exercise of the option under Security Option Contract are included; the same applies hereinafter until Article 52)

(b) The difference between contract price and Uniform DVP Settlement Price

In respect of the relevant Securities Clearing Participant's Contracts Subject to Clearing having that given day as their settlement day, the value equivalent to the difference between their respective contract prices^{*1} and their respective Uniform DVP Settlement Prices as for that settlement day; and

(*¹ in the case of the Contracts Subject to Clearing prescribed in Item (7) through Item (9) of Paragraph 2 of Article 3, referring to the lending/borrowing prices set by each Designated Securities Finance Company and in the case of the Contracts Subject to Clearing set forth in Item (12) and Item (13) of the said Paragraph, referring to the price of exchange traded fund beneficiary certificate or exchange traded fund component stocks stated in the Statement; the same applies hereinafter)

(c) The difference between Accrued Interest and Unit-Based Accrued Interest

In respect of the relevant Securities Clearing Participant's Contracts Subject to Clearing on an interest-bearing Convertible Bond having that given day as their settlement day, the value equivalent to the difference between the Accrued Interest and Unit-Based Accrued Interest in respect of each issue.

(d) The difference related to creation of securities investment trust

In respect to Contracts Subject to Clearing of the relevant Securities Clearing Participant, etc. having that given day as the contract settlement day*¹, the aggregate amount of delivery obligation of exchange traded fund beneficiary securities owed by an ETF Special Clearing Participant to a Beneficiary Certificate, etc. Applicant stated in the relevant Statement deducting the amount of delivery obligation of exchange traded fund component stocks and money payment obligations owed by a Beneficiary Certificate, etc. Applicant to an ETF Special Clearing Participant stated in the relevant Statement*²

(*¹limited to those with delivery/receipt of exchange traded fund component stocks among creation of securities investment trust)

(*²hereinafter referred to as "Market Value Adjustment Amount (Creation)")

The difference related to exchange of exchange traded fund beneficiary certificate and exchange traded fund component stocks

With respect to Contracts Subject to Clearing of the relevant Securities Clearing Participant, etc. having that given day as the contract settlement day, the aggregate amount of delivery obligation of exchange traded fund component stocks owed by an ETF Special Clearing Participant to a Beneficiary Certificate, etc. Applicant stated in the relevant Statement deducting the amount of delivery obligation of exchange traded fund beneficiary certificate owed by a Beneficiary Certificate, etc. Applicant to an ETF Special Clearing Participant stated in the relevant Statement

(*¹limited to those related to exchange of exchange traded fund beneficiary certificate and exchange traded fund component stocks)

(*²hereinafter referred to as "Market Value Adjustment Amount (Redemption)")

(3) In respect of the relevant Securities Clearing Participant's Contracts Subject to Clearing, having that given day as their settlement day, the quantity of the securities shall be the difference between the quantity for delivery and that for receipt in respect of each issue.

2 In the case where delivery of securities and accompanied payment/receipt of money are deferred to that given day pursuant to the provisions of Article 62 due to Delivery Failures occurred on the day immediately preceding that given day^{*1*}², the amount of money and quantity of securities prescribed in each of the following Items shall be included, as pertaining to such deferment, in the computation of the amount of money and the quantity of securities to be transferred for DVP Settlement set forth in the preceding Paragraph:

(*¹ in the case of an interest-bearing Convertible Bond, if such given day falls on the interest payment date^{*1-1}, Delivery Failures occurred on the second preceding day; the same applies in Item (7) of Paragraph 1 of Article 53)

(*¹⁻¹ when the interest payment date falls on a bank holiday and the interest is paid before that interest payment date, the date on which the relevant interest is paid; the same applies hereinafter in this Section)

(*² excluding money and securities pertaining to the Settlement of Failed Transaction by Buy-In to be conducted on that day)

(1) The amount of money set forth below^{*1}:

(*¹ in the case of an interest-bearing Convertible Bond, if such day falls on the interest payment date, the amount of money prescribed in (a) and (b) below)

(a) The Total Value of the securities the delivery of which was deferred pursuant to the provisions of Paragraph 1 of Article 62 in the case of a delivering Securities Clearing Participant, etc. ^{*1} ^{*2}and the Total Value of the securities the receipt of which was deferred pursuant to the provisions of Paragraph 2 of the same Article in the case of a

receiving Securities Clearing Participant, etc.*³;

(*¹ hereinafter referred to as the “Securities Failed to be Delivered” in this Chapter)

(*² the delivering Securities Clearing Participants and the delivering ETF Special Clearing Participants; the same applies hereinafter)

(*³ hereinafter referred to as the “Securities Failed to be Received” in this Chapter)

(b) The value equivalent to the difference between the Uniform DVP Settlement Price as of that given day and the Uniform DVP Settlement Price as of the day immediately preceding day*¹ in respect of the Securities Failed to be Delivered and the Securities Failed to be Received; and

(*¹ in the case of an interest-bearing Convertible Bond, if that given day falls on the interest payment date, the Uniform DVP Settlement Price as of the second preceding day; the same applies hereinafter in Item (1) (b) of Paragraph 3 of this Article, Item (7) and Item (9) of Paragraph 1 of Article 53, and Item (2) and Item (4) of Paragraph 1 of Article 54)

(c) In the case of an interest-bearing Convertible Bond, the value equivalent to the difference between the Unit-Based Accrued Interest as of that given day and the Unit-Based Accrued Interest as of the day immediately preceding day in respect of the Securities Failed to be Delivered and the Securities Failed to be Received.

(2) The quantity of the Securities Failed to be Delivered and/or the quantity of the Securities Failed to be Received in respect of each issue.

3 In the event that the purchasing for Buy-In has been formed, the amount of the money and the quantity of the securities prescribed in each of the following Items shall be included in the computation set forth in Paragraph 1 for the amount of the money and the quantity of the securities to be delivered or received for the DVP Settlement in respect of the Securities Clearing Participant, etc. which performed the purchasing for Buy-In:

(1) The amount of money listed below*¹:

(*¹ in the case of an interest-bearing Convertible Bond, if such day falls on an interest payment date, the amount of money prescribed in (a) and (b) below)

(a) The Total Value of the securities purchased for Buy-In which are to be settled on that day pursuant to Paragraph 2 of Article 63;

(b) The value equivalent to the difference between the Uniform DVP Settlement Price as of that given day and the Uniform DVP Settlement Price as of the day immediately preceding day in respect of the securities purchased for Buy-In which are to be settled on that day pursuant to Paragraph 2 of Article 63; and

(c) In the case of an interest-bearing Convertible Bond, the value equivalent to the difference between the Unit-Based Accrued Interest as of that given day and the Unit-

Based Accrued Interest as of the day immediately preceding day in respect of the securities purchased for Buy-In which are to be settled on that day pursuant to Paragraph 2 of Article 63.

(2) The quantity of the securities in respect of each issue purchased for Buy-In which are to be settled on that day pursuant to Paragraph 2 of Article 63.

4 In the case where delivery of securities and the accompanied payment/receipt of money are to be deferred pursuant to Article 62 due to an occurrence of Delivery Failures on that day, the amount of the money and the quantity of the securities prescribed in each of the following Items shall be excluded, as pertaining to such deferment, from the computation set forth in Paragraph 1 for the amount of money and the quantity of securities to be delivered or received for DVP Settlement:

(1) The Total Value of the Securities Failed to be Delivered and the Total Value of the Securities Failed to be Received;

(2) The quantity of the Securities Failed to be Delivered and/or the quantity of the Securities Failed to be Received in respective of each issue.

(Article 51 Provisional Payment for DVP Settlement)

1 In the case where the amount of money to be paid or received for DVP Settlement which is provisionally calculated in accordance with the preceding Article*¹ on the assumption that no Delivery Failure will occur on that given day*² turns out to be payable by an Securities Clearing Participant, etc., such Securities Clearing Participant, etc. shall deposit the Provisional Payment Amount for DVP Settlement with JSCC by 1:00 P.M. on that day in order to secure the performance of the obligation of such Securities Clearing Participant under the Contracts Subject to Clearing owed to JSCC.

(*¹ excluding Paragraph 4)

(*² hereinafter referred to as the “Provisional Payment Amount for DVP Settlement”)

2 Upon the final determination of the amount of money to be paid or received for DVP Settlement prescribed in the preceding Article*¹, the Provisional Payment Amount for DVP Settlement deposited with JSCC pursuant to the provisions of the preceding Paragraph shall be applied toward the payment of the Payment Amount for DVP Settlement. In such case, if the Payment Amount for DVP Settlement turns out to be less than the Provisional Payment Amount for DVP Settlement deposited with JSCC pursuant to the provisions of the preceding Paragraph due to an occurrence of Delivery Failures on that day, the Securities Clearing Participant, etc. shall receive from JSCC a refund of the money equivalent to the surplus portion of the Provisional Payment Amount for DVP Settlement at 2:45 P.M. on that day.

(*¹ hereinafter referred to as the “Payment Amount for DVP Settlement”)

- 3 The payment and receipt set forth in the preceding two Paragraphs shall be made in accordance with the rules of JSCC.

(Article 52 Settlement-Facilitating Security Money for DVP Settlement)

- 1 In respect of DVP Settlement, a Securities Clearing Participant may deposit with JSCC Security Money for Facilitating DVP Settlement until 2 P.M. on the settlement day in order to secure the performance of the obligation of such Securities Clearing Participant under the Contracts Subject to Clearing owed to JSCC so that such Securities Clearing Participant will be able to receive securities before making a deposit of the Provisional Payment Amount for DVP Settlement and/or delivery of securities.
- 2 Cash may be deposited as the Security Money for Facilitating DVP Settlement, but only in any of the currencies designated by JSCC. In this case, the appraisal value of the cash deposited in a currency other than Japanese yen shall be the amount equal to the value of cash in that currency converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of that currency in the Tokyo foreign exchange market on the day which is two days before the date of deposit multiplied by a certain rate determined by JSCC.
- 3 The Security Money for Facilitating DVP Settlement may be deposited in the form of securities*¹ in lieu of cash in accordance with the rules of JSCC.
(*¹ limited to those JSCC deems appropriate taking the liquidity and other factors into account)
- 4 The substituting value of the securities prescribed in the preceding Paragraph shall be calculated by multiplying the market price, as determined by JSCC, of the relevant securities as of the day which precedes the settlement day by two days, by a certain rate determined by JSCC; provided, however, that in cases such as an excessive fluctuation in the market, JSCC may extraordinarily change the substituting value when JSCC deems it particularly necessary to do so.
- 5 In addition to the provisions set forth in the preceding two Paragraphs, matters concerning the securities in lieu of cash for the Security Money for Facilitating DVP Settlement shall be prescribed by JSCC.

(Article 53 Limitation on Delivery of Securities from JSCC to Receiving Securities Clearing Participant, etc. in DVP Settlement)

- 1 In DVP Settlement, the delivery of the securities from JSCC to the receiving Securities Clearing Participant, etc. shall be made in accordance with the rules of JSCC to the extent that the Total Value of the securities to be so delivered does not exceed the amount obtained by; subtracting the amount stipulated in Item (4) from the total sum of the values stipulated

in Item (1) through Item (3), and then adding or subtracting the values stipulated in Item (5) through Item (12)*¹ to or from the difference:

(*¹ in the case of an interest-bearing Convertible Bond, if the given day falls on the interest payment date, excluding Item (8) and Item (10))

- (1) The Total Value of the securities delivered to JSCC by the relevant receiving Securities Clearing Participant;
- (2) The amount of money the relevant receiving Securities Clearing Participant deposited with JSCC as the Provisional Payment Amount for DVP Settlement plus the amount of money it paid to JSCC as the Payment Amount for DVP Settlement*¹;
 (*¹ excluding the portion of the amount which is applied toward the payment pursuant to the provisions of Paragraph 2 of Article 51)
- (3) The value of the Security Money for Facilitating DVP Settlement deposited with JSCC by the relevant receiving Securities Clearing Participant in accordance with the provisions of the preceding Article;
- (4) The Total Value of the securities delivered to the relevant receiving Securities Clearing Participant by JSCC*¹;
 (*¹ the value is calculated by excluding the securities to which the provisions of the following Paragraph applies)
- (5) The value equivalent to the difference between the contract prices and the Uniform DVP Settlement Prices on that given day, as prescribed in Item (1) (b) of Paragraph 1 of Article 50;
- (6) In respect of an interest-bearing Convertible Bond, the value equivalent to the difference between the Accrued Interest and the Unit-Based Accrued Interest as of that given day, as prescribed in Item (1) (c) of Paragraph 1 of Article 50;
- (7) The value equivalent to the difference between the Uniform DVP Settlement Prices as of that given day and the Uniform DVP Settlement Prices as of the day immediately preceding day in respect of the Delivery Failures which occurred on such immediately preceding day, as prescribed in Item (1) (b) of Paragraph 2 of Article 50;
- (8) In respect of an interest-bearing Convertible Bond, the value equivalent to the difference between the Unit-Based Accrued Interest as of that given day and the Unit-Based Accrued Interest as of the day immediately preceding day in respect of the Delivery Failures which occurred on such immediately preceding day, as prescribed in Item (1) (c) of Paragraph 2 of Article 50;
- (9) The value equivalent to the difference between the Uniform DVP Settlement Price as of that given day and the Uniform DVP Settlement Price as of the day immediately preceding day in respect of the securities purchased for Buy-In which are to be settled

- on that given day, as prescribed in Item (1) (b) of Paragraph 3 of Article 50; and
- (10) In respect of an interest-bearing Convertible Bond, the value equivalent to the difference between the Unit-Based Accrued Interest as of that given day and the Unit-Based Accrued Interest as of the immediately preceding day in respect of the securities purchased for Buy-In which are to be settled on that given day, as prescribed in Item (1) (c) of Paragraph 3 of Article 50.
- (11) Market Value Adjustment Amount (Creation)
- (12) Market Value Adjustment Amount (Redemption)
- 2 Notwithstanding the provisions of the preceding Paragraph, the delivery by JSCC to a receiving Securities Clearing Participant of the Convertible Bonds in respect of which that given day falls on the days*¹ prescribed in Item (2) or Item (3) of Paragraph 3 of Article 64 shall be made in accordance with the rules of JSCC.
- (*¹ if such day falls on a Non-business Day, the day immediately preceding such day)
- 3 Notwithstanding the provisions of the preceding two Paragraphs, the delivery of securities by JSCC to a receiving ETF Special Clearing Participant shall be made in accordance with the rules of JSCC.

(Article 54 Money and Securities Transferred for Non-DVP Settlement)

- 1 The amount of money and the quantity of securities delivered or received by a Securities Clearing Participant, etc. for Non-DVP Settlement shall be in accordance with each of the following Items:
- (1) Settlement of Same-Day Transaction
- In respect of the same Securities Clearing Participant, the difference between the total amount of sales proceeds and the total amount of purchase money, and the difference between the quantity of securities sold and the quantity of securities purchased in respect of each issue.
- (2) Settlement of purchase for Buy-In
- The value equivalent to the difference between the contract price for the relevant purchases with the same settlement day made by the same Securities Clearing Participant, etc., and the Uniform DVP Settlement Price as of the day immediately preceding the settlement day*¹
- (*¹ in respect of an interest-bearing Convertible Bond, including the value equivalent to the difference between the Accrued Interest on that given day and the Unit-Based Accrued Interest on the immediately preceding day*¹⁻¹)
- (*¹⁻¹ excluding the case where that given day falls on the interest payment date)
- (3) Settlement of sale opposite the purchase for Buy-In

In respect of the same Securities Clearing Participant, the total selling price of sales, and the quantity of the securities sold in respect of each issue, having the same settlement day.

- (4) In the event that a buying/selling was formed as a result of Buy-In, the Settlement of Failed Transaction by Buy-In to be conducted on the settlement day of such buying/selling transaction

The amount of money prescribed in (a) below and the quantity of securities prescribed in (b) below:

- (a) In respect of the quantity of securities prescribed in (b) below, the total sum of the products of the quantity of the securities multiplied by the Uniform DVP Settlement Price as of the immediately preceding day in respect of each issue^{*1}; and

(*1 in respect of an interest-bearing Convertible Bond, including the Unit-Based Accrued Interest as of the immediately preceding day^{*1-1})

(*1-1 excluding the case where such day falls on the interest payment date)

- (b) The quantity of the securities in respect of each issue to be received as a result of the Settlement of Failed Transaction by Buy-In to be conducted on the same settlement date by the same Securities Clearing Participant, etc.

- (5) Settlement of exchange traded fund beneficiary certificate for Residual Number of ETF Shares to be Returned

In respect of Contracts Subject to Clearing related to exchange of exchange traded fund beneficiary certificate and exchange traded fund component stocks having the day as settlement date, the Residual Number of ETF Shares to be Returned stated in the relevant Statement related to redemption.

- (6) Settlement other than those set forth in each of the preceding Items

In respect of the same Securities Clearing Participant, the difference between the total amount of sales proceeds^{*1} and the total amount of purchase money^{*2}, and the difference between the total quantity of securities sold^{*3} and the total quantity of securities purchased^{*4} in respect of each issue, which are to be settled on the same day.

(*1 in the case of the Contracts Subject to Clearing prescribed in Item (7) through Item (9) of Paragraph 2 of Article 3, the total amount of money to be received)

(*2 in the case of the Contracts Subject to Clearing prescribed in Item (7) through Item (9) of said Paragraph, the total amount of money to be paid)

(*3 in the case of the Contracts Subject to Clearing prescribed in Item (7) through Item (9) of said Paragraph, the total quantity of securities to be delivered)

(*4 in the case of the Contracts Subject to Clearing prescribed in Item (7) through Item (9) of said Paragraph, the total quantity of securities to be received)

2 The amounts of money prescribed in Item (2) through Item (4) of the preceding Paragraph shall be paid or received, being included in the amount of money prescribed in Item (5) of said Paragraph, and the quantities of the securities prescribed in Item (3) and Item (4) of said Paragraph shall be delivered or received after they are offset against each other.

(Article 55 Money and Securities Transferred for Settlement of Buying/Selling Underlying Securities Resulting from the Exercise of Security Option)

1 Notwithstanding the provisions of Paragraph 1 of Article 50 and the preceding Article, the amount of money and the quantity of securities to be delivered or received by the Securities Clearing Participant for the settlement of the Contracts for Clearing in respect of the selling/buying of the underlying securities resulting from the exercise of Security Option Contract*¹ shall be as prescribed in the following Items, based on the classification referenced in each Item:

(*¹ limited to the buying/selling in respect of Security Option other than the Security Option which enables the buying or selling to be realized in the Trading Units at the exercise price)

(1) In the case where the quantity in respect of the buying/selling of the underlying security resulting from the exercise of the minimum unit of option exceeds the quantity comprising the Trading Unit of the relevant underlying security:

A) Portion Corresponding to the Trading Unit Quantity*¹

(*¹ referring to the quantity obtained by subtracting the quantity of the underlying security which fall short of comprising its trading unit, from the quantity of the underlying security to be bought/sold as a result of the exercise of the minimum unit of the option; the same applies hereinafter in this Article)

(a) The difference between the Total Value of securities sold and the Total Value of securities bought calculated at the Uniform DVP Settlement Prices

In respect of the buying/selling of the underlying securities resulting from the exercise of options by the relevant Securities Clearing Participant which are to be settled on the given day, the difference between the Total Value*¹ of securities for sale and the Total Value of securities for purchase;

(*¹ referring to the total amount, in respect of each issue of the underlying securities, obtained by multiplying the Trading Unit Quantity by the Uniform DVP Settlement Price as of the given day, and then multiplying the resulting product by the number of the Security Option exercised; the same applies hereinafter)

(b) The difference between exercise price and Uniform DVP Settlement Price

In respect of the buying/selling of the underlying securities resulting from the

exercise of option by the relevant Securities Clearing Participant which is to be settled on the given day, the value equivalent to the difference between the exercise price and the Uniform DVP Settlement Price as of the given day pertaining to the Trading Unit Quantity;

(c) The quantity of securities obtained by multiplying the Trading Unit Quantity by the number of Security Option exercised.

B) Portion Corresponding to the Residual Quantity Less Than One Trading Unit Quantity^{*1}

(*¹ referring to the quantity obtained by subtracting the Trading Unit Quantity from the quantity of the underlying securities to be bought/sold as a result of the exercise of the minimum unit of the option; the same applies hereinafter in this Article)

(a) The price of the buying/selling of the underlying securities resulting from the exercise of option^{*1}

(*¹ referring to the value obtained by multiplying Residual Quantity Less Than One Trading Unit Quantity by the exercise price, and then multiplying the resulting product^{*1-1} by the number of the Security Option exercised)

(*¹⁻¹ fraction less than 1 yen shall be rounded down)

(b) The amount of money equivalent to the value which is obtained by multiplying Residual Quantity Less Than One Trading Unit Quantity by the Option Settlement Price^{*1}, and then multiplying the resulting product^{*2} by the number of the Security Option exercised

(*¹ in respect of the buying/selling of the underlying securities resulting from the exercise of the option under Security Option Contract, referring to the Option Settlement Price prescribed in Paragraph 5 of Article 73-4; the same applies hereinafter in this Article)

(*² fraction less than 1 yen shall be rounded down)

(2) In the case where the quantity in respect of the buying/selling of the underlying security resulting of the exercise of the minimum unit of the option is less than the quantity comprising the Trading Unit of the relevant underlying security:

A) The price of the buying/selling of the underlying securities resulting from the exercise of option^{*1}

(*¹ referring to the value obtained by multiplying the quantity in respect of the buying/selling of the underlying securities resulting of the exercise of the minimum unit of the option by the exercise price, and then multiplying the resulting product^{*1-1} by the number of the Security Option exercised)

(*¹⁻¹ fraction less than 1 yen shall be rounded down)

- B) The amount of money equivalent to the value which is obtained by multiplying the quantity in respect of the buying/selling of the underlying securities resulting of the exercise of the minimum unit of the option by the Option Settlement Price, and then multiplying the resulting product*¹ by the number of the Security Option exercised (*¹ fraction less than 1 yen shall be rounded down)
- 2 The amount of money and the quantity of securities to be delivered or received pursuant to Item (1) A) of the preceding Paragraph shall be included in the amount of money and the quantity of securities to be delivered or received for DVP Settlement prescribed in Paragraph 1 of Article 50, and the amount of money to be paid or received pursuant to Item (1) B) and Item (2) of the preceding Paragraph shall be included in the amount of money to be paid or received for Non-DVP Settlement prescribed in Item (5) of Paragraph 1 of the preceding Article. In such cases, the money prescribed in Item (1) B) (b) or (2) B) of the preceding Paragraph shall be included in the total amount of purchase money which is prescribed in Item (5) of Paragraph 1 of the preceding Article if the Participant is the selling Securities Clearing Participant in respect of the buying/selling of the underlying securities resulting from the exercise of option; and shall be included in the total amount of sales proceeds which is prescribed in the same Item if the Participant is the buying Securities Clearing Participant in respect of the relevant buying/selling.

(Article 56 Settlement Method)

- 1 The payment and receipt of money for settling Contracts for Clearing shall be made between Clearing Participant and JSCC, and receipt and payment of money in this case shall be governed in accordance with the rules of JSCC.
- 2 The delivery and receipt of securities for settling Contracts for Clearing shall be made as prescribed in the following Items, based on the classification of securities referenced in each Item:
- (1) Securities Eligible for DVP Settlement;
- It shall be made through the book-entry transfer carried out in JASDEC between Clearing Participant and JSCC. In such case, the request for a transfer from the account of the delivering Securities Clearing Participant to the account of JSCC shall be made to JASDEC by JSCC on behalf of the delivering Securities Clearing Participant, and the request for a transfer from the account of JSCC to the account of the receiving Securities Clearing Participant shall be made to JASDEC by JSCC;
- (2) Bonds*¹; and
- (*¹ excluding Japanese Government Bonds and corporate bonds with stock acquisition rights)

It shall be made between Clearing Participant and JSCC by the book-entry transfer between the accounts held at JASDEC;

(3) Securities other than those stipulated in the preceding two Items.

It shall be made between Clearing Participant and JSCC by delivering and receiving the certificate of securities.

3 Notwithstanding the provisions of preceding two Paragraphs, the payment/receipt of money and the delivery/receipt of securities for settling Contracts for Clearing between JSCC and an ETF Special Clearing Participant shall be made in the manner set forth in each Item, according to the respective category set forth therein.

(1) Creation of securities investment trust

(a) Delivery/receipt of exchange traded fund component stocks

A Registered ETF Trust Bank*¹ shall receive them on behalf of ETF Special Clearing Participants and the delivery/receipt shall be carried out through the book-entry transfer between JSCC and a Registered ETF Trust Bank in JASDEC. In this case, JSCC shall make a transfer request from JSCC's account to the Registered ETF Trust Bank's account to JASDEC.

(*¹ limited to the Registered ETF Trust Bank which is a trustee of the relevant securities investment trust; same applies hereinafter in this Paragraph)

(b) Payment/receipt of money

A Registered ETF Trust Bank shall receive money on behalf of an ETF Special Clearing Participant and payment is executed between JSCC and the Registered ETF Trust Bank. In this case, payment/receipt of money shall be made in a manner prescribed by JSCC.

(c) Delivery/receipt of exchange traded fund beneficiary certificate

The delivery/receipt shall be executed by new recoding in JSCC's account at JASDEC. In this case, an ETF Special Clearing Participant shall notify JASDEC of the new records.

(2) Partial redemption of principal of securities investment trust

(a) Delivery/receipt of exchange traded fund beneficiary certificate

The delivery/receipt shall be executed by a deletion of records in JSCC's account at JASDEC. In this case, JSCC shall notify JASDEC of the records scheduled to be deleted at the redemption.

(b) Payment/receipt of money

The payment/receipt shall be executed between JSCC and a Registered ETF Trust Bank. In this case, payment/receipt of money shall be executed in a manner prescribed by JSCC.

(3) The following securities related to exchange of exchange traded fund beneficiary

certificate and exchange traded fund component stocks

(a) Delivery/receipt of exchange traded fund beneficiary certificate

The delivery/receipt shall be executed by a deletion of records in JSCC's account at JASDEC as for the number of shares excluding Residual Number of ETF Shares to be Returned, which shall not be delivered/received. In this case, JSCC shall notify JASDEC of the records scheduled to be deleted at the redemption.

(b) Delivery/receipt of exchange traded fund component stocks

The delivery/receipt shall be executed by the book-entry transfer between JSCC's account and a Registered ETF Trust Bank's account at JASDEC. In this case, JSCC shall make a transfer request to JASDEC on behalf of the Registered ETF Trust Bank in respect to the transfer from a Registered ETF Trust Bank's account to JSCC's account.

4 Obligations related to the relevant exchange traded fund beneficiary certificate assumed by JSCC pursuant to Item (4) sub-item (b) or sub-item (c) or Item (5) of Paragraph 1 of Article 46 shall cease to effect, when a deletion of records set forth in Item (2), sub-item (a) and Item (3), sub-item (a) of the preceding Paragraph is made.

(Article 57) Deleted

(Article 58 Combination of Certificates of Securities to be Delivered)

The combination of the kinds of the certificate of securities to be delivered by the delivering Securities Clearing Participant for the settlement of the securities stipulated in Item (3) of Paragraph 2 of Article 56 shall be governed by the rules of JSCC.

(From Article 59 to Article 61) Deleted

(Article 62 Handling of Delivery Failure in DVP Settlement)

1 In respect of DVP Settlement, in the event that the delivering Securities Clearing Participant, etc. fails to deliver the securities by the cutoff time for the DVP Settlement^{*1} due to an unavoidable reason^{*2}, the delivery of the relevant securities and the accompanied payment/receipt of money shall be deferred to the immediately following day^{*3}.

(*1 including the delivery of the securities the settlement of which was deferred on the day immediately preceding this settlement day^{*1-1} pursuant to the provisions of this Article)

(*1-1 in the case of an interest-bearing Convertible Bond, if this settlement day falls on the interest payment date, on the day which precedes this settlement day by two days)

(*² hereinafter referred to as “the Case of Delivery Failure” in this Section)

(*³ in the case of an interest-bearing Convertible Bond, if that immediately following day falls on the day which immediately precedes the interest payment date, the second following day*³⁻¹; the same applies hereinafter in this Article and the following Article)

(*³⁻¹ if such day falls on a Non-business Day, it shall be the immediately following business day)

2 In the case where a delivery of securities from the Securities Clearing Participant, etc. [that has made the Delivery Failure](#) to JSCC was deferred pursuant to the preceding Paragraph, the delivery to the receiving Securities Clearing Participant, etc. of the securities designated by JSCC on each applicable occasion in respect of the relevant deferment and the accompanied payment/receipt of money shall be deferred to the following day.

(Article 62-2 Prohibition, etc. of Causing Delivery Failure in DVP Settlement)

1 Securities Clearing Participant, etc. is prohibited from causing Delivery Failure in settlement of securities on the days designated by JSCC as necessary.

2 In addition to the provisions of the preceding Paragraph, Securities Clearing Participant, etc. is prohibited from causing Delivery Failure in settlement of securities without good reason.

(Article 62-3 Other Handlings of Delivery Failure)

In addition to the provisions of the preceding two Articles, matters necessary for the handling of the Case of Delivery Failure shall be prescribed in the rules of JSCC.

(Article 63 Buy-In)

1 Buy-In is a purchase of securities in the Case of Delivery Failure in order to complete the settlement of the unsettled Contracts for Clearing, and is carried out at the request of the receiving Securities Clearing Participant, etc. in respect of the relevant Delivery Failure in accordance with the rules of JSCC by and on the account of the Securities Clearing Participant, etc. that has made the relevant Delivery Failure.

2 The settlement of the buying/selling resulting from Buy-In shall be carried out on the day immediately following the day on which the buying/selling contract was concluded; provided, however, that in respect of buying/selling of an interest-bearing Convertible Bond resulting from Buy-In, in the case where such following day falls on the day stipulated in Item (4) of Paragraph 3 of the following Article, the settlement shall be carried out on the day*¹ which follows the day on which the buying/selling contract was concluded by two days.

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

3 The matters necessary for Buy-In shall be prescribed in the rules of JSCC.

(Article 64 Settlement by Due Bills)

1 In respect of Non-DVP Settlement^{*1}, in the event that the delivering Securities Clearing Participant, etc. is not able to deliver the securities by the cutoff time for the Non-DVP Settlement due to an unavoidable reason, and has proven the relevant reason to JSCC and obtained an approval from the Securities Clearing Participant which is designated by JSCC as the receiver of a due bill^{*2}, such delivering Securities Clearing Participant may issue a due bill to JSCC, and JSCC may deliver the due bill to DB-Receiving Securities Clearing Participant. In this case, the settlement of the securities shall be deemed to have been completed by the delivery of such due bill.

(*1 excluding settlement of When-Issued Transaction and delivery of exchange traded fund beneficiary certificate for Residual Number of ETF Shares to be Returned)

(*2 hereinafter referred to as "DB-Receiving Securities Clearing Participant")

2 In addition to the provisions of the preceding Paragraph, in respect of the settlement of Contracts for Clearing on a When-Issued Transaction delivery of exchange traded fund beneficiary certificate for Residual Number of ETF Shares to be Returned in the event that the delivery of the securities cannot be made by the cutoff time for the Non-DVP Settlement, and if JSCC especially deems it necessary to do so, the delivering Securities Clearing Participant, after obtaining an approval from the DB-Receiving Securities Clearing Participant, may deliver a due bill to JSCC and JSCC may deliver the due bill to the DB-Receiving Securities Clearing Participant. In this case, the settlement of securities shall be deemed to have been completed by the delivery of such due bill.

3 The settlement of the securities lending/borrowing pertaining to due bills shall be carried out by the third business day after the day on which such due bills were issued^{*1}; provided, however, that in the case where any day listed in each of the following Items arrives during the time between the day on which such due bills are issued and the Settlement Cutoff Date for Securities Lending/Borrowing Pertaining to Due Bill, the settlement of the securities lending/borrowing pertaining to the due bills shall be carried out by the day immediately preceding^{*2} the day listed in each of the following Items, except for the case where an approval by the DB-Receiving Securities Clearing Participant has been granted:

(*1 hereinafter referred to as the "Settlement Cutoff Date for Securities Lending/Borrowing Pertaining to Due Bill" in this Article)

(*2 when the day listed in each of the following Items falls on a Non-business Day, the day preceding by two days)

(1) Record date, etc. for fixing the shareholders^{*1};

- (*¹ including preferred equity holders, capital subscribers, beneficiaries, investment unit holders and owners)
- (2) The day immediately preceding the day on which a change^{*¹} in the consideration for the acquisition set by the issuer of classified stock is to be made^{*²}; the day immediately preceding^{*³} the day^{*⁴} on which a change in the number of shares represented by a depositary receipt for foreign stocks set by the depositary facility is to be made; the day immediately preceding the day on which a change^{*⁵} in the conditions for the exercise of the right under a Convertible Bond set by its issuer is to be made^{*⁶}; and the day immediately preceding the day on which a change^{*⁷} in the exchanging condition of an Exchangeable Corporate Bond^{*⁸} set by its issuer is to be made;
- (*¹ including the suspension of the period during which a demand for acquisition may be made)
- (*² in respect of a stock with put option, if the intermediary of the demand for acquisition is restricted in JASDEC on such preceding day, referring to the last day on which the demand for acquisition may be made under the original condition before such change)
- (*³ in the case where JSCC deems it necessary to designate a day other than such preceding day, the day designated by JSCC in each case)
- (*⁴ in the case where the relevant depositary facility sets the period during which an exchange between the depositary receipt for foreign stocks and the stocks issued by the foreign corporation pertaining to the rights represented by such depositary receipt for foreign stocks is suspended or restricted, referring to such period's commencement day)
- (*⁵ including the suspension of the exercise period)
- (*⁶ if the intermediary of the demand for exercise of the right is restricted in JASDEC on such preceding day, referring to the last day on which the demand for exercise of the right may be made under the original condition before such change)
- (*⁷ including the suspension of the period during which a demand for exchange may be made)
- (*⁸ referring to the securities stipulated in Item 5 of Paragraph 1 of Article 2 of the Act or the securities stipulated in Item (17) of the same Paragraph having the characteristics of the securities stipulated in Item 5 of the same Paragraph^{*⁸⁻¹}, which are redeemable in exchange for the stocks of a specific company other than the issuer at the request of the holder of the Corporate Bond; the same applies hereinafter)
- (*⁸⁻¹ hereinafter referred to as "Corporate Bond" in this Item.)
- (3) The last day of the period during which the demand for redemption before maturity may

be made in respect of the Convertible Bond/Exchangeable Corporate Bond embedded with the right to demand redemption before maturity;

(4) The day immediately preceding the interest payment date in respect of an interest-bearing bond*¹ or an interest-bearing Convertible Bond*².

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

(*² excluding the Convertible Bonds Not Handled by JASDEC)

(5) In respect of investment trust beneficiary securities, in the event that the intermediary of demand for beneficiary registration is processed in JASDEC, the record date for the beneficiary; and

(6) The exercise date in respect of covered warrant.

4 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC specifically deems it necessary, the delivering Securities Clearing Participant, etc. may, after obtaining an approval from the DB-Receiving Securities Clearing Participant, change the Settlement Cutoff Date for Securities Lending/Borrowing pertaining to Due Bill to the date JSCC deems appropriate.

5 Notwithstanding the provisions of Paragraph 1, the delivery of securities to JSCC to be made pursuant to the provisions of Item (3) of Paragraph 1 of Article 54 cannot be settled pursuant to this Article by delivering a due bill.

(Article 64-2 Prohibition of the abuse of Due Bills)

Securities Clearing Participant, etc. is prohibited from issuing due bills abusively.

(Article 64-3 Other Handlings of Due Bills)

In addition to the preceding two Articles, necessary matters concerning due bills shall be prescribed in the rules of JSCC.

(Article 65 Exchange of Delivered/Received Securities Pertaining to Redemption by Drawing)

In the case where the bond which has been decided to be redeemed as a result of drawing*¹ was delivered for settlement after the day on which the relevant “winning” number had been published, the Securities Clearing Participant which has received the relevant Bond Drawn for Redemption may, pursuant to the rules prescribed by JSCC, demand the Securities Clearing Participant which delivered the relevant Bond Drawn for Redemption to JSCC to exchange it for other bond of the same issue.

(*¹ excluding the bond which is handled by JASDEC as its book-entry transfer business and Japanese Government Bonds; hereinafter referred to as the “Bond Drawn for

Redemption” in this Article)

(Article 66 Settlement Price for When-Issued Transaction)

JSCC shall set a Settlement Price on a daily basis in accordance with the rules of JSCC for each issue in respect of which When-Issued Transaction is transacted.

(Article 67 Payment/Receipt of Difference between Contract Price of and Settlement Price for When-Issued Transaction)

- 1 In respect of When-Issued Transaction, if there is any difference in amount between the contract price and the Settlement Price as of the day of the conclusion of the relevant buying/selling contract, the Securities Clearing Participant shall, in accordance with the rules of JSCC, pay/receive money equivalent to such difference to/from JSCC by the Settlement Cutoff Time for Non-DVP Settlement on the third day following the day on which the When-Issued Transaction was formed.
- 2 The amount of money stipulated in the preceding Paragraph shall be included in the value prescribed in Item (5) of Paragraph 1 of Article 54.

(Article 68 Payment/Receipt of Difference between Settlement Prices for When-Issued Transaction)

- 1 If there is any difference in amount between the Settlement Price as of the given day and the Settlement Price on the immediately preceding day, the Securities Clearing Participant shall, in accordance with the rules of JSCC, pay/receive money equivalent to such difference to/from JSCC by the Settlement Cutoff Time for Non-DVP Settlement on the third day following such given day.
- 2 The provisions of Paragraph 2 of the preceding Article shall apply *mutatis mutandis* to the payment/receipt of money prescribed in the preceding Paragraph.

(Article 69 Final Settlement Price for When-Issued Transaction)

The final Settlement Price for When-Issued Transaction shall be the Settlement Price on the last trading day*¹ of the relevant When-Issued Transaction.

(*¹ referring to the last trading day set by each Designated Market Operator)

(Article 70 Margin for When-Issued Transaction)

- 1 A Securities Clearing Participant shall deposit with JSCC the Margin for When-Issued Transaction in the amount not less than the amount calculated in accordance with the rules of JSCC by 2 P.M. on the third day following the day on which the relevant When-Issued

Transaction was formed; provided, however, that in the case where the Securities Clearing Participant has any buying/selling position which is opposed to the selling/buying position of the same issue, the deposit of the Margin in the amount calculated in respect of the difference between the total quantity of selling position and the total quantity of buying position shall be sufficient.

- 2 Cash may be deposited as the Margin for When-Issued Transaction, but only in any of the currencies designated by JSCC. In this case, the appraisal value of the cash deposited in a currency other than Japanese yen shall be the amount equal to the value of cash in that currency converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of that currency in the Tokyo foreign exchange market on the day which is two days before the day on which the date of deposit multiplied by a certain rate determined by JSCC.
- 3 Securities*¹ may be deposited in lieu of cash as the Margin in accordance with the rules of JSCC.
(*¹ limited to the securities JSCC deems appropriate taking into account the liquidity and other factors)
- 4 The substituting value of the securities prescribed in the preceding Paragraph shall be calculated by multiplying the market price determined by JSCC as of the day which precedes the day of the deposit by two days by a certain rate determined by JSCC.
- 5 In addition to the provisions of the preceding two Paragraphs, matters concerning the securities to be deposited in lieu of cash as the Margin shall be prescribed by JSCC.
- 6 JSCC may extraordinarily change the amount, time and date prescribed in Paragraph 1, and the substituting value prescribed in Paragraph 3, when JSCC deems it particularly necessary to do so in cases such as there is an excessive fluctuation in the market.

Section 2 Settlement of Contracts for Clearing on Japanese Government Bonds.

(Article 71 Money and JGBs to be Delivered/Received for Settlement)

The amount of money and the quantity of Japanese Government Bonds to be delivered or received by Securities Clearing Participant between JSCC in order to settle Contracts for Clearing on Japanese Government Bonds*¹ shall be the price for the buying/selling and the quantity of Japanese Government Bonds in respect of each conclusion of the buying/selling contract.

(Article 72 Settlement Cutoff Time and Settlement Method)

1 The delivery and receipt of money and Japanese Government Bonds for settling Contracts for Clearing on Japanese Government Bonds shall be carried out between Clearing Participant and JSCC through the DVP Settlement in BOJ-NET JGB Service System in accordance with each of the following Items:

- (1) The Securities Clearing Participant delivering Japanese Government Bond shall, in accordance with the rules of JSCC, deliver it by 1:30 P.M. on the settlement day and receive the money;
- (2) The Securities Clearing Participant making payment shall, in accordance with the rules of JSCC, pay the money by 2:00 P.M. on the settlement day and receive the Japanese Government Bonds.

2 In carrying out the settlement pursuant to the provisions of the preceding Paragraph, the Securities Clearing Participant shall make efforts to ensure a smooth settlement.

(Article 73 Handling of the Case of Delivery Failure)

1 In respect of the settlement of Contracts for Clearing on Japanese Government Bonds, if the delivering Securities Clearing Participant did not deliver the Japanese Government Bonds by the cutoff time prescribed in Item (1) of Paragraph 1 of the preceding Article on the settlement day*¹, the relevant settlement shall be deferred to the following day or later.

(*¹ hereinafter referred to as “the Case of Delivery Failure” in this Article)

2 In the case of the event stipulated in the preceding Paragraph, the Securities Clearing Participant that has made the Delivery Failure shall carry out the settlement by the fourth day following the original settlement day. In such case, the relevant Securities Clearing Participant that has made the Delivery Failure shall notify JSCC in advance of the day on which the settlement is to be carried out, and such day shall constitute the settlement day for the Case of Delivery Failure.

- 3 In the event that the settlement between the delivering Securities Clearing Participant and JSCC has been deferred pursuant to the provisions of Paragraph 1, the part of the settlement specified by JSCC between JSCC and the receiving Securities Clearing Participant shall be carried out on the settlement day for the Case of Delivery Failure as set forth in the preceding Paragraph.
- 4 With regards to the application of the provisions of the preceding Article to the Case of Delivery Failure, the words “the settlement day” shall be interpreted to mean “the settlement day for the Case of Delivery Failure”.
- 5 In addition to each of the preceding Paragraphs, matters necessary for handling in the Case of Delivery Failure shall be prescribed in the rules of JSCC.

Section 3 Settlement of Security Option Contract

(Article 73-2 Reporting Close-out Quantity and the Like)

1 An Index Futures Clearing Participant shall, in respect of each issue of Security Option Contract, notify JSCC the close-out quantity^{*1} and the amount of Offsetting Sale or Offsetting Purchase when it has executed Offsetting-Sale or Offsetting-Purchase^{*2}, by each account as set forth in Article 46-3 and by the cutoff time set by JSCC.

(*1 referring to the settlement quantity when the short position and the long position is held simultaneously in respect of an issue, and all or a part of such position is settled^{*1-2})

(*1-2 excluding the settlement through Offsetting Sale or Offsetting Purchase)

(*2 excluding the case stipulated in the following Paragraph)

2 An Index Futures Clearing Participant shall notify, in respect of each issue of Security Option Contract, JSCC the close-out quantity^{*1}, and, when Offsetting-Sale in respect of the Long Position which are pursuant to the commissions of the Brokerage for Clearing of Securities, etc.^{*3} or Offsetting-Purchase in respect of the Short Position which are pursuant to the commissions of the Brokerage for Clearing of Securities, etc.^{*4} has been executed, the amount of Offsetting Sale or Offsetting Purchase by an Index Futures Non-Clearing Participant^{*2} pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing, by each account as set forth in Article 46-4 and by the cutoff time set by JSCC. In such case, an Index Futures Clearing Participant may cause the Index Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing or the relevant Short Position Subject To Brokerage for Clearing to make such notification in place of Index Futures Clearing Participant's own notification.

(*1 limited to those under commission of the Brokerage for Clearing of Securities, etc.)

(*2 referring to the entity which has the trading qualification in respect of Security Option Contract but does not have Index Futures Clearing Qualification; the same applies hereinafter in this Section)

(*3 hereinafter referred to as the "Long Position Subject To Brokerage for Clearing")

(*4 hereinafter referred to as the "Short Position Subject To Brokerage for Clearing")

3 When JSCC has received the notification pursuant to the provisions of Paragraph 1, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position and the Short Position by each account set forth in Article 46-3 that is managed by the relevant Index Futures Clearing Participant.

4 When JSCC has received the notification pursuant to the provisions of Paragraph 2, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position Subject To Brokerage for Clearing and the Short Position Subject To Brokerage for Clearing by each account set forth in Article 46-4 that is managed by the relevant Index Futures Clearing Participant.

5 When JSCC has received the notification set forth in Paragraph 1 or Paragraph 2, JSCC shall inform the Designated Market Operator^{*1} of the close-out quantity and the amount of the Offsetting-Sales and/or the Offsetting-Purchases so notified.

(*1 referring to the Designated Market Operator operating the Designated Financial Instruments Market prescribed in Item (2) of Paragraph 2 of Article 3; the same applies hereinafter in this Section)

(Article 73-3 Payment/Receipt of Contract Price)

When a Contract for Clearing in respect of Security Option Contract is formed, the Index Futures Clearing Participant shall pay/receive the contract price therefor to/from JSCC on the day immediately following the day of the conclusion of the trading contract^{*1}. In such case, an Index Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and an Index Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. of the day on which the relevant money is to be paid or received.

(*1 for Flexible Contract Months prescribed by the Designated Market Operator, the day on which the trading day^{*1-1} of the conclusion of the trading contract ends)

(*1-1 referring to the trading day prescribed as to the Flexible Contract Months by the Designated Market Operator)

(Article 73-4 Notification of Exercise of Option)

1 An exercise of the option pertaining to the Long Position^{*1} of Security Option Contract shall be done by the Index Futures Clearing Participant's notifying JSCC of the amount pertaining to the exercise in respect of each issue by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC which precedes the expiration time of the Security Option Contract specified by the Designated Market Operator.

(*1 excluding the Long Position Subject To Brokerage for Clearing)

2 An exercise of the option pertaining to the Long Position^{*1} of Security Option Contract shall be done by the Index Futures Clearing Participant's notifying JSCC of the amount pertaining to the exercise in respect of each issue and each Index Futures Non-Clearing Participant

pertaining to the relevant Long Position Subject To Brokerage for Clearing, and by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC which precedes the expiration time of the Security Option Contract specified by the Designated Market Operator. In such case, an Index Futures Clearing Participant may cause the Index Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing to make such notification in place of Index Futures Clearing Participant's own notification.

(*¹ limited to the Long Position Subject To Brokerage for Clearing)

3 Regarding the issue which falls under any of the following Items on the Exercise Date^{*1,2}, the Index Futures Clearing Participant cannot make the notification of the exercise of the right set forth in the preceding two Paragraphs:

(*¹ referring to the exercise date specified by the Designated Market Operator in respect of the Security Option Contract; the same applies hereinafter in this Section)

(*² limited to the Security Option Contracts under which, as a result of exercise, the money will be paid/received based on the difference between the exercise price and the actual price^{*2-1*2-2})

(*²⁻¹ referring to the actual price prescribed by the Designated Market Operator; the same applies hereinafter)

(*²⁻² hereinafter referred to as "Cash Settled Security Option Contract")

(1) In respect of Security Put Option, in the case where the exercise price is at the Option Settlement Price^{*1} or lower;

(*¹ referring to the Option Settlement Price set forth in Paragraph 6; the same applies hereinafter in this Section)

(2) In respect of Security Call Option, in the case where the exercise price is at the Option Settlement Price or higher.

4 Regarding the issue which falls under any of the following Items on the Exercise Date, the notification of the exercise of the option on that issue shall be deemed to have been made even though the notification of the exercise of the option set forth in Paragraph 1 or Paragraph 2 is not made on the relevant day by the cutoff time set by JSCC under Paragraph 1 or Paragraph 2; provided, however, that the foregoing shall not apply in the case where the Index Futures Clearing Participant notified by such cutoff time to the effect that it will not exercise the option in respect of such issue:

(1) In respect of Individual Put Option, in the case where the exercise price exceeds the Option Reference Price;

(2) In respect of Individual Call Option, in the case where the exercise price is lower than the Option Reference Price.

5 In the case where JSCC deems it inappropriate to regard the notification of the exercise of option as having been made pursuant to the provisions in the main clause of the preceding Paragraph due to a system failure in the Designated Market Operator's trading system or some other unavoidable reasons, such provisions of the main clause in said Paragraph shall not apply.

6. Option Reference Price shall be the last price^{*1} of the underlying security on the Exercise Date, and in the case where there is no contract price^{*2} on that Exercise Date, the Option Reference Price shall be the latest contract price; provided, however, that in the case where there is no contract price after the last ex-right day of that underlying security, the Option Reference Price shall be the price set by JSCC on each applicable occasion.

(*1 referring to the last 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 of the operator of such Financial Instruments Market)

(*2 including the final quote that is posted in accordance with the rules of the Designated Market Operator; the same applies hereinafter in this Article)

7 When JSCC has received the notification of the exercise of option prescribed in Paragraph 1 or Paragraph 2^{*1}, JSCC shall inform the detail of the exercise of option so notified to the Designated Market Operator.

(*1 including the case where the notification of the exercise of option is deemed to have been received pursuant to the provisions of Paragraph 4)

8 An Index Futures Clearing Participant which has designated a Designated Securities Clearing Participant, when it has filed the notification of the exercise of option pursuant to the provisions of Paragraph 1^{*1}, shall notify such Designated Securities Clearing Participant to such effect without delay.

(*1 including the case where the notification of the exercise of option is deemed to have been received pursuant to the provisions of Paragraph 4, except for the notification of the exercise of Cash Settled Security Option Contract)

(Article 73-5 Assignment of Exercised Option)

1 When an Index Futures Clearing Participant notifies the exercise of option, JSCC shall make the assignment of the quantity of the exercised option in respect of each issue in accordance with the rules of JSCC.

2 When JSCC makes the assignment of the exercised option pursuant to the provisions in the preceding Paragraph, JSCC shall notify the Index Futures Clearing Participant to whom such assignment is made^{*1} of the quantity of the relevant assignment by separating those for the proprietary account from those pursuant to the commissions by its customers.

(*1 in the case where the exercised option is assigned to the Short Position Subject To Brokerage for Clearing, the assigned quantity of each Index Futures Non-Clearing Participant pertaining to the relevant Short Position Subject To Brokerage for Clearing by separating those for the proprietary account from those pursuant to the commissions by its customers)

- 3 The Index Futures Clearing Participant which received the notification of the assignment to the Short Position Subject To Brokerage for Clearing pursuant to the provisions of the preceding Paragraph shall notify each Index Futures Non-Clearing Participant pertaining to the relevant Short Position Subject To Brokerage for Clearing of such assigned quantity by separating those for the proprietary account from those pursuant to the commissions by its customers.
- 4 When JSCC makes the assignment of the quantity of the exercised option pursuant to the provisions of Paragraph 1, JSCC shall notify the detail of such assignment to the Designated Market Operator.
- 5 An Index Futures Clearing Participant which has designated a Designated Securities Clearing Participant, when it has received the notification of assignment of the exercised option pursuant to the provisions of Paragraph 2*1, shall notify such Designated Securities Clearing Participant to such effect without delay.

(*1 excluding the assignment of the exercised option related to the Cash Settled Security Option Contract)

(Article 73-5-2 Payment/Receipt on the Settlement of Exercised Option)

When the right pertaining to Cash Settled Security Option Contract is exercised, the Index Futures Clearing Participant shall pay/receive the money equivalent to the difference between its exercise price and the Option Settlement Price to/from JSCC on the day following the day on which the relevant right is exercised. In such case, an Index Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and an Index Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money to be paid/received.

(Article 73-5-3 Locus of Responsibility in the case where Option Reference Price is not able to be calculated, etc.)

An Index Futures Clearing Participant is not entitled to seek indemnity against JSCC and the Designated Market Operator referred to in Paragraph 6 of Article 73-4 for any damages suffered by it as a result of an inability, delay or error regarding the calculation of, or as a result of a change in, the Option Reference Price.

Section 4 Settlement of JGB Futures Contract and Interest Rate Futures Contract.

(Article 73-6 Reporting Close-out Quantity and the Like)

1 AJGB Futures Clearing Participant shall, in respect of JGB Futures Contract and Interest Rate Futures Contract for each contract month^{*1}, notify JSCC the close-out quantity and the amount of Offsetting Sale or Offsetting Purchase when it has executed Offsetting-Sale or Offsetting-Purchase^{*2}, by each account as set forth in Article 46-3 and by the cutoff time set by JSCC.

(*¹ referring to the contract month set by the Designated Market Operator^{*2-1}; the same applies hereinafter in this Section)

(*²⁻¹ referring to the Designated Market Operator operating the Designated Financial Instruments Market prescribed in Item (3) or Item (4)-2 of Paragraph 2 of Article 3; the same applies hereinafter in this Section)

(*² excluding the case stipulated in the following Paragraph)

2 A JGB Futures Clearing Participant shall, in respect of JGB Futures Contract and Interest Rate Futures Contract for each contract month, notify JSCC the close-out quantity^{*1}, and, when Offsetting-Sale in respect of the Long Position Subject To Brokerage for Clearing or Offsetting-Purchase in respect of the Short Position Subject To Brokerage for Clearing has been executed, the amount of Offsetting Sale or Offsetting Purchase by an JGB Futures Non-Clearing Participant^{*2} pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing by each account as set forth in Article 46-4 and by the cutoff time set by JSCC. In such case, a JGB Futures Clearing Participant may cause the JGB Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing make such notification in place of JGB Futures Clearing Participant's own notification.

(*¹ limited to those under commission of brokerage for clearing of securities, etc.)

(*² referring to the entity who has the trading qualification in respect of JGB Futures Contract and Interest Rate Futures Contract but does not have JGB Futures Clearing Qualification; the same applies hereinafter)

3 When JSCC has received the notification pursuant to the provisions of Paragraph 1, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position and the Short Position by each account set forth in Article 46-3 that is managed by the relevant JGB Futures Clearing Participant.

4 When JSCC has received the notification pursuant to the provisions of Paragraph 2, the

close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position Subject To Brokerage for Clearing and the Short Position Subject To Brokerage for Clearing by each account set forth in Article 46-4 that is managed by the relevant JGB Futures Clearing Participant.

5 When JSCC has received the notification set forth in Paragraph 1 or Paragraph 2, JSCC shall inform the Designated Market Operator of the close-out quantity and the amount of the Offsetting-Sales and/or the Offsetting-Purchases so notified.

(Article 73-7 Settlement Price)

For each Trading Day^{*1}, JSCC shall set the Settlement Price for JGB Futures Contract and Interest Rate Futures Contract in respect of each contract month in accordance with the rules of JSCC.

(*¹ referring to the trading day specified by the Designated Market Operator in respect of JGB Futures Contract and Interest Rate Futures Contract; the same applies hereinafter in this Section)

(Article 73-8 Payment/Receipt of Difference between Contract Price and Settlement Price)

If there is any difference between the contract price of a JGB Futures Contract or an Interest Rate Futures Contract and the Settlement Price as of the Trading Day on which the relevant trading contract was concluded, the JGB Futures Clearing Participant shall pay/receive the money equivalent to such difference to/from JSCC on the day immediately following the day on which the relevant Trading Day ends. In this case, the JGB Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and the JGB Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money is to be paid/received.

(Article 73-9 Payment/Receipt of Difference between Settlement Prices)

If there is any difference between the Settlement Price on the given Trading Day and the Settlement Price on the immediately preceding Trading Day, the JGB Futures Clearing Participant shall pay/receive the money equivalent to such difference to/from JSCC on the day immediately following the day on which such given Trading Day ends. In this case, the JGB Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and the JGB Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money is to be paid/received.

(Article 73-9-2 Payment/Receipt upon Final Settlement)

Upon the Final Settlement on Cash-settled JGB Futures Contract^{*1} or Interest Rate Futures Contract^{*2}, if there is any difference between the Final Settlement Price^{*3} and the Settlement Price on the Last Trading Day^{*4}, the JGB Futures Clearing Participant shall pay/receive the money equivalent to such difference to/from JSCC on the Final Settlement Day^{*5}. In this case, the JGB Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and the JGB Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money is to be paid/received.

(*1 referring to the Cash-settled futures contract in respect of JGB Futures Contract prescribed by the Designated Market Operator; the same applies hereinafter)

(*2 referring to the final settlement of the Cash-settled JGB Futures Contract or the Interest Rate Futures Contract prescribed by the Designated Market Operator)

(*3 referring to the final settlement price set by the Designated Market Operator)

(*4 referring to the last trading day specified by the Designated Market Operator in respect of Cash-settled JGB Futures Contract or Interest Rate Futures Contract)

(*5 referring to the final settlement day specified by Designated Market Operator in respect of Cash-settled JGB Futures Contract or Interest Rate Futures Contract)

(Article 73-10 Locus of Responsibility in the case where Option Reference Price is not able to be calculated, etc.) ~~Deleted~~

A JGB Futures Clearing Participant is not entitled to seek indemnity against JSCC, the Designated Market Operator or the party calculating the interest rate for any damages suffered by it as a result of an inability, delay or error regarding the calculation or distribution of, or as a result of a change in, the interest rate.

(Article 73-11 Money and Securities Delivered and Received for Settlement by Physical Delivery and Payment)

The amount of money and the quantity of Japanese Government Bonds to be delivered or received by JGB Futures Clearing Participant for the Settlement by Physical Delivery and Payment^{*1} shall be in accordance with each of the following Items:

(*1 referring to the settlement of Physically-delivered JGB Futures Contract^{*1-1} by physical delivery and payment prescribed by the Designated Market Operator; the same applies hereinafter)

(*1-1 referring to the Physically-delivered futures contract in respect of JGB Futures Contract prescribed by the Designated Market Operator; the same applies hereinafter)

(1) The quantity of Japanese Government Bonds shall be the difference between the Final Short Position^{*1} and the Final Long Position^{*2} in respect of each classification of tax treatment on the Accrued Interest determined by JSCC pursuant to the provisions of Paragraph 1 of the preceding Article;

(*¹ referring to the total amount of the Short Position in respect of Physically-delivered JGB Futures Contract for each contract month for which no report set forth in Paragraphs 1 and 2 of Article 73-6 has been submitted by the Last Trading Day^{*1-1})

(*¹⁻¹ referring to the last trading day specified by the Designated Market Operator in respect of Physically-delivered JGB Futures Contract; the same applies hereinafter in this Article)

(*² referring to the total amount of the Long Position in respect of Physically-delivered JGB Futures Contract for each contract month for which no report set forth in Paragraphs 1 and 2 of Article 73-6 has been submitted by the Last Trading Day)

(2) The amount of money shall be the price^{*1} of the Issues Qualified for Delivery^{*2} for the Settlement by Physical Delivery and Payment in respect of the difference in the amount of Japanese Government Bonds set forth in the preceding Item.

(*¹ referring to the price for the Settlement by Physical Delivery and Payment set by the Designated Market Operator)

(*² referring to the issues qualified to be delivered which are specified by the Designated Market Operator; the same applies hereinafter)

(Article 73-12 Settlement Cutoff Time and Settlement Method of Settlement by Physical Delivery and Payment)

1 The delivery and receipt of money and Japanese Government Bonds in respect of Settlement by Physical Delivery and Payment shall be made between Clearing Participant and JSCC through the DVP Settlement in BOJ-NET JGB Service System in accordance with each of the following Items:

(1) The JGB Futures Clearing Participant delivering Japanese Government Bonds shall, in accordance with the rules of JSCC, deliver it by 1:30 P.M. on the relevant Day of Settlement by Physical Delivery and Payment^{*1} and receive the money;

(*¹ referring to the day specified by the Designated Market Operator on which the Settlement by Physical Delivery and Payment is to be carried out; the same applies hereinafter)

(2) The JGB Futures Clearing Participant making payment shall, in accordance with the rules of JSCC, pay the money by 2:00 P.M. on the relevant Day of Settlement by Physical Delivery and Payment and receive the Japanese Government Bonds.

2 In carrying out the Settlement by Physical Delivery and Payment pursuant to the provisions of the preceding Paragraph, the JGB Futures Clearing Participant shall make effort to ensure a smooth settlement.

(Article 73-12-2 JGB Futures Pair-off Netting)

1 Notwithstanding the provisions in the immediately preceding Article, as for settlement related to combination of JGB Futures Pair-off Netting^{*1} concluded pursuant to the provisions of the following Paragraph, delivery and receipt of money and Japanese Government Bonds in respect of Settlement by Physical Delivery and Payment set forth in Paragraph 1 of the immediately preceding Article, shall be deemed to have been completed at scheduled starting time of the relevant settlement. However, if a difference arises between the money amount equivalent to Settlement by Physical Delivery and Payment and market value of security settlement obligation related to Individual Issue Transaction, the difference amount will be paid/received between JSCC and a Clearing Participant pursuant to the provisions of Article 68 of the JGB OTC Transaction Business Rules.

(*1 referring to deeming of Settlement by Physical Delivery and Payment and settlement related to Individual Issue Transaction^{*1-1} to have been settled pursuant to the provisions of this Article; the same applies hereinafter)

(*1-1 referring to Individual Issue Transaction set forth in Article 2, Item (37) of "Japanese Government Bond Over-the-Counter Transaction Clearing Business Rules"^{*1-1-1}; the same applies hereinafter)

(*1-1-1 hereinafter referred to as "JGB OTC Transaction Business Rules"; the same applies hereinafter)

2 JSCC shall have a combination of the JGB Futures Pair-off Netting concluded for Settlement by Physical Delivery and Payment and an Individual Issue Settlement^{*1} for a Pair-off Netting Applying Participant^{*2} in a manner prescribed by JSCC. However, if JSCC deems it is not adequate to conclude JGB Futures Pair-off Netting due to the unavoidable reason, including an occurrence of failure in calculation for conclusion of JGB Futures Pair-off Netting, this shall not apply.

(*1 referring to Individual Issue Settlement set forth in Article 50-12, Paragraph 2 of the JGB OTC Transaction Business Rules)

(*2 referring to a party who has made an application stipulated in Paragraph 4; the same applies hereinafter in this Article)

3 Even if a combination of JGB Futures Pair-off Netting is concluded pursuant to the provisions of the immediately preceding Paragraph, if JSCC has determined the Pair-off Netting Applying Participant has become insolvent^{*1} or JSCC has determined an occurrence of

Default, Etc. as stipulated in Article 2, Item (90) of the JGB OTC Transaction Business Rules with respect to the Pair-off Netting Applying Participant before the settlement is deemed to have completed pursuant to the provision of Paragraph 1, JSCC may revoke the concluded combination of JGB Futures Pair-off Netting.

(*¹ referring to Determination of Insolvency as stipulated in Article 76, Paragraph 5)

4 A JGB Futures Clearing Participant*¹ shall, when it desires to utilize JGB Future Pair-off Netting, apply for utilization of JGB Future Pair-off Netting in advance in a manner prescribed by JSCC.

(*¹ limited to a party with JGB OTC Transaction Clearing Qualification set forth in Article 2, Item (33) of the JGB OTC Transaction Clearing Business Rules)

(Article 73-13 Combination of Securities Subject to Settlement)

The securities subject to the Settlement by Physical Delivery and Payment may be combined to constitute a number which is an integral multiple of the trading unit in respect of each Issue Qualified for Delivery at the election of the delivering JGB Futures Clearing Participant.

(Article 73-14 Notification of Securities Subject to Settlement)

The delivering JGB Futures Clearing Participant shall notify JSCC of the issue and quantity of the Japanese Government Bonds to be delivered for the Settlement by Physical Delivery and Payment by the cutoff time set by JSCC.

(Article 73-15 Handling of the Case of Delivery Failure)

1 In respect of the Settlement by Physical Delivery and Payment, if the delivering JGB Futures Clearing Participant has failed to deliver Japanese Government Bonds by the cutoff time prescribed in Item (1) of Paragraph 1 of Article 73-12 on the Day of Settlement by Physical Delivery and Payment*¹, such settlement shall be deferred to the immediately following day or later.

(*¹ hereinafter referred to as “the Case of Delivery Failure” in this Article)

2 In the case of the event stipulated in the preceding Paragraph, the JGB Futures Clearing Participant that has made the Delivery Failure shall carry out the Settlement by Physical Delivery and Payment by the fourth day following the Day of Settlement by Physical Delivery and Payment. In such case, the JGB Futures Clearing Participant that has made the Delivery Failure shall notify in advance JSCC of the day on which the Settlement by Physical Delivery and Payment is to be carried out, and such day shall constitute the settlement day for the Case of Delivery Failure.

3 In the event that the Settlement by Physical Delivery and Payment between the delivering

JGB Futures Clearing Participant and JSCC was deferred pursuant to the provisions of Paragraph 1, the Settlement by Physical Delivery and Payment designated by JSCC among those between JSCC and the receiving JGB Futures Clearing Participants shall be carried out on the settlement day for the Case of Delivery Failure as set forth in the preceding Paragraph.

- 4 With regards to the application of the provisions of Article 73-12 to the Case of Delivery Failure, the words “the Day of Settlement by Physical Delivery and Payment” shall be interpreted to mean “the settlement day for the Case of Delivery Failure”.
- 5 In addition to each of the preceding Paragraphs, matters necessary for handling in the Case of Delivery Failure shall be prescribed in the rules of JSCC.

Section 4-2 Cross Margining

(Article 73-15-2 Cross Margining Request by JGB Futures Clearing Participant)

1 If a JGB Futures Clearing Participant falls on any of the following, it may make request to JSCC to cover its Position in JGB Futures Contracts on an account of a Cross Margining User under the Cross Margining^{*1} in a manner prescribed by JSCC^{*2}:

(*1 referring to the Cross Margining set forth in Article 2.1.(13)-5 of IRS Business Rules; the same applies hereinafter)

(*2 hereinafter referred to as the “Cross Margining Request”)

(1) When the relevant JGB Futures Clearing Participant is a Cross Margining User, and intends to cover all or a part of its Position in JGB Futures Contracts on its own account under the Cross Margining;

(2) When a Customer of the JGB Futures Clearing Participant or a JGB Futures Non-Clearing Participant which commissions the Brokerage for Clearing of Securities, etc. to the relevant JGB Futures Clearing Participant is a Cross Margining User, and the JGB Futures Clearing Participant has received an application for Cross Margining Request from such Cross Margining User;

(3) When a Customer of a JGB Futures Non-Clearing Participant which commissions the Brokerage for Clearing of Securities, etc. to the relevant JGB Futures Clearing Participant is a Cross Margining User, and the JGB Futures Clearing Participant has received, from the JGB Futures Non-Clearing Participant, an application for Cross Margining Request made through such JGB Futures Non-Clearing Participant.

2 The request set forth in the immediately preceding Paragraph may only be made when the criteria prescribed by JSCC have been satisfied.

(Article 73-15-3 Restrictions on Cross Margining Request)

A JGB Futures Clearing Participant making the Cross Margining Request pursuant to the provisions of the immediately preceding Article^{*1} may not make any Cross Margining Request on behalf of any of the Cross Margining Users listed in each item below on the day that is one or two days preceding the date specified in the relevant item if:

(*1 hereinafter referred to as the “Cross Margining Requestor”)

(1) in respect of a Cross Margining User, its Cross Margining Accepting Party has submitted a notification to change the Cross Margining Requestor or the JGB Futures Non-Clearing Participant to which the Cross Margining User commissions the brokerage of the JGB Futures Contracts^{*1}:

Date on which the change so notified becomes effective:

(*1 limited to the case where the Cross Margining User is a customer of the JGB Futures Non-Clearing participant)

(2) in respect of a Cross Margining User, its Cross Margining Accepting Party submitted a notification for discontinuance of using Cross Margining by the relevant Cross Margining User pursuant to the provisions of Article 84-3 of IRS Business Rules:

Day on which the usage of the Cross Margining is discontinued.

(Article 73-15-4 Claims and Obligations related to Cross Margined JGB Futures Cleared Contracts Cease to Exist)

1 If an entity listed in each of the Items below is a Cross Margining User related to the Cross Margined JGB Futures Cleared Contract^{*1} and falls on any of the events set forth in the Items below, the claims and obligations^{*2} related to the Cross Margined JGB Futures Cleared Contracts between the Cross Margining Requestor and JSCC shall cease to exist and have no future effect:

(*1 referring to the Cross Margined JGB Futures Cleared Contracts set forth in Article 2.1.(13)-6 of IRS Business Rules; the same applies hereinafter)

(*2 excluding the claims and obligations set forth in Paragraph 4)

(1) Cross Margining Requestor

- a. When the Cross Margining User becomes subject to the measures of suspending assumption of all the obligations taken by JSCC pursuant to the provisions of Paragraph 5 of Article 76, or a petition for commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, commencement of reorganisation proceedings or commencement of special liquidation or acknowledgement of foreign insolvency proceedings is filed (including the petitions equivalent thereto under any foreign laws and regulations) against the Cross Margining User:
- b. When the Cross Margining User become subject to the measures of suspension of all or a part of assumption of obligations taken by JSCC, when JSCC has revoked the JGB Futures Clearing Qualification of the Cross Margining User or its Clearing Qualification has been renounced pursuant to the provisions of Article 33, and JSCC has decided to cause other Clearing Participant to settle unsettled Clearing Contracts of such person;
- c. When the Cross Margining User had its Market Transactions of Derivatives suspended by the Designated Market Operator as it is judged to be insolvent or likely to be insolvent;
- d. When a Default in respect of the Cross Margining User has been determined by JSCC pursuant to the provisions of IRS Business Rules;
- e. When, in respect of the Cross Margining User, the Clearing Brokerage Contracts under the Interest Rate Swap Clearing Brokerage Agreement executed pursuant to the provisions of

Article 43 of IRS Business Rules terminate on the Early Termination Date pursuant to the provisions of the said Clearing Brokerage Agreement;

- f. When a Default in respect of the Cross Margining Accepting Party for the Cross Margining User has been determined by JSCC pursuant to the provisions of IRS Business Rules, when the Cross Margining Accepting Party for the Cross Margining User falls on any of the events set forth in Article 38.2 of IRS Business Rules or a petition for commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, commencement of reorganisation proceedings or commencement of special liquidation or acknowledgement of foreign insolvency proceedings is filed (including the petitions equivalent thereto under any foreign laws and regulations) against the Cross Margining Accepting Party.

(2) Customer of Cross Margining Requestor

- a. In respect of the commission of a brokerage for the JGB Futures Contracts related to the Cross Margined JGB Futures Cleared Contracts, the Cross Margining User has its obligations accelerated as a matter of course pursuant to the provisions of the Agreement for Setting Up Futures/Options Trading Account prescribed by the Designated Market Operator;
- b. When the Cross Margining Request for the Cross Margining User falls on any of the events set forth in sub-items a. to c. of the immediately preceding Item, in which case the references to “the Cross Margining User” in sub-items a. to c. of the said Item shall be replaced with the “Cross Margining Requestor”;
- c. When the Cross Margining Accepting Party for the Cross Margining User falls on the event set forth in sub-item f. of the immediately preceding Item.

(3) JGB Futures Non-Clearing Participant

- a. When the Cross Margining User had its obligations accelerated as a matter of course pursuant to the provisions of the Contract for Commissioning Clearance related to JGB Futures, etc. executed with the Cross Margining Requestor for the commission of the Brokerage for Clearing of Securities, etc. for JGB Futures Contracts related to the Cross Margined JGB Futures Cleared Contracts pursuant to the provisions of Article 39;
- b. When the Cross Margining User becomes subject to the measures of suspension of a commission of the Brokerage for Clearing of Securities, etc. for Market Transactions of Derivatives by the Designated Market Operator as it is judged to be insolvent or likely to be insolvent;
- c. When the Cross Margining Requestor for the Cross Margining User falls on any of the events set forth in sub-items a. to c. of Item (1), in which case, the references to “the Cross Margining User” in sub-items a. to c. of the said Item shall be replaced with “the Cross Margining Requestor”;

- d. When the Cross Margining Accepting Party for the Cross Margining User falls on the event set forth sub-item f of Item (1);
- (4) Customer of JGB Futures Non-Clearing Participant
- a. When the Cross Margining Requestor for the Cross Margining User falls on any of the events set forth in sub-items a. to c. of Item (1), in which case, the references to “the Cross Margining User” in sub-items a. to c. of the said Item shall be replaced with “the Cross Margining Requestor”;
 - b. When the Cross Margining Accepting Party for the Cross Margining User falls on the event set forth sub-item f of Item (1);
 - c. When the Cross Margining User falls on any of the events set forth in sub-item (a). of Item (2);
 - d. When the JGB Futures Non-Clearing Participant to which the brokerage for the JGB Futures Contracts are commissioned by the Cross Margining User falls on any of the events set forth in sub-item (a). or b. of the immediately preceding Item; in which case, the references to “the Cross Margining User” in sub-item (a). and b. of the said Item shall be replaced with “the JGB Futures Non-Clearing Participant to which the brokerage for the JGB Futures Contracts are commissioned by the Cross Margining User.”
- 2 When the claims and obligations cease to exist pursuant to the provisions of the immediately preceding Paragraph, JSCC may cause the Cross Margined JGB Futures Cleared Contracts of the Cross Margining Requestor under the said Paragraph to be settled through offsetting purchases or sale, JGB Futures Position Transfer set forth in Article 2.1.(15)-3 of IRS Business Rules, or any other method considered necessary pursuant to the provisions of IRS Business Rules.
- 3 When JSCC deems it necessary, JSCC may have another Clearing Participant perform the settlement set forth in the immediately preceding Paragraph, in which case, the entrustment agreement shall be deemed to have been concluded between such Clearing Participant and the Cross Margining User under Paragraph 1.
- 4 The claims and obligations to be excluded from the claims and obligations cease to exist as set forth in Paragraph 1 shall be the claims and obligations related to cash to be paid/received between JSCC and the Cross Margining Requestor under Paragraph 1 in respect of the Cross Margined JGB Futures Cleared Contracts pursuant to the provisions of Article 73-8 or Article 73-9, which have already become due at the time when the Cross Margining Requestor, the Cross Margining Accepting Party, the Cross Margining User or the JGB Futures Non-Clearing Participant to which the Cross Margining User commissions the brokerage for the JGB Futures Contract, as applicable, referred to in Paragraph 1 falls on the event set forth in the relevant Item of Paragraph 1.

(Article 73-15-5 Application of the provisions of IRS Business Rules related to JGB Futures Position Transfer, etc.)

- 1 The JGB Futures Position Transfer set forth in Paragraph 2 of the preceding Article shall be prescribed by Article 94-3 of IRS Business Rules.
- 2 The designation of JGB Futures Backup Clearing Broker set forth in Article 2.1.(15)-8 of IRS Business rules shall be prescribed by Article 45-3 of IRS Business Rules.

Section 5 Settlement of Option Contract on JGB Futures.

(Article 73-16 Reporting Close-out Quantity and the Like)

1 A JGB Futures Clearing Participant shall, in respect of each issue of Option Contract on JGB Futures, notify JSCC the close-out quantity and the amount of Offsetting Sale or Offsetting Purchase when it has executed Offsetting-Sale or Offsetting-Purchase^{*1}, by each account as set forth in Article 46-3, and by the cutoff time set by JSCC.

(*1 excluding the case stipulated in the following Paragraph)

2 A JGB Futures Clearing Participant shall, in respect of each issue of Option Contract on JGB Futures, notify JSCC the close-out quantity^{*1}, and, when Offsetting-Sale in respect of the Long Position Subject To Brokerage for Clearing or Offsetting-Purchase in respect of the Short Position Subject To Brokerage for Clearing has been executed, the amount of Offsetting Sale or Offsetting Purchase by an JGB Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing by each account as set forth in Article 46-4, and by the cutoff time set by JSCC. In such case, a JGB Futures Clearing Participant may cause the JGB Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing make such notification in place of JGB Futures Clearing Participant's own notification.

(*1 limited to those under commission of brokerage for clearing of securities, etc.)

3 When JSCC has received the notification pursuant to the provisions of Paragraph 1, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position and the Short Position by each account set forth in Article 46-3 that is managed by the relevant JGB Futures Clearing Participant.

4 When JSCC has received the notification pursuant to the provisions of Paragraph 2, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position Subject To Brokerage for Clearing and the Short Position Subject To Brokerage for Clearing by each account set forth in Article 46-4 that is managed by the relevant JGB Futures Clearing Participant.

5 When JSCC has received the notification set forth in Paragraph 1 or Paragraph 2, JSCC shall inform the Designated Market Operator^{*1} of the close-out quantity and the amount of the Offsetting-Sales and/or the Offsetting-Purchases so notified.

(*1 referring to the Designated Market Operator operating the Designated Financial Instruments Market prescribed in Item (4) of Paragraph 2 of Article 3; the same applies

hereinafter in this Section except for Article 73-19-2)

(Article 73-17 Payment/Receipt of Contract Price)

When a Contract for Clearing in respect of an Option on JGB Futures is formed, the JGB Futures Clearing Participant shall pay/receive the contract price for Option Contract on JGB Futures to/from JSCC on the day immediately following the day on which the Trading Day*¹ during which the relevant contract was concluded ends. In such case, the JGB Futures Clearing Participant making payment shall pay the money by 11:00 A.M. and the JGB Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. of the day on which the relevant money is to be paid/received.

(*¹ referring to the trading day specified by the Designated Market Operator in respect of the Option Contract on JGB Futures; the same applies hereinafter in this Section)

(Article 73-18 Notification of Exercise of Option)

1 An exercise of the right pertaining to the Long Position*¹ of Option Contract on JGB Futures shall be done by the JGB Futures Clearing Participant's notifying JSCC of the amount pertaining to the exercise in respect of each issue comprising the Long Position*², which exists at the end of the Trading Day on which the right of the option is to be exercised, by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC which precedes the expiration time of the Option Contract on JGB Futures specified by the Designated Market Operator.

(*¹ excluding the Long Position Subject To Brokerage for Clearing)

(*² excluding the Long Position Subject To Brokerage for Clearing)

2 An exercise of the right pertaining to the Long Position*¹ of Option Contract on JGB Futures shall be done by the JGB Futures Clearing Participant's notifying JSCC of the amount pertaining to the exercise in respect of each issue comprising the Long Position Subject To Brokerage for Clearing which exists at the end of the Trading Day on which the option is to be exercised and each JGB Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing, and by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC which precedes the expiration time of the Option Contract on JGB Futures specified by the Designated Market Operator. In such case, a JGB Futures Clearing Participant may cause the JGB Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing make such notification in place of JGB Futures Clearing Participant's own notification.

(*¹ limited to the Long Position Subject To Brokerage for Clearing)

3 Regarding the issue which falls under any of the following Items on the expiration date of the Exercise Period^{*1}, the notification of the exercise of the option on that issue shall be deemed to have been made even though the notification of the exercise of the right set forth in the preceding two Paragraphs is not made by the cutoff time set by JSCC under said Paragraphs; provided, however, that the foregoing shall not apply in the case where the JGB Futures Clearing Participant notified by such cutoff time to the effect that it will not exercise the right in respect of such issue:

(*1 referring to the exercise period of Option Contract on JGB Futures specified by the Designated Market Operator; the same applies hereinafter in this Section)

(1) In respect of Put Option on JGB Futures, in the case where the exercise price exceeds the Settlement Price^{*1} of the Underlying Contract Month of JGB Futures^{*2} on the Trading Day which ends on the expiration date of the Exercise Period;

(*1 referring to the Settlement Price prescribed in Article 73-7; the same applies hereinafter in this Section)

(*2 referring to the contract month of JGB Futures specified by the Designated Market Operator which underlies the Option on JGB Futures; the same applies hereinafter)

(2) In respect of Call Option on JGB Futures, in the case where the exercise price is lower than the Settlement Price of the Underlying Contract Month of JGB Futures on the Trading Day which ends on the expiration date of the Exercise Period.

4 In the case where JSCC deems it inappropriate to regard the notification of the exercise of option as having been made pursuant to the provisions in the main clause of the preceding Paragraph due to a system failure in the Designated Market Operator's trading system or some other unavoidable reasons, such provisions of the main clause in said Paragraph shall not apply.

5 When JSCC has received the notification of the exercise of option prescribed in Paragraph 1 or Paragraph 2^{*1}, JSCC shall inform the detail of the exercise of option so notified to the Designated Market Operator.

(*1 including the case where the notification of the exercise of option is deemed to have been received pursuant to the provisions of Paragraph 3)

(Article 73-19 Assignment of Exercised Option)

1 When a JGB Futures Clearing Participant notifies the exercise of option, JSCC shall make the assignment of the quantity of the exercised option in respect of each issue in accordance with the rules of JSCC at the end of the Trading Day ending on the day on which such notification is made.

2 When JSCC makes the assignment of the quantity of the exercised option pursuant to the

provisions in the preceding Paragraph, the quantity pertaining to the relevant notification of the exercise of option and to the assignment shall be regarded as the quantity pertaining to the settlement and such quantity shall be subtracted from the amount of the Long Position or the Short Position*¹ of the relevant JGB Futures Clearing Participant at the end of the Trading Day ending on the day on which such notification is made.

(*¹ in the case where the exercised/assigned option pertains to the Long Position Subject To Brokerage for Clearing/Short Position Subject To Brokerage for Clearing, referring to the Long Position Subject To Brokerage for Clearing or the Short Position Subject To Brokerage for Clearing of each JGB Futures Non-Clearing Participant pertaining to such Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing)

3 When JSCC makes the assignment of the exercised option pursuant to the provisions in Paragraph 1, JSCC shall notify the JGB Futures Clearing Participant to whom such assignment is made*¹ of the quantity of the relevant assignment by separating those for the proprietary account from those pursuant to the commissions by its customers.

(*¹ in the case where the exercised option is assigned to the Short Position Subject To Brokerage for Clearing, the assigned quantity of each JGB Futures Non-Clearing Participant pertaining to the relevant Short Position Subject To Brokerage for Clearing by separating those for the proprietary account from those pursuant to the commissions by its customers)

4 The JGB Futures Clearing Participant which received the notification of the assignment to the Short Position Subject To Brokerage for Clearing pursuant to the provisions of the preceding Paragraph shall notify each JGB Futures Non-Clearing Participant pertaining to the relevant Short Position Subject To Brokerage for Clearing of such assigned quantity by separating those for the proprietary account from those pursuant to the commissions by its customers.

5 When JSCC makes the assignment of the quantity of the exercised option pursuant to the provisions of Paragraph 1, JSCC shall notify the detail of such assignment to the Designated Market Operator.

(Article 73-19-2 Locus of Responsibility in the case where Settlement Price of Contract Month Contract of JGB Futures subject to Exercise is not able to be calculated, etc.)

A JGB Futures Clearing Participant is not entitled to seek indemnity against JSCC and the Designated Market Operator which operates the Designated Financial Instruments Market referred to in Item (3) of Paragraph 2 of Article 3 for any damages suffered by it as a result of an inability, delay or error regarding the calculation of, or as a result of a change in, the

Settlement Price of the Contract Month Contract of JGB Futures subject to exercise.

Section 6 Settlement of Index Futures Contract.

(Article 73-20 Reporting Close-out Quantity and the Like)

1 An Index Futures Clearing Participant or a Petroleum Futures Clearing Participant shall, in respect of Index Futures Contract for each Contract Month^{*1}, notify JSCC the close-out quantity and the amount of Offsetting Sale or Offsetting Purchase when it has executed Offsetting-Sale or Offsetting-Purchase^{*2}, by each account as set forth in Article 46-3 and by the cutoff time set by JSCC.

(*¹ referring to a contract month and a flexible contract month set by the Designated Market Operator^{*2-1}; the same applies hereinafter in this Section)

(*¹⁻¹ referring to the Designated Market Operator operating the Designated Financial Instruments Market prescribed in Item (5) of Paragraph 2 of Article 3; the same applies hereinafter in this Section)

(*² excluding the case stipulated in the following Paragraph)

2 An Index Futures Clearing Participant or a Petroleum Futures Clearing Participant shall, in respect of Index Futures Contract for each Contract Month, notify JSCC the close-out quantity^{*1}, and, when Offsetting-Sale in respect of the Long Position Subject To Brokerage for Clearing or Offsetting-Purchase in respect of the Short Position Subject To Brokerage for Clearing has been executed, the amount of Offsetting Sale or Offsetting Purchase by an Index Futures Non-Clearing Participant^{*2} or a Petroleum Futures Non-Clearing Participant^{*3} pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing by each account as set forth in Article 46-4 and by the cutoff time set by JSCC. In such case, an Index Futures Clearing Participant or a Petroleum Futures Clearing Participant may cause the Index Futures Non-Clearing Participant or Petroleum Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing make such notification in place of Index Futures Clearing Participant's own notification.

(*¹ limited to those under commission of brokerage for clearing of securities, etc.)

(*² referring to the entity who has the trading qualification in respect of Index Futures Contract^{*2-1} but does not have Index Futures Clearing Qualification; the same applies hereinafter in this Section)

(*²⁻¹ excluding those related to Commodity Index)

(*³ referring to the entity who has the trading qualification in respect of Index Futures Contract^{*3-1} but does not have Petroleum Futures Clearing Qualification)

(*³⁻¹ limited to Commodity Index related to Gasoline, Gas Oil and Crude Oil)

3 When JSCC has received the notification pursuant to the provisions of Paragraph 1, the

close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position and the Short Position by each account set forth in Article 46-3 that is managed by the relevant Index Futures Clearing Participant or Petroleum Futures Clearing Participant.

- 4 When JSCC has received the notification pursuant to the provisions of Paragraph 2, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position Subject To Brokerage for Clearing and the Short Position Subject To Brokerage for Clearing by each account set forth in Article 46-4 that is managed by the relevant Index Futures Clearing Participant or Petroleum Futures Clearing Participant.
- 5 When JSCC has received the notification set forth in Paragraph 1 or Paragraph 2, JSCC shall inform the Designated Market Operator of the close-out quantity and the amount of the Offsetting-Sales and/or the Offsetting-Purchases so notified.

(Article 73-21 Settlement Price)

For each Trading Day^{*1}, JSCC shall set the Settlement Price for Index Futures Contract in respect of each Contract Month in accordance with the rules of JSCC.

(*1 referring to the trading day specified by the Designated Market Operator in respect of Index Futures Contract; the same applies hereinafter in this Section)

(Article 73-22 Payment/Receipt of Difference between Contract Price and Settlement Price)

If there is any difference between the contract price^{*1} of an Index Futures Contract and the Settlement Price as of the Trading Day on which the relevant trading contract was concluded, the Index Futures Clearing Participant or the Petroleum Futures Clearing Participant shall pay/receive the money equivalent to such difference to/from JSCC on the day immediately following the day on which the relevant Trading Day ends. In this case, the Index Futures Clearing Participant or the Petroleum Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and the Index Futures Clearing Participant or the Petroleum Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money is to be paid/received.

(*1 referring to the contract price index or contract price set by the Designated Market Operator; the same applies hereinafter)

(Article 73-23 Payment/Receipt of Difference between Settlement Prices)

If there is any difference between the Settlement Price on the given Trading Day and the

Settlement Price on the day immediately preceding Trading Day, the Index Futures Clearing Participant or the Petroleum Futures Clearing Participant shall pay/receive the money equivalent to such difference to/from JSCC on the day immediately following the day on which such given Trading Day ends. In this a case, the Index Futures Clearing Participant or the Petroleum Futures Clearing Participant making payment shall pay the money by 11:00 A.M. and the Index Futures Clearing Participant or the Petroleum Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money is to be paid/received.

(Article 73-24 Payment/Receipt upon Final Settlement)

Upon the Final Settlement on Index Futures Contract^{*1}, if there is any difference between the Final Settlement Price ^{*2} and the Settlement Price on the Last Trading Day^{*3}, the Index Futures Clearing Participant or the Petroleum Futures Clearing Participant shall pay/receive the money equivalent to such difference to/from JSCC on the Final Settlement Day^{*4}. In this case, the Index Futures Clearing Participant or the Petroleum Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and the Index Futures Clearing Participant or the Petroleum Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money is to be paid/received.

(*1 referring to the final settlement in respect of Index Futures Contract prescribed by the Designated Market Operator)

(*2 referring to the final settlement price set by the Designated Market Operator; the same applies hereinafter in the following Article)

(*3 referring to the last trading day specified by the Designated Market Operator in respect of Index Futures Contract)

(*4 referring to the final settlement day specified by the Designated Market Operator in respect of Index Futures Contract)

(Article 73-25 Locus of Responsibility in the case where Settlement Price is not able to be calculated, etc.)

Index Futures Clearing Participant is not entitled to seek indemnity against JSCC, Designated Market Operator and/or the entity calculating index^{*1} for any damages suffered by it as a result of an inability, delay or error regarding the calculation or distribution of index or as a result of a change in the Final Settlement Price.

(*1 including the entity to whom the calculation of index is deputed by that former entity)

Section 7 Settlement of Index Option Contract.

(Article 73-26 Reporting of Close-out Quantity and the Like)

1 An Index Futures Clearing Participant shall, in respect of any issue of Index Option Contract, notify JSCC the close-out quantity and the amount of Offsetting Sale or Offsetting Purchase when it has executed Offsetting-Sale or Offsetting-Purchase^{*1}, by each account as set forth in Article 46-3, by the cutoff time set by JSCC.

(*1 excluding the case stipulated in the following Paragraph)

2 An Index Futures Clearing Participant shall, in respect of any issue of Index Option Contract, notify JSCC the close-out quantity^{*1}, and, when Offsetting-Sale in respect of the Long Position Subject To Brokerage for Clearing or Offsetting-Purchase in respect of the Short Position Subject To Brokerage for Clearing has been executed, the amount of Offsetting Sale or Offsetting Purchase by an JGB Futures Non-Clearing Participant^{*2} pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing by each account as set forth in Article 46-4, and by the cutoff time set by JSCC. In such case, an Index Futures Clearing Participant may cause the Index Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing make such notification in place of Index Futures Clearing Participant's own notification.

(*1 limited to those under commission of brokerage for clearing of securities, etc.)

(*2 referring to the entity which holds trading qualification relating to Index Option Contract but does not hold Index Futures Clearing Qualification; the same applies hereinafter in this Section)

3 When JSCC has received the notification pursuant to the provisions of Paragraph 1, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position and the Short Position by each account set forth in Article 46-3 that is managed by the relevant Index Futures Clearing Participant.

4 When JSCC has received the notification pursuant to the provisions of Paragraph 2, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position Subject To Brokerage for Clearing and the Short Position Subject To Brokerage for Clearing by each account set forth in Article 46-4 that is managed by the relevant Index Futures Clearing Participant.

5 When JSCC has received the notification set forth in Paragraph 1 or Paragraph 2, JSCC shall inform the Designated Market Operator^{*1} of the close-out quantity and the amount of

the Offsetting-Sales and/or the Offsetting-Purchases so notified.

(*¹ referring to the Designated Market Operator operating the Designated Financial Instruments Market prescribed in Item (6) of Paragraph 2 of Article 3; the same applies hereinafter in this Section)

(Article 73-27 Payment/Receipt of Contract Price)

When a Contract for Clearing in respect of Index Option Contract is formed, the Index Futures Clearing Participant shall pay/receive the contract price for Index Option Contract to/from JSCC on the day immediately following the day on which the Trading Day*¹ during which the relevant contract is concluded ends. In such case, an Index Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and an Index Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. of the day on which the relevant money is to be paid/received.

(*¹ referring to the trading day specified by the Designated Market Operator in respect of the Index Option Contract; the same applies hereinafter in this Section)

(Article 73-28 Notification of Exercise of Option)

1 An exercise of the right pertaining to the Long Position*¹ of Index Option Contract shall be done by the Index Futures Clearing Participant's notifying JSCC of the amount pertaining to the exercise in respect of each issue by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC which precedes the expiration time of the Index Option Contract specified by the Designated Market Operator

(*¹ excluding the Long Position Subject To Brokerage for Clearing)

2 An exercise of the right pertaining to the Long Position*¹ of Index Option Contract shall be done by the Index Futures Clearing Participant's notifying JSCC of the amount pertaining to the exercise in respect of each issue and each Index Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing, and by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC which precedes the expiration time of the Index Option Contract specified by the Designated Market Operator. In such case, an Index Futures Clearing Participant may cause the Index Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing make such notification in place of Index Futures Clearing Participant's own notification.

(*¹ limited to the Long Position Subject To Brokerage for Clearing)

3 Regarding the issue which falls under any of the following Items on the Exercise Date*¹, the

Index Futures Clearing Participant cannot make the notification of the exercise of the right set forth in the preceding two Paragraphs:

(*¹ referring to the exercise date specified by the Designated Market Operator in respect of Index Option Contract; the same applies hereinafter in this Section)

(1) In respect of Index Put Option, in the case where the exercise price is at the Option Settlement Price*¹ or lower;

(*¹ referring to the Option Settlement Price set by the Designated Market Operator; the same applies hereinafter in this Section)

(2) In respect of Index Call Option, in the case where the exercise price is at the Option Settlement Price or higher.

4 Regarding the issue which falls under any of the following Items on the Exercise Date, the notification of the exercise of the option on that issue shall be deemed to have been made even though the notification of the exercise of the right is not made by the cutoff time on the relevant day set by JSCC under Paragraph 1 or Paragraph 2; provided, however, that the foregoing shall not apply in the case where the Index Futures Clearing Participant notified by such cutoff time to the effect that it will not exercise the right in respect of such issue:

(1) In respect of Index Put Option, in the case where the exercise price exceeds the Option Settlement Price;

(2) In respect of Index Call Option, in the case where the exercise price is lower than the Option Settlement Price.

5 When JSCC has received the notification of the exercise of option prescribed in Paragraph 1 or Paragraph 2*¹, JSCC shall inform the detail of the exercise of option so notified to the Designated Market Operator.

(*¹ including the case where the notification of the exercise of option is deemed to have been received pursuant to the provisions of the preceding Paragraph)

(Article 73-29 Assignment of Exercised Option)

1 When an Index Futures Clearing Participant notifies the exercise of option, JSCC shall make the assignment of the quantity of the exercised option in respect of each issue in accordance with the rules of JSCC.

2 When JSCC makes the assignment of the quantity of the exercised option pursuant to the provisions of the preceding Paragraph, JSCC shall notify the Index Futures Clearing Participant to whom such assignment is made*¹, of the quantity of the relevant assignment by separating those for the proprietary account from those pursuant to the commissions by its customers.

(*¹ in the case where the exercised option is assigned to the Short Position Subject To

Brokerage for Clearing, the assigned quantity of each Index Futures Non-Clearing Participant pertaining to the relevant Short Position Subject To Brokerage for Clearing by separating those for the proprietary account from those pursuant to the commissions by its customers)

- 3 The Index Futures Clearing Participant which received the notification of the assignment to the Short Position Subject To Brokerage for Clearing pursuant to the provisions of the preceding Paragraph shall notify each Index Futures Non-Clearing Participant pertaining to the relevant Short Position Subject To Brokerage for Clearing of the assigned quantity by separating those for the proprietary account from those pursuant to the commissions by its customers.
- 4 When JSCC makes the assignment of the quantity of the exercised option pursuant to the provisions of Paragraph 1, JSCC shall notify the detail of such assignment to the Designated Market Operator.

(Article 73-30 Payment/Receipt on the Settlement of Exercised Option)

When the right pertaining to Index Option Contract is exercised, the Index Futures Clearing Participant shall pay/receive the money equivalent to the difference between its exercise price and the Option Settlement Price to/from JSCC on the day following the day on which the relevant right is exercised. In such case, an Index Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and an Index Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money to be paid/received.

(Article 73-31 Locus of Responsibility in the case where Option Settlement Price is not able to be calculated, etc.)

Index Futures Clearing Participant is not entitled to seek indemnity against JSCC, Designated Market Operator and/or the entity calculating index*¹ for any damages suffered by it as a result of an inability, delay or error regarding the calculation or distribution of index or as a result of a change in the Option Settlement Price.

(*¹ including the entity to whom the calculation of index is deputed by that former entity)

Section 7-2 Settlement of Commodity Futures Contracts

Subsection 1 Notification related to Contracts for Clearing

(Article 73-31-2 Reporting of Close-out Quantity and the Like)

1 A Commodity Futures Clearing Participant shall, in respect of each contract month contract^{*1} and each Rolling-Spot Futures Contracts^{*2} of Commodity Futures Contract, notify JSCC the close-out quantity and the amount of Offsetting Sale or Offsetting Purchase when it has executed Offsetting-Sale or Offsetting-Purchase^{*3}, by each account as set forth in Article 46-3 and by the cutoff time set by JSCC.

(*1 referring to the contract month contract set by the Designated Market Operator^{*1-1}; the same applies hereinafter in this Section)

(*1-1 referring to the Designated Market Operator operating the Designated Financial Instruments Market prescribed in Item (6)-2 of Paragraph 2 of Article 3; the same applies hereinafter in this Section)

(*2 referring to the rolling-spot futures transaction set by the Designated Market Operator; the same applies hereinafter in this Section)

(*3 excluding the case stipulated in the following Paragraph)

2 A Commodity Futures Clearing Participant shall, in respect of each contract month contract and each rolling spot contract of Commodity Futures Contract, notify JSCC the close-out quantity^{*1}, and, when Offsetting-Sale in respect of the Long Position Subject To Brokerage for Clearing or Offsetting-Purchase in respect of the Short Position Subject To Brokerage for Clearing has been executed, the amount of Offsetting Sale or Offsetting Purchase by a Commodity Futures Non-Clearing Participant^{*2} pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing by each account as set forth in Article 46-4 and by the cutoff time set by JSCC. In such case, a Commodity Futures Clearing Participant may cause the Commodity Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing make such notification in place of its own notification.

(*1 limited to those under commission of Brokerage for Clearing of Securities, etc.)

(*2 referring to the entity who has the trading qualification in respect of Precious Metal Futures Contract^{*2-1} but does not have Precious Metal Futures Clearing Qualification; the entity who has the trading qualification in respect of Rubber Futures Contract^{*2-2} but does not have Rubber Futures Clearing Qualification; or the entity who has the trading qualification in respect of Agricultural Futures Contract^{*2-3} but does not have Agricultural Futures Clearing Qualification; the same applies hereinafter in this Section)

(*2-1 referring to Contracts Subject to Clearing related to gold, silver, platinum and palladium)

(*2-2 referring to Contracts Subject to Clearing related to RSS and TSR)

(*2-3 referring to Contracts Subject to Clearing related to Soybean, Azuki and Corn)

- 3 When JSCC has received the notification pursuant to the provisions of Paragraph 1, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position and the Short Position by each account set forth in Article 46-3 that is managed by the relevant Commodity Futures Clearing Participant as those subject to a settlement.
- 4 When JSCC has received the notification pursuant to the provisions of Paragraph 2, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position Subject To Brokerage for Clearing and the Short Position Subject To Brokerage for Clearing by each account set forth in Article 46-4 that is managed by the relevant Commodity Futures Clearing Participant as those subject to a settlement.
- 5 When JSCC has received the notification set forth in Paragraph 1 or Paragraph 2, JSCC shall inform the Designated Market Operator of the close-out quantity and the amount of the Offsetting-Sales and/or the Offsetting-Purchases so notified.
-

Subsection 2 Settlement of Contracts for Clearing on Commodity Futures Contracts

(Article 73-31-3 Settlement Price)

For each Trading Day^{*1}, JSCC shall set the Settlement Price for Commodity Futures Contract in respect of each contract month in accordance with the rules of JSCC.

(*1 referring to the trading day specified by the Designated Market Operator in respect of Commodity Futures Contract; the same applies hereinafter in this Section)

(Article 73-31-4 Payment/Receipt of Money Equal to Difference between Contract Price and Settlement Price)

If there is any difference between the contract price of a Commodity Futures Contract and the Settlement Price as of the Trading Day on which the relevant trading contract was concluded, the Commodity Futures Clearing Participant shall pay/receive the money equivalent to such difference to/from JSCC on the day immediately following the day on which the relevant Trading Day ends. In this case, the Commodity Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and the Commodity Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money is to be paid/received.

(Article 73-31-5 Payment/Receipt of Money Equal to Difference between Settlement Prices)

If there is any difference between the Settlement Price on the given Trading Day and the Settlement Price on the immediately preceding Trading Day, the Commodity Futures Clearing Participant shall pay/receive the money equivalent to such difference to/from JSCC on the day immediately following the day on which such given Trading Day ends. In this case, the Commodity Futures Clearing Participant making payment shall pay the money by 11:00 A.M., and the Commodity Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money is to be paid/received.

Subsection 3 Settlement by Delivery of Physical Settlement Futures

Division 1 Gold, Silver, Platinum and Palladium

(Article 73-31-6 Delivery Goods and Money Delivered/Paid and Received for Settlement by Delivery related to Precious Metals)

The quantity of the delivery goods and the amount of money to be delivered/paid or received by a Precious Metal Futures Clearing Participant for the Settlement by Delivery^{*1} shall be in accordance with each of the following Items:

(*1 referring to the settlement by delivery related to Physical Settlement Futures Contracts^{*1-1}; the same applies hereinafter in this Subsection)

(*1-1 referring to the Physical Settlement Futures Contracts in respect of Commodity Futures Contract prescribed by the Designated Market Operator; the same applies hereinafter)

(1) The quantity of the delivery goods shall be as set forth in A) and B) below according to the category set forth therein:

A) Delivery of Delivery Goods

The quantity obtained by dividing the Final Short Position^{*1} or the short position related to the Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery^{*2} or Declared Delivery^{*3} by the Delivery Unit Multiplier^{*4};

(*1 referring to the Short Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day^{*1-1})

(*1-1 referring to the last trading day specified by the Designated Market Operator in respect of Physical Settlement Futures Contract^{*1-1-1}; the same applies hereinafter in this Sub-subsection)

(*1-1-1 only those related to precious metals; the same applies hereinafter in this Sub-subsection)

(*2 referring to the Early Delivery prescribed by the Designated Market Operator; the same applies hereinafter)

(*3 referring to the Declared Delivery prescribed by the Designated Market Operator; the same applies hereinafter)

(*4 referring to the ratio of the delivery unit to the trading unit set by the Designated Market Operator in respect of the Commodity Futures Contracts)

B) Receipt of Delivery Goods

The quantity obtained by dividing the Final Long Position^{*1} or the long position related

to Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery or Declared Delivery by the delivery multiplier.

(*¹ referring to the Long Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day; the same applies hereinafter in this Sub-subsection)(2) The amount of money shall be the difference between the total amount of the Price for Settlement by Delivery and the Like^{*1} related to the Final Short Position or short position set forth in Sub-item A) of the preceding Item and the total amount of the Price for Settlement by Delivery and the Like related to the Final Long Position or long position set forth in Sub-item B) of the said Item, calculated by each unit described in A) and B) below:

(*¹ referring to the sum of the price for the Settlement by Delivery and the amount equivalent to consumption tax thereon^{*1-2}; the same applies hereinafter)

(*¹⁻² including local consumption tax; the same applies hereinafter)

A) Unit prescribed in Item (1) and Item (3) of Article 46-3;

B) Unit prescribed in Item (2) of Article 46-3 and Item (1) and Item (2) of Article 46-4.

(Article 73-31-7 Determine Delivery Goods related to Precious Metals)

1 Each delivery goods to be received by the Precious Metal Futures Clearing Participant to receiving the delivery goods^{*1} in the Settlement by Delivery related to Precious Metals shall be allocated according to the rules prescribed by JSCC.

(*¹ hereinafter referred to as "Receiving Precious Metal Futures Clearing Participant")

2 When the Precious Metal Futures Clearing Participants which is Agency Clearing Participant allocates the delivery goods to a Non-Clearing Participant, such allocation shall be performed in a fair manner through lottery or other method decided by the relevant Precious Metal Futures Clearing Participant in advance.

(Article 73-31-8 Settlement Cutoff Time and Settlement Method of Settlement by Delivery related to Precious Metals)

1 The delivery/payment and receipt of the delivery goods and money in respect of the Settlement by Delivery related to precious metals shall be made between the Clearing Participant and JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) The Precious Metal Futures Clearing Participant delivering the delivery goods^{*1} shall deliver the warehouse receipts for the delivery goods^{*2*3} by 3:00 P.M. on the day before the relevant day of Settlement by Delivery and the Receiving Precious Metal Futures Clearing Participant shall receive the relevant warehouse receipt by 2:45 P.M. on the

day of Settlement by Delivery;

(*¹ hereinafter referred to as “Delivering Precious Metal Futures Clearing Participant”)

(*² only those satisfy the criteria prescribed by the Designated Market Operator; the same applies hereinafter)

(*³ when there is a consent of the Receiving Precious Metal Futures Clearing Participant, the delivery order^{*3-1}; the same applies hereinafter in this Sub-subsection)

(*³⁻¹ only those issued within 3 months; the same applies hereinafter)

- (2) The Precious Metal Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the relevant day of Settlement by Delivery, and the Precious Metal Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.

(Article 73-31-9 Loss or Damage after the Submission of delivery goods related to Precious Metals)

- 1 In cases where all, or part of the delivery goods, are lost or damaged due to any event not attributable to the parties to the delivery, after the Delivering Precious Metal Futures Clearing Participant has submitted the warehouse receipt to JSCC for delivery, but before JSCC submits it to the Receiving Precious Metal Futures Clearing Participant, the Delivering Precious Metal Futures Clearing Participant shall bear the loss.
- 2 In the case prescribed in the preceding Paragraph, the Delivering Precious Metal Futures Clearing Participant shall immediately notify JSCC of the loss or damage. In addition, the Delivering Precious Metal Futures Clearing Participant shall perform the delivery by submitting a warehouse receipt for substitutes for the delivery goods lost or damaged by the fifth day from the day immediately following the date of said notification.
- 3 Notwithstanding the provisions of the preceding Paragraph, in cases where the Delivering Precious Metal Futures Clearing Participant is unable to perform the delivery by of all or part of the damaged or lost delivery goods through substitutes, it may be discharged from the delivery obligation, subject to the approval of JSCC. In this case, JSCC and the Receiving Precious Metal Futures Clearing Participant are not required to deliver the delivery goods and pay money related to the portion for which the delivery has not been performed.
- 4 As to the handling related to the delivery prescribed in the preceding 2 Paragraphs, the Receiving Precious Metal Futures Clearing Participant may not reject such handling.

(Article 73-31-10 Early Delivery related to Precious Metals)

- 1 When performing the Settlement by Delivery related to precious metals through Early

Delivery, notwithstanding the provisions of Article 73-31-8, the Settlement by Delivery shall be performed on the date determined to be the day for Settlement by Delivery via Early Delivery as prescribed by the Designated Market Operator^{*1} in accordance with each of the following Items in a manner prescribed by JSCC:

(*1 hereinafter referred to as "Early Delivery Day")

- (1) The Delivering Precious Metal Futures Clearing Participant shall deliver the warehouse receipts for the delivery goods by 11:00 A.M. on Early Delivery Day and the Receiving Precious Metal Futures Clearing Participant shall receive the relevant warehouse receipt by 2:45 P.M. on the same day;
 - (2) The Precious Metal Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the Early Delivery Day, and the Precious Metal Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.
- 2 The provisions of the preceding Article shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Early Delivery set forth in the preceding Paragraph.

(Article 73-31-11 Declared Delivery related to Precious Metals)

1 When performing the Settlement by Delivery related to precious metals through Declared Delivery, notwithstanding the provisions of Article 73-31-8, the Settlement by Delivery shall be performed with JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

- (1) The Delivering Precious Metal Futures Clearing Participant shall submit the document or the like promising the delivery by 3:00 P.M. on the day before the Declared Delivery Day^{*1} and the Receiving Precious Metal Futures Clearing Participant shall receive the relevant document or the like by 2:45 P.M. on the Declared Delivery Day;

(*1 The day agreed as the date for the Settlement by Delivery subject to the Declared Delivery between the Delivering Precious Metal Futures Clearing Participant and the Receiving Precious Metal Futures Clearing Participant pursuant to the rules prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

- (2) The Precious Metal Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the Declared Delivery Day, and the Precious Metal Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.
- 2 The provisions of Article 73-31-4 and Article 73-31-5 shall not apply to the short position and the long position subject to the Declared Delivery as prescribed in the preceding Paragraph on and after the next trading day following the date of conclusion of the Declared Delivery.
- 3 The provisions of Article 73-31-9 shall apply *mutatis mutandis* when the Settlement by

Delivery is performed through Declared Delivery set forth in Paragraph 1.

(Article 73-31-12 Customized Delivery related to Precious Metals)

1 When performing the Settlement by Delivery related to precious metals through Customized Delivery^{*1}, notwithstanding the provisions of Article 73-31-8, the Settlement by Delivery shall be performed with JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(*1 referring to the Customized Delivery prescribed by the Designated Market Operator; the same applies hereinafter)

(1) The Delivering Precious Metal Futures Clearing Participant shall deliver the document or the like promising the delivery by 3:00 P.M. on the day before the day of the Settlement by Delivery and the Receiving Precious Metal Futures Clearing Participant shall receive the relevant document or the like by 2:45 P.M. on the day of the Settlement by Delivery;

(2) The Precious Metal Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the day of the Settlement by Delivery, and the Precious Metal Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.

2 The provisions of Article 73-31-9 shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Customized Delivery set forth in the preceding Paragraph.

3 In respect of the Settlement by Delivery through Customized Delivery related to precious metals, matters not prescribed in these Business Rules or otherwise prescribed by JSCC shall be determined through mutual agreement between the parties to the delivery.

(Article 73-31-13 ADP related to Precious Metals)

1 When the Designated Market Operator approved the performance of the Settlement by Delivery related to the precious metals through ADP^{*1}, the Settlement by Delivery between the Delivering Precious Metal Futures Clearing Participant and Receiving Precious Metal Futures Clearing Participant subject to the relevant ADP shall be deemed to have been completed upon such approval.

(*1 referring to ADP (Alternative Delivery Procedure) prescribed by the Designated Market Operator; the same applies hereinafter)

2 The exchange of the delivery goods and money between the Delivering Precious Metal Futures Clearing Participant and Receiving Precious Metal Futures Clearing Participant related to ADP as per the preceding Paragraph shall be performed, notwithstanding the provisions of Article 73-31-8 and Article 73-31-9, between the parties to the relevant delivery through the method determined between them.

Division 2 RSS

(Article 73-31-14 Delivery Goods and Money Delivered and Received for Settlement by Delivery related to RSS)

The quantity of the delivery goods and the amount of money to be delivered/paid or received by a Rubber Futures Clearing Participant for the Settlement by Delivery shall be in accordance with each of the following Items:

(1) Quantity of Delivery Goods

The quantity of the delivery goods shall be as set forth in A) and B) below according to the category set forth therein:

A) Delivery of Delivery Goods

The quantity of the Final Short Position^{*1} or the short position related to the Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery or Declared Delivery;

(*1 referring to the Short Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day^{*1-1})

(*1-1 referring to the last trading day specified by the Designated Market Operator in respect of Physical Settlement Futures Contract^{*1-1-1}; the same applies hereinafter in this Sub-subsection)

(*1-1-1 only those related to RSS; the same applies hereinafter in this Sub-subsection)

B) Receipt of Delivery Goods

The quantity of the Final Long Position^{*1} or the long position related to Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery or Declared Delivery.

(*1 referring to the Long Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day; the same applies hereinafter in this Sub-subsection)

(2) Amount of Money

The amount of money shall be the difference between the total amount of the Price for Settlement by Delivery and the Like related to the Final Short Position or short position set forth in sub-Item A) of the preceding Item and the total amount of the Price for Settlement by Delivery and the Like related to the Final Long Position or long position set forth in Sub-item B) of the said Item, calculated by each unit described in A) and B) below. In this case, the amount of freight charge and insurance premium prescribed by the Designated Market Operator shall be added to or subtracted from the Price for

Settlement by Delivery:

- A) Unit prescribed in Item (1) and Item (3) of Article 46-3;
- B) Unit prescribed in Item (2) of Article 46-3 and Item (1) and Item (2) of Article 46-4.

(Article 73-31-15 Determine Delivery Goods related to RSS)

1 Each delivery goods to be received by the Rubber Futures Clearing Participant to receive the delivery goods^{*1} in the Settlement by Delivery related to RSS shall be allocated according to the rules prescribed by JSCC.

(*1 hereinafter referred to as "Receiving Rubber Futures Clearing Participant")

2 When the Rubber Futures Clearing Participants which is Agency Clearing Participant allocates the delivery goods to a Non-Clearing Participant, such allocation shall be performed in a fair manner through lottery or other method decided by the relevant Rubber Futures Clearing Participant in advance.

(Article 73-31-16 Settlement Cutoff Time and Settlement Method of Settlement by Delivery related to RSS)

1 The delivery/payment and receipt of the warehouse receipts and money in respect of the Settlement by Delivery related to RSS shall be made between the Clearing Participant and JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) The Rubber Futures Clearing Participant delivering the delivery goods^{*1} shall deliver the warehouse receipts for the delivery goods^{*2} by 1:00 P.M. on the day before the relevant day of Settlement by Delivery and the Receiving Rubber Futures Clearing Participant shall receive the relevant warehouse receipt by 2:45 P.M. on the day of Settlement by Delivery;

(*1 hereinafter referred to as "Delivering Rubber Futures Clearing Participant")

(*2 when there is a consent of the Receiving Rubber Futures Clearing Participant, the delivery order; the same applies hereinafter in this Sub-subsection)

(2) The Rubber Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the relevant day of Settlement by Delivery, and the Rubber Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.

(Article 73-31-17 Loss or Damage after the Submission of Delivery Goods related to RSS)

1 In cases where all, or part of the delivery goods, are lost or damaged due to any event not attributable to the parties to the delivery, after the Delivering Rubber Futures Clearing Participant has submitted the warehouse receipt to JSCC for delivery, but before JSCC submits it to the Receiving Rubber Futures Clearing Participant, the Delivering Rubber

- Futures Clearing Participant shall bear the loss.
- 2 In the case prescribed in the preceding Paragraph, the Delivering Rubber Futures Clearing Participant shall immediately notify JSCC of the loss or damage. In addition, the Delivering Rubber Futures Clearing Participant shall perform the delivery by submitting a warehouse receipt for substitutes for the delivery goods lost or damaged by the fifth day from the day immediately following the date of said notification.
 - 3 Notwithstanding the provisions of the preceding Paragraph, in cases where the Delivering Rubber Futures Clearing Participant is unable to perform the delivery by of all or part of the damaged or lost delivery goods through substitutes, it may be discharged from the delivery obligation, subject to the approval of JSCC. In this case, JSCC and the Receiving Rubber Futures Clearing Participant are not required to deliver the delivery goods and pay money related to the portion for which the delivery has not been performed.
 - 4 As to the handling of the delivery prescribed in the preceding 2 Paragraphs, the Receiving Rubber Futures Clearing Participant may not reject such handling.

(Article 73-31-18 Early Delivery related to RSS)

- 1 When performing the Settlement by Delivery related to RSS through Early Delivery, notwithstanding the provisions of Article 73-31-16, the Settlement by Delivery shall be performed on the Early Delivery Day in accordance with each of the following Items in a manner prescribed by JSCC:
 - (1) The Delivering Rubber Futures Clearing Participant shall deliver the warehouse receipts for the delivery goods by 11:00 A.M. on Early Delivery Day and the Receiving Rubber Futures Clearing Participant shall receive the relevant warehouse receipt by 2:45 P.M. on the same day;
 - (2) The Rubber Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the Early Delivery Day, and the Rubber Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.
- 2 The provisions of the preceding Article shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Early Delivery set forth in the preceding Paragraph.

(Article 73-31-19 Declared Delivery related to RSS)

- 1 When performing the Settlement by Delivery related to RSS through Declared Delivery, notwithstanding the provisions of Article 73-31-16, the Settlement by Delivery shall be performed with JSCC in accordance with each of the following Items in a manner prescribed by JSCC:
 - (1) The Delivering Rubber Futures Clearing Participant shall submit the document or the like

promising the delivery by 1:00 P.M. on the day before the Declared Delivery Day^{*1} and the Receiving Rubber Futures Clearing Participant shall receive the relevant document or the like by 2:45 P.M. on the Declared Delivery Day;

(*1 The day agreed as the date for the Settlement by Delivery subject to the Declared Delivery between the Delivering Rubber Futures Clearing Participant and the Receiving Rubber Futures Clearing Participant pursuant to the rules prescribed by the Designated Market Operator; the same applies hereinafter in this Article, Article 73-31-27 and Article 73-31-56)

(2) The Rubber Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the Declared Delivery Day, and the Rubber Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.

2 The provisions of Article 73-31-4 and Article 73-31-5 shall not apply to the short position and the long position subject to the Declared Delivery as prescribed in the preceding Paragraph on and after the next trading day following the date of conclusion of the Declared Delivery.

3 The provisions of Article 73-31-17 shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Declared Delivery set forth in Paragraph 1.

(Article 73-31-20 Customized Delivery related to RSS)

1 When performing the Settlement by Delivery related to RSS through Customized Delivery, notwithstanding the provisions of Article 73-31-16, the Settlement by Delivery shall be performed with JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) The Delivering Rubber Futures Clearing Participant shall deliver the document or the like promising the delivery by 1:00 P.M. on the day before the day of the Settlement by Delivery and the Receiving Rubber Futures Clearing Participant shall receive the relevant document or the like by 2:45 P.M. on the day of the Settlement by Delivery;

(2) The Rubber Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the day of the Settlement by Delivery, and the Rubber Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.

2 The provisions of Article 73-31-17 shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Customized Delivery set forth in the preceding Paragraph.

3 In respect of the Settlement by Delivery through Customized Delivery related to RSS, matters not prescribed in these Business Rules or otherwise prescribed by JSCC shall be determined through mutual agreement between the parties to the delivery.

(Article 73-31-21 ADP related to RSS)

- 1 When the Designated Market Operator approved the performance of the Settlement by Delivery related to the RSS through ADP, the Settlement by Delivery between the Delivering Rubber Futures Clearing Participant and the Receiving Rubber Futures Clearing Participant subject to the relevant ADP shall be deemed to have been completed upon such approval.
- 2 The exchange of the delivery goods and money between the Delivering Rubber Futures Clearing Participant and the Receiving Rubber Futures Clearing Participant related to ADP as per the preceding Paragraph shall be performed, notwithstanding the provisions of Article 73-31-16 and Article 73-31-17, between the parties to the relevant delivery through the method determined between them.

(Article 73-31-22 Inspection and the Like related to RSS)

Matters required in connection with the inspection and measuring relating to the delivery goods and handling of deficiency shall be separately prescribed by JSCC.

(Article 73-31-23 Deferment of Settlement Caused by Handling of Deficiency related to RSS)

- 1 With respect to deliveries where JSCC recognizes that the settlement cannot be completed by the cut-off time set forth in Article 73-31-16, due to the inspection or measuring or handling of the deficiency under the preceding Article, JSCC shall require the Receiving Rubber Futures Clearing Participant submit the Price for Settlement by Delivery and the Like and the Delivering Rubber Futures Clearing Participant to submit the warehouse receipt or delivery order to JSCC by said cut-off time according to the provisions of the said Article, and defer the settlement until the delivery becomes possible.
- 2 When the delivery is to be performed after the day of the Settlement by Delivery pursuant to the provisions of the preceding Paragraph and the custody fee and insurance premium related to the period in which the date of delivery belongs shall be newly charged, it shall be borne by the Delivering Rubber Futures Clearing Participant.

Division 3 TSR

(Article 73-31-24 Delivery Goods and Money Delivered/Paid and Received for Settlement by Delivery related to TSR)

The quantity of the delivery goods and the amount of money to be delivered/paid or received by a Rubber Futures Clearing Participant for the Settlement by Delivery related to TSR shall be in accordance with each of the following Items:

(1) Quantity of Delivery Goods

The quantity of the delivery goods shall be as set forth in A) and B) below according to the category set forth therein:

A) Delivery of Delivery Goods

The quantity obtained by dividing the Final Short Position^{*1} or the short position related to the Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Declared Delivery by the Delivery Unit Multiplier;

(*1 referring to the Short Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day^{*1-1})

(*1-1 referring to the last trading day specified by the Designated Market Operator in respect of Physical Settlement Futures Contract^{*1-1-1}; the same applies hereinafter in this Sub-subsection)

(*1-1-1 only those related to TSR; the same applies hereinafter in this Sub-subsection)

B) Receipt of Delivery Goods

The quantity obtained by dividing the Final Long Position^{*1} or the long position related to Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Declared Delivery by the Delivery Multiplier.

(*1 referring to the Long Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day; the same applies hereinafter in this Sub-subsection)

(2) Amount of Money

The amount of money shall be the difference between the total amount of the price for Settlement by Delivery related to the Final Short Position or short position set forth in sub-Item A) of the preceding Item and the total amount of the price for Settlement by Delivery related to the Final Long Position or long position set forth in Sub-item B) of the said Item, with the same delivery day, calculated by each unit described in A) and B) below:

A) Unit prescribed in Item (1) and Item (3) of Article 46-3;

B) Unit prescribed in Item (2) of Article 46-3 and Item (1) and Item (2) of Article 46-4.

(Article 73-31-25 Determine Delivery Goods related to TSR)

1 In the Settlement by Delivery related to TSR, if there are two (2) or more Rubber Futures Clearing Participants holding the Final Long Position^{*1}, the delivery goods to be received by each Receiving Rubber Futures Clearing Participant shall be allocated through consultation, lottery or other method prescribed by JSCC.

(*1 excluding the Final Long Position to be settled by delivery pursuant to Article 73-31-28 and Article 73-31-29)

2 When the Rubber Futures Clearing Participants which is Agency Clearing Participant allocates the delivery goods to a Non-Clearing Participant, such allocation shall be performed in a fair manner through lottery or other method decided by the relevant Rubber Futures Clearing Participant in advance.

(Article 73-31-26 Settlement Cutoff Time and Settlement Method of Settlement by Delivery related to TSR)

1 The delivery/payment and receipt of the delivery goods and money in respect of the Settlement by Delivery related to TSR shall be made between the Clearing Participant and JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) Delivery and Receipt of delivery goods

The delivery method shall be free on board ("FOB") and the delivery and receipt of the delivery goods by the parties to the delivery shall be performed in accordance with A) through D) below:

A) The Delivering Rubber Futures Clearing Participant shall load the delivery goods on the shipping date and to the vessels designated by the Receiving Rubber Futures Clearing Participant at the delivery location it designates in a manner prescribed by JSCC;

B) The Delivering Rubber Futures Clearing Participant and the Receiving Rubber Futures Clearing Participant shall co-sign and submit the delivery advice prescribed by JSCC to JSCC by noon on the fifth day from the next day following the shipping date specified in A) above in a manner prescribed by JSCC;

C) The Delivering Rubber Futures Clearing Participant shall deliver the bill of landing and other delivery documents designated by the Receiving Rubber Futures Clearing Participant by 11:00 A.M. on the fourth day from the date of submission of the delivery advice specified in B) above in a manner prescribed by JSCC, and the Receiving Rubber Futures Clearing Participant shall receive the relevant delivery documents on the day of Settlement by Delivery;

D) The Receiving Rubber Futures Clearing Participant shall submit the notice of delivery completion prescribed by JSCC by 3:30 P.M. on the second day following the day of Settlement by Delivery*¹.

(*¹ if it falls on a Non-Business Day, the immediately following business day)

(2) Payment and Receipt of Money

The Rubber Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the shipping date specified in A) of the preceding Item, and the Rubber Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the next day following the date of submission of the notice of delivery completion specified in D) of the same item.

(Article 73-31-27 Declared Delivery related to TSR)

- 1 When performing the Settlement by Delivery related to TSR through Declared Delivery, notwithstanding the provisions of Item (1) of the preceding Article, the delivery location, the shipping date and other conditions shall be decided through an agreement between the parties to the delivery in a manner prescribed by the Designated Market Operator
- 2 When the delivery report is submitted to JSCC by noon on the day before the Declared Delivery Date as prescribed by JSCC through an agreement between the parties to the Settlement by Delivery through Declared Delivery, notwithstanding the provisions of Item (1) of the preceding Article, no submission of the delivery advice under B) of the said Item, the delivery document under C) of the said Item and the notice of delivery completion under D) of the said Item is required. In such case, in the application of the provisions of Item (2) of the said Article, the reference to “the notice of delivery completion under D) of the said Item” shall be deemed to be “delivery report.”
- 3 The provisions of Article 73-31-4 and Article 73-31-5 shall not apply to the short position and the long position subject to the Declared Delivery as prescribed in Paragraph 1 on and after the next trading day following the date of conclusion of the Declared Delivery.

(Article 73-31-28 Customized Delivery related to TSR)

- 1 When performing the Settlement by Delivery related to TSR through Customized Delivery, notwithstanding the provisions of Item (1) of Article 73-31-26, the delivery location, shipping date and other conditions shall be determined through an agreement between the parties to the delivery in a manner prescribed by the Designated Market Operator.
- 2 When the delivery report is submitted to JSCC by noon on the day before the Customized Delivery Date as prescribed by JSCC through an agreement between the parties to the Settlement by Delivery through Customized Delivery, notwithstanding the provisions of

Item (1) of Article 73-31-26, no submission of the delivery advice under B) of the said Item, the delivery document under C) of the said Item and the notice of delivery completion under D) of the said Item is required. In such case, in the application of the provisions of Item (2) of the said Article, the reference to “the notice of delivery completion under D) of the said Item” shall be deemed to be “delivery report.”

- 3 In addition to the preceding two Paragraphs, the procedures required for the Customized Delivery as specified in Paragraph 1 shall be prescribed by JSCC.
- 4 In respect of the Settlement by Delivery through Customized Delivery related to TSR, matters not prescribed in these Business Rules or otherwise prescribed by JSCC shall be determined through mutual agreement between the parties to the delivery.

(Article 73-31-29 ADP related to TSR)

- 1 When the Designated Market Operator approved the performance of the Settlement by Delivery related to the TSR through ADP, the Settlement by Delivery between the Delivering Rubber Futures Clearing Participant and Receiving Rubber Futures Clearing Participant subject to the relevant ADP shall be deemed to have been completed upon such approval.
- 2 The exchange of the delivery goods and money between the Delivering Rubber Futures Clearing Participant and Receiving Rubber Futures Clearing Participant related to ADP as per the preceding Paragraph shall be performed, notwithstanding the provisions of Article 73-31-26, between the parties to the relevant delivery through the method determined between them.

(Article 73-31-30 Scope of Responsibilities of Delivering Rubber Futures Clearing Participant related to TSR)

- 1 The Delivering Rubber Futures Clearing Participant shall bear loss or damage of all or part of the delivery goods by the point in time when all of the delivery goods has been loaded.
- 2 Notwithstanding the provisions of the preceding Paragraph, when the delivery related to TSR is performed through Declared Delivery, Customized Delivery of ADP with the good delivery material or at the delivery location other than those specified by the Designated Market Operator, bearing of the loss set forth in the preceding Paragraph shall be determined through an agreement between the parties to the delivery.

(Article 73-31-31 Inspection and the Like related to TSR)

Matters required in connection with the inspection and measuring relating to the delivery goods and handling of deficiency shall be separately prescribed by JSCC.

(Article 73-31- 32 Other)

In addition to the provisions set forth in Article 73-31-24 through the preceding Article, the matters required for the Settlement by Delivery related to TSR shall be separately prescribed by JSCC.

Division 4 Soybean

(Article 73-31-33 Delivery Goods and Money Delivered/Paid and Received for Settlement by Delivery related to Soybean)

The quantity of the delivery goods and the amount of money to be delivered/paid or received by an Agricultural Futures Clearing Participant for the Settlement by Delivery related to Soybean shall be in accordance with each of the following Items:

(1) Quantity of Delivery Goods

The quantity of the delivery goods shall be as set forth in A) and B) below according to the category set forth therein:

A) Delivery of Delivery Goods

The quantity of the Final Short Position^{*1} or the short position related to the Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery or Declared Delivery;

(*1 referring to the Short Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day^{*1-1})

(*1-1 referring to the last trading day specified by the Designated Market Operator in respect of Physical Settlement Futures Contract^{*1-1-1}; the same applies hereinafter in this Sub-subsection)

(*1-1-1 only those related to Soybean; the same applies hereinafter in this Sub-subsection)

B) Receipt of Delivery Goods

The quantity of the Final Long Position^{*1} or the long position related to Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery or Declared Delivery.

(*1 referring to the Long Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day; the same applies hereinafter in this Sub-subsection)

(2) Amount of Money

The amount of money shall be the difference between the total amount of the Price for Settlement by Delivery and the Like related to the Final Short Position or the short position set forth in sub-Item A) of the preceding Item and the total amount of the Price for Settlement by Delivery and the Like related to the Final Long Position or long position set forth in Sub-item B) of the said Item, with the same delivery day, calculated by each unit described in A) and B) below:

A) Unit prescribed in Item (1) and Item (3) of Article 46-3;

B) Unit prescribed in Item (2) of Article 46-3 and Item (1) and Item (2) of Article 46-4.

(Article 73-31-34 Determine Delivery Goods related to Soybean)

1 In the Settlement by Delivery related to Soybean, if there are two (2) or more Agricultural Futures Clearing Participants holding Final Long Position^{*1}, each delivery goods to be received by the Agricultural Futures Clearing Participant to receive the delivery goods^{*2} shall be allocated through consultation, lottery or other method prescribed by JSCC.

(*1 excluding the Final Long Position to be settled by delivery pursuant to Article 73-31-40)

(*2 hereinafter referred to as "Receiving Agricultural Futures Clearing Participant")

2 When the Agricultural Futures Clearing Participants which is Agency Clearing Participant allocates the delivery goods to a Non-Clearing Participant, such allocation shall be performed in a fair manner through lottery or other method decided by the relevant Agricultural Futures Clearing Participant in advance.

(Article 73-31-35 Settlement Cutoff Time and Settlement Method of Settlement by Delivery related to Soybean)

1 The delivery/payment and receipt of the delivery goods and money in respect of the Settlement by Delivery related to Soybean shall be made between the Clearing Participant and JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) The Delivering Agricultural Futures Clearing Participant^{*1} shall deliver the warehouse receipts for the delivery goods by 11:00 A.M. on the relevant day of Settlement by Delivery and the Receiving Agricultural Futures Clearing Participant shall receive the relevant warehouse receipts by 2:45 P.M. on the same day;

(*1 referring to the Agricultural Futures Clearing Participant delivering the delivery goods; the same applies hereinafter in this Sub-subsection, Sub-subsection 5 and Sub-subsection 6)

(2) The Agricultural Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the relevant day of Settlement by Delivery, and the Agricultural Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.

(Article 73-31-36 Loss or Damage after the Submission of Delivery Goods related to Soybean)

1 In cases where all, or part of the delivery goods, are lost or damaged due to any event not attributable to the parties to the delivery, after the Delivering Agricultural Futures Clearing Participant has submitted the warehouse receipt to JSCC for delivery, but before JSCC

- submits it to the Receiving Agricultural Futures Clearing Participant, the Delivering Agricultural Futures Clearing Participant shall bear the loss.
- 2 In the case prescribed in the preceding Paragraph, the Delivering Agricultural Futures Clearing Participant shall immediately notify JSCC of the loss or damage. In addition, the Delivering Agricultural Futures Clearing Participant shall perform the delivery by submitting a warehouse receipt for substitutes for the delivery goods lost or damaged by the third day from the day immediately following the date of said notification.
 - 3 Notwithstanding the provisions of the preceding Paragraph, in cases where the Delivering Agricultural Futures Clearing Participant is unable to perform the delivery by of all or part of the damaged or lost delivery goods through substitutes, it may be discharged from the delivery obligation, subject to the approval of JSCC. In this case, JSCC and the Receiving Agricultural Futures Clearing Participant are not required to deliver the delivery goods and pay money related to the portion for which the delivery has not been performed.
 - 4 As to the handling of the delivery prescribed in the preceding 2 Paragraphs, the Receiving Agricultural Futures Clearing Participant may not reject such handling.
 - 5 The Delivering Agricultural Futures Clearing Participant who completes the delivery by providing substitute goods as prescribed in Paragraph 2 shall pay to JSCC a penalty for late delivery equivalent to 1% of the Price for Settlement by Delivery for the substitute portion, and, upon receipt of such penalty payment for late delivery, JSCC shall deliver it to the Receiving Agricultural Futures Clearing Participant without delay.

(Article 73-31-37 Early Delivery related to Soybean)

- 1 When performing the Settlement by Delivery related to Soybean through Early Delivery, notwithstanding the provisions of Article 73-31-35, the Settlement by Delivery shall be performed on the Early Delivery Day in accordance with each of the following Items in a manner prescribed by JSCC:
 - (1) The Delivering Agricultural Futures Clearing Participant shall deliver the warehouse receipts for the delivery goods by 11:00 A.M. on the Early Delivery Day and the Receiving Agricultural Futures Clearing Participant shall receive the relevant warehouse receipt by 2:45 P.M. on the same day;
 - (2) The Agricultural Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the Early Delivery Day, and the Agricultural Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.
- 2 The provisions of the preceding Article shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Early Delivery set forth in the preceding Paragraph.

(Article 73-31-38 Declared Delivery related to Soybean)

1 When performing the Settlement by Delivery related to Soybean through Declared Delivery, notwithstanding the provisions of Article 73-31-35, the Settlement by Delivery shall be performed with JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) The Delivering Agricultural Futures Clearing Participant shall submit the warehouse receipts for the delivery goods or the delivery documents JSCC deems appropriate by 11:00 A.M. on the Declared Delivery Day^{*1} and the Receiving Agricultural Futures Clearing Participant shall receive the relevant warehouse receipt or the relevant documents by 2:45 P.M. on the same day;

(*1 The day agreed as the day of the Settlement by Delivery subject to the Declared Delivery between the Delivering Agricultural Futures Clearing Participant and the Receiving Agricultural Futures Clearing Participant pursuant to the rules prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

(2) The Agricultural Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the Declared Delivery Day, and the Agricultural Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.

2 The provisions of Article 73-31-4 and Article 73-31-5 shall not apply to the short position and the long position subject to the Declared Delivery as prescribed in the preceding Paragraph on and after the next trading day following the date of conclusion of the Declared Delivery.

3 The provisions of Article 73-31-36 shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Declared Delivery set forth in Paragraph 1.

(Article 73-31-39 Customized Delivery related to Soybean)

1 When performing the Settlement by Delivery related to Soybean through Customized Delivery, notwithstanding the provisions of Article 73-31-35, the Settlement by Delivery shall be performed with JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) The Delivering Agricultural Futures Clearing Participant shall deliver the warehouse receipts for the delivery goods or the delivery documents JSCC deems appropriate by 11:00 A.M. on the day of the Settlement by Delivery and the Receiving Agricultural Futures Clearing Participant shall receive the relevant warehouse receipt or the relevant documents by 2:45 P.M. on the same day;

(2) The Agricultural Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the day of the Settlement by Delivery, and the Agricultural Futures Clearing

- Participant receiving money shall receive the money at 1:00 P.M. on the same day.
- 2 The provisions of Article 73-31-36 shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Customized Delivery set forth in the preceding Paragraph.
 - 3 In respect of the Settlement by Delivery through Customized Delivery related to Soybean, matters not prescribed in these Business Rules or otherwise prescribed by JSCC shall be determined through mutual agreement between the parties to the delivery.

(Article 73-31-40 ADP related to Soybean)

- 1 When the Designated Market Operator approved the performance of the Settlement by Delivery related to the Soybean through ADP, the Settlement by Delivery between the Delivering Agricultural Futures Clearing Participant and Receiving Agricultural Futures Clearing Participant subject to the relevant ADP shall be deemed to have been completed upon such approval.
- 2 The exchange of the delivery goods and money between the Delivering Agricultural Futures Clearing Participant and Receiving Agricultural Futures Clearing Participant related to ADP as per the preceding Paragraph shall be performed, notwithstanding the provisions of Article 73-31-35 and Article 73-31-36, between the parties to the relevant delivery through the method determined between them.

(Article 73-31-41 Inspection and the Like related to Soybean)

Matters required in connection with the inspection relating to the delivery goods and handling of deficiency shall be separately prescribed by JSCC.

Division 5 Azuki

(Article 73-31-42 delivery goods and Money Delivered/Paid and Received for Settlement by Delivery related to Azuki)

The quantity of the delivery goods and the amount of money to be delivered/paid or received by an Agricultural Futures Clearing Participant for the Settlement by Delivery related to Azuki shall be in accordance with each of the following Items:

(1) Quantity of Delivery Goods

The quantity of the delivery goods shall be as set forth in A) and B) below according to the category set forth therein:

A) Delivery of Delivery Goods

The quantity of the Final Short Position^{*1} or the short position related to the Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery;

(*1 referring to the Short Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day^{*1-1})

(*1-1 referring to the last trading day specified by the Designated Market Operator in respect of Physical Settlement Futures Contract^{*1-1-1}; the same applies hereinafter in this Sub-subsection)

(*1-1-1 only those related to Azuki; the same applies hereinafter in this Sub-subsection)

B) Receipt of Delivery Goods

The quantity of the Final Long Position^{*1} or the long position related to Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery.

(*1 referring to the Long Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day; the same applies hereinafter in this Sub-subsection)

(2) Amount of Money

The amount of money shall be the difference between the total amount of the Price for Settlement by Delivery and the Like related to the Final Short Position or the short position set forth in sub-Item A) of the preceding Item and the total amount of the Price for Settlement by Delivery and the Like related to the Final Long Position or the long position set forth in Sub-item B) of the said Item, calculated by each unit described in A) and B) below, plus the amount of the transit fee specified by the Designated Market Operator:

- A) Unit prescribed in Item (1) and Item (3) of Article 46-3;
- B) Unit prescribed in Item (2) of Article 46-3 and Item (1) and Item (2) of Article 46-4.

(Article 73-31-43 Determine Delivery Goods related to Azuki)

1 In the Settlement by Delivery related to Azuki, if there are two (2) or more Agricultural Futures Clearing Participants holding Final Long Position^{*1}, each delivery goods to be received by the Receiving Agricultural Futures Clearing Participant shall be allocated through mutual consultation, lottery or other method prescribed by JSCC.

(*1 excluding the Final Long Position to be settled by delivery pursuant to Article 73-31-47)

2 When the Agricultural Futures Clearing Participants which is Agency Clearing Participant allocates the delivery goods to a Non-Clearing Participant, such allocation shall be performed in a fair manner through lottery or other method decided by the relevant Agricultural Futures Clearing Participant in advance.

(Article 73-31-44 Settlement Cutoff Time and Settlement Method of Settlement by Delivery related to Azuki)

1 The delivery/payment and receipt of the delivery goods and money in respect of the Settlement by Delivery related to Azuki shall be made between the Clearing Participant and JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) The Delivering Agricultural Futures Clearing Participant shall deliver the warehouse receipts for the delivery goods by 11:00 A.M. on the relevant day of Settlement by Delivery and the Receiving Agricultural Futures Clearing Participant shall receive the relevant warehouse receipt by 2:45 P.M. on the same day;

(2) The Agricultural Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the relevant day of Settlement by Delivery, and the Agricultural Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.

(Article 73-31-45 Loss or Damage after the Submission of Delivery Goods related to Azuki)

1 In cases where all, or part of the delivery goods, are lost or damaged due to any event not attributable to the parties to the delivery, after the Delivering Agricultural Futures Clearing Participant has submitted the warehouse receipt to JSCC for delivery, but before JSCC submits it to the Receiving Agricultural Futures Clearing Participant, the Delivering Agricultural Futures Clearing Participant shall bear the loss.

2 In the case prescribed in the preceding Paragraph, the Delivering Agricultural Futures Clearing Participant shall immediately notify JSCC of the loss or damage. In addition, the

- Delivering Agricultural Futures Clearing Participant shall perform the delivery by submitting a warehouse receipt for substitutes for the delivery goods lost or damaged by the third day from the day immediately following the date of said notification.
- 3 Notwithstanding the provisions of the preceding Paragraph, in cases where the Delivering Agricultural Futures Clearing Participant is unable to perform the delivery by of all or part of the damaged or lost delivery goods through substitutes, it may be discharged from the delivery obligation, subject to the approval of JSCC. In this case, JSCC and the Receiving Agricultural Futures Clearing Participant are not required to deliver the delivery goods and pay money related to the portion for which the delivery has not been performed.
 - 4 As to the handling of the delivery prescribed in the preceding 2 Paragraphs, the Receiving Agricultural Futures Clearing Participant may not reject such handling.
 - 5 The Delivering Agricultural Futures Clearing Participant who complete delivery by providing substitute goods as prescribed in Paragraph 2 shall pay to JSCC a penalty for late delivery equivalent to 1% of the delivery payment for the substitute portion, and, upon receipt of such penalty payment for late delivery, JSCC shall deliver it to the Receiving Agricultural Futures Clearing Participant without delay.

(Article 73-31-46 Early Delivery related to Azuki)

- 1 When performing the Settlement by Delivery related to Azuki through Early Delivery, notwithstanding the provisions of Article 73-31-44, the Settlement by Delivery shall be performed on the Early Delivery Day in accordance with each of the following Items in a manner prescribed by JSCC:
 - (1) The Delivering Agricultural Futures Clearing Participant shall deliver the warehouse receipts for the delivery goods by 11:00 A.M. on Early Delivery Day and the Receiving Agricultural Futures Clearing Participant shall receive the relevant warehouse receipt by 2:45 P.M. on the same day;
 - (2) The Agricultural Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the Early Delivery Day, and the Agricultural Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.
- 2 The provisions of the preceding Article shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Early Delivery set forth in the preceding Paragraph.

(Article 73-31-47 ADP related to Azuki)

- 1 When the Designated Market Operator approved the performance of the Settlement by Delivery related to the Azuki through ADP, the Settlement by Delivery between the Delivering Agricultural Futures Clearing Participant and Receiving Agricultural Futures

Clearing Participant subject to the relevant ADP shall be deemed to have been completed upon such approval.

- 2 The exchange of the delivery goods and money between the Delivering Agricultural Futures Clearing Participant and Receiving Agricultural Futures Clearing Participant related to ADP as per the preceding Paragraph shall be performed, notwithstanding the provisions of Article 73-31-44 and Article 73-31-45, between the parties to the relevant delivery through the method determined between them.

(Article 73-31-48 Inspection and the Like related to Azuki)

Matters required in connection with the inspection and measuring relating to the delivery goods and handling of deficiency shall be separately prescribed by JSCC.

Division 6 Corn

(Article 73-31-49 Delivery Goods and Money Delivered/Paid and Received for Settlement by Delivery related to Corn)

The quantity of the delivery goods and the amount of money to be delivered/paid or received by an Agricultural Futures Clearing Participant for the Settlement by Delivery related to Corn shall be in accordance with each of the following Items:

(1) Quantity of Delivery Goods

The quantity of the delivery goods shall be as set forth in A) and B) below according to the category set forth therein:

A) Delivery of Delivery Goods

The quantity of the Final Short Position^{*1} or the short position related to the Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery;

(*1 referring to the Short Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day^{*1-1})

(*1-1 referring to the last trading day specified by the Designated Market Operator in respect of Physical Settlement Futures Contract^{*1-1-1}; the same applies hereinafter in this Sub-subsection)

(*1-1-1 only those related to Corn; the same applies hereinafter in this Sub-subsection)

B) Receipt of Delivery Goods

The quantity of the Final Long Position^{*1} or the long position related to Physical Settlement Futures Contracts for which the Settlement by Delivery is performed through Early Delivery.

(*1 referring to the Long Position for which no report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted by the Last Trading Day; the same applies hereinafter in this Sub-subsection)

(2) Amount of Money

The amount of money shall be the difference between the total amount of the Price for Settlement by Delivery related to the Final Short Position or the short position set forth in sub-Item A) of the preceding Item and the total amount of the Price for Settlement by Delivery related to the Final Long Position or the long position set forth in Sub-item B) of the said Item, calculated by each unit described in A) and B) below, with the same delivery day:

A) Unit prescribed in Item (1) and Item (3) of Article 46-3;

B) Unit prescribed in Item (2) of Article 46-3 and Item (1) and Item (2) of Article 46-4.

(Article 73-31-50 Determine Delivery Goods related to Corn)

1 In the Settlement by Delivery related to Corn, if there are two (2) or more Agricultural Futures Clearing Participants holding Final Long Position^{*1}, each delivery goods to be received by the Receiving Agricultural Futures Clearing Participant shall be allocated through mutual consultation, lottery or other method prescribed by JSCC.

(*1 excluding the Final Long Position to be settled by delivery pursuant to Article 73-31-55)

2 When the Agricultural Futures Clearing Participants which is Agency Clearing Participant allocates the delivery goods to a Non-Clearing Participant, such allocation shall be performed in a fair manner through lottery or other method decided by the relevant Agricultural Futures Clearing Participant in advance.

(Article 73-31-51 Settlement Cutoff Time and Settlement Method of Settlement by Delivery related to Corn)

1 The delivery/payment and receipt of the delivery goods and money in respect of the Settlement by Delivery related to Corn shall be made between the Clearing Participant and JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) Delivery and Receipt of Delivery Goods

The delivery method shall be Cost Insurance and Freight and the delivery and receipt of the delivery goods between the parties to the delivery shall be performed in accordance with A) through C) below:

A) The Delivering Agricultural Futures Clearing Participant shall submit the delivery goods details advice prescribed by JSCC to JSCC by noon on the seventh day before the scheduled arrival day of the carrying vessel at the port of delivery;

B) The Delivering Agricultural Futures Clearing Participant shall deliver the delivery documents^{*1} for the delivery goods by 11:00 A.M. on the relevant date of Settlement by Delivery, and the Receiving Agricultural Clearing Participant shall receive the relevant delivery documents by 2:45 P.M. on the same day;

(*1 referring to the private delivery order and other documents prescribed by JSCC; the same applies hereinafter)

C) Promptly upon completion of the unloading of the delivery goods, the Receiving Agricultural Futures Clearing Participant shall notify JSCC of such effect.

(2) Payment and Receipt of Money

The Agricultural Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the relevant day of Settlement by Delivery, and the Agricultural Futures

Clearing Participant receiving money shall receive the money at 1:00 P.M. on the next day following the date on which the notification set forth in C) of the preceding Item is given to JSCC, respectively in a manner prescribe by JSCC.

(Article 73-31-52 Early Delivery related to Corn)

1 When performing the Settlement by Delivery related to Corn through Early Delivery, notwithstanding the provisions of the preceding Article, the Settlement by Delivery shall be performed on the Early Delivery Day in accordance with each of the following Items in a manner prescribed by JSCC. In such case, the place of delivery may be the port^{*1} agreed between the parties to the delivery:

(*1 only a port within Japan)

(1) Delivery and Receipt of Delivery Goods

A) The Delivering Agricultural Futures Clearing Participant shall deliver the delivery documents for the delivery goods by 11:00 A.M. on the Early Delivery Day in a manner prescribed by JSCC and the Receiving Agricultural Futures Clearing Participant shall receive the relevant delivery documents by 2:45 P.M. on the same day;

B) Promptly upon completion of the unloading of the delivery goods, the Receiving Agricultural Futures Clearing Participant shall notify JSCC of such effect.

(2) Payment and Receipt of Money

The Agricultural Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the Early Delivery Day, and the Agricultural Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the next day following the date on which the notification set forth in B) of the preceding Item is given to JSCC, respectively in a manner prescribe by JSCC.

(Article 73-31-53 Adjustment Due to the Weight of Delivery Goods related to Corn)

1 The Receiving Agricultural Futures Clearing Participant shall promptly inform JSCC of the net landing weight measured by the inspection organizations designated by the Designated Market Operator without delay after the delivery of the delivery goods.

2 The adjustment of the price for delivery goods related to difference between the net landing weight and the quantity of the delivery goods and other necessary adjustment shall be performed in a manner prescribed by JSCC.

(Article 73-31-54 Responsibility of Various Delivery Costs related to Corn)

The responsibility for various costs arising from the Settlement by Delivery related to Corn shall be subject to the rules prescribed by JSCC.

(Article 73-31-55 ADP related to Corn)

- 1 When the Designated Market Operator approved the performance of the Settlement by Delivery related to the Corn through ADP, the Settlement by Delivery between the Delivering Agricultural Futures Clearing Participant and Receiving Agricultural Futures Clearing Participant subject to the relevant ADP shall be deemed to have been completed upon such approval.
- 2 The exchange of the delivery goods and money between the Delivering Agricultural Futures Clearing Participant and Receiving Agricultural Futures Clearing Participant related to ADP as per the preceding Paragraph shall be performed, notwithstanding the provisions of Article 73-31-51 and the preceding two Articles, between the parties to the relevant delivery through the method determined between them.

Division 7 Other

(Article 73-31-56 Handling of Inability to Deliver due to Accident Involving Carrying Vessel or the Like)

1 In the Settlement by Delivery^{*1} of Commodity Futures Contracts, if the delivery is not made on the day of the Settlement by Delivery, the Early Delivery Day or the Declared Delivery Day^{*2} because of an accident involving the carrying vessel or other event designated by JSCC as an event that is not attributable to the parties to the delivery, the parties to the delivery shall hold discussions and set another delivery date that falls within the delivery period specified by the Designated Market Operator in respect of the transactions involving the relevant delivery or a period approved by JSCC and shall make delivery; provided, however, that JSCC considers that it is impossible or inefficient to make delivery through this method, the delivery shall be considered to have been completed through settlement using the delivery price set by the Designated Market Operator.

(*1 excluding the Settlement by Delivery through ADP)

(*2 only those prescribed by JSCC)

2 When the exchange of the delivery goods pursuant to the provisions of the preceding Paragraph is performed after the day of the Settlement by Delivery, the Early Delivery Day or the Declared Delivery Day, the Commodity Futures Clearing Participant delivering the delivery goods shall pay 1% of the Price for the Settlement by Delivery per day^{*1} for the delay as a penalty and, upon receipt of such money, JSCC shall pay such amount to the Commodity Futures Clearing Participant receiving the delivery goods without delay, unless otherwise prescribed by JSCC.

(*1 including Non-Business Days)

3 The parties to the delivery may not object to the method for handling non-delivery prescribed in the preceding two Paragraphs.

(Article 73-31-57 Completion of Physical Settlement Futures Contracts by Cash Settlement)

1 If a Clearing Participant fails to perform the delivery related to the Physical Settlement Futures Contracts as prescribed in this Section^{*1}, JSCC shall have the relevant delivery completed by deeming that Offsetting Sale or Purchase of the position subject to such delivery has been concluded at the delivery price specified by the Designated Market Operator by collecting the amount separately determined by JSCC from the relevant Clearing Participant, and delivering such amount to another Clearing Participant to receive the delivery goods in the relevant delivery. In such case, matters necessary for this shall

be separately prescribed by JSCC.

(*1 excluding the Settlement by Delivery through ADP)

- 2 Unless there is unavoidable circumstance, a Clearing Participant may not complete the delivery according to the provisions of the preceding Paragraph.
-

Subsection 4 Final Settlement for Cash Settlement Futures Contracts

(Article 73-31-58 Payment and Receipt of Money associated with Final Settlement of Cash-settled Monthly Futures Contracts)

In the Final Settlement^{*1} of the Cash-settled Monthly Futures Contracts^{*2}, if there is a difference between the Final Settlement Price^{*3} and the Settlement Price for the Last Trading Day^{*4}, the Commodity Futures Clearing Participant shall pay or receive the amount of money equivalent to such difference with JSCC on the Final Settlement Date^{*5}. In such case, the Commodity Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the date of the payment/receipt of such money, and the Commodity Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on date of the payment/receipt of such money.

(*1 referring to the final settlement prescribed by the Designated Market Operator)

(*2 referring to the cash-settled monthly futures transactions prescribed by the Designated Market Operator; the same applies hereinafter)

(*3 referring to the final settlement price specified by the Designated Market Operator; the same applies hereinafter)

(*4 referring to the last trading day specified by the Designated Market Operator in respect to the Cash-settled Monthly Futures Contracts)

(*5 referring to the final settlement date for the Cash-settled Monthly Futures Contract specified by the Designated Market Operator)

(Article 73-31-59 Payment and Receipt of Money associated with Final Settlement of Cash-settled Rolling-Spot Futures Contracts)

In the Cash-settled Rolling-Spot Futures Contracts^{*1}, a Commodity Futures Clearing Participant shall pay or receive the total amount of money specified in each of below Items on the next day following the trading day on which there is a Rollover^{*2} or on which the report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted, or the next day following the trading day on which the Delivery on Request^{*3} has been agreed. In such case, the Commodity Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the date of the payment/receipt of such money, and the Commodity Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on date of the payment/receipt of such money:

(*1 referring to the cash-settled rolling-spot futures transactions prescribed by the Designated Market Operator; the same applies hereinafter)

(*2 referring to the rollover prescribed by the Designated Market Operator; the same

applies in hereinafter in this Section)

(*³ referring to the delivery on request prescribed by the Designated Market Operator; the same applies hereinafter)

(1) For the position for which there is a Rollover at the end of the relevant trading day, the amount specified in A) and B) below:

A) As to the position which has been concluded on the relevant trading day, the amount equal to the difference between its contract price and the Settlement Price for the relevant trading day; and

B) As to the position which had been concluded before the relevant trading day, the amount equal to the difference between the Settlement Price for the relevant trading day and the Settlement Price on the preceding trading day.

(2) For the position for which the report set forth in Paragraph 1 and Paragraph 2 of Article 73-31-2 has been submitted, the amount specified in A) and B) below:

A) As to the position which has been concluded on the trading day on which such report is submitted, the amount equal to the difference between the contract price of such contract and the contract price of the contract subject to such report; and

B) As to the position which had been concluded before the trading day on which such report is submitted, the amount equal to the difference between the Settlement Price for the preceding trading day and the contract price for the contract subject to such report.

(3) For the position as to which the Delivery on Request has been agreed, the amount specified in A) and B) below:

A) As to the position which has been concluded on the trading day on which such agreement is made, the amount equal to the difference between the contract price of such contract and the Settlement Price for the relevant trading day; and

B) As to the position which had been concluded before the trading day on which such agreement is made, the amount equal to the difference between the Settlement Price for the preceding trading day and the Settlement Price for the relevant trading day.

(Article 73-31-60 Delivery on Request under Cash-settled Rolling-Spot Futures Contracts)

1 In the case of the Settlement by Delivery by a Precious Metal Futures Clearing Participant through the Delivery on Request of Cash-settled Rolling-Spot Futures Contract, the quantity of the delivery goods and the amount of money to be delivered/paid or received shall be in accordance with each of the following Items:

(1) The quantity of the delivery goods shall be as set forth in A) and B) below:

- A) For a delivery of the delivery goods, the quantity obtained by dividing the total quantity of the short position subject to the Delivery on Request by the Delivery Multiplier
 - B) For a receipt of the delivery goods, the quantity obtained by dividing the total quantity of the long position subject to the Delivery on Request by the Delivery Multiplier
- (2) The amount of money shall be the difference between the total amount of the Price for Settlement by Delivery and the Like related to the short position subject to the Delivery on Request and the total amount of the Price for Settlement by Delivery and the Like related to the long position, calculated by each unit described in A) and B) below:
- A) Unit prescribed in Item (1) and Item (3) of Article 46-3;
 - B) Unit prescribed in Item (2) of Article 46-3 and Item (1) and Item (2) of Article 46-4.
- 2 The delivery/payment and receipt of the delivery goods and money under the Delivery on Request set forth in the preceding Paragraph shall be performed with JSCC in accordance with each of the below Items in a manner prescribed by JSCC by setting the day determined as the day of the Settlement by Delivery up to the second day^{*1} following the date on which such Delivery on Request becomes effective as the delivery day^{*2}
- (*1 if it falls on a Non-Business Day, the next business day)
 (*2 hereinafter referred to as "Date of Delivery on Request")
- (1) Delivery and Receipt of Delivery Goods
- A) Delivery and Receipt of Gold

To be performed by a transfer of the title concerning the delivery goods from the Delivering Precious Metal Futures Clearing Participant to the Receiving Precious Metal Futures Clearing Participant at the Approved Warehouse
 - B) Delivery and Receipt of Platinum

The Delivering Precious Metal Futures Clearing Participant shall delivery the warehouse receipt^{*1} of the delivery goods by 11:00 A.M. on the Date of Delivery on Request, and the Receiving Precious Metal Futures Clearing Participant shall receive the relevant warehouse receipt at 2:45 P.M. on the same day.

(*1 when there is a consent of the Receiving Precious Metal Futures Clearing Participant, the delivery order; the same applies hereinafter in this Sub-subsection)
- (2) Payment and Receipt of Money
- The Precious Metal Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the day before the Date of Delivery on Request, and the Precious Metal Futures Clearing Participant receiving money shall receive the money at 1:00

P.M. on the same day.

(Article 73-31-61 Customized Delivery for Delivery on Request under Cash-settled Rolling Spot Futures Contracts)

1 When performing the Delivery on Request set forth in the preceding Article through Customized Delivery, notwithstanding the provisions of Paragraph 2 of the said Article, the delivery/payment and receipt of the delivery goods and money shall be performed on the Date of Delivery on Request with JSCC in accordance with each of the following Items in a manner prescribed by JSCC:

(1) Delivery and Receipt of Delivery Goods

The Delivering Precious Metal Futures Clearing Participant shall deliver the warehouse receipts for the delivery goods by 11:00 A.M. on the Date of Delivery on Request and the Receiving Precious Metal Futures Clearing Participant shall receive the relevant warehouse receipt by 2:45 P.M. on the same day;

(2) Payment and Receipt of Money

The Precious Metal Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the day before the Date of Delivery on Request, and the Precious Metal Futures Clearing Participant receiving money shall receive the money at 1:00 P.M. on the same day.

2 The provisions of Article 73-31-9 shall apply *mutatis mutandis* when the Settlement by Delivery is performed through Customized Delivery set forth in the preceding Paragraph.

3 Matters not prescribed in these Business Rules or otherwise prescribed by JSCC shall be determined through mutual agreement between the parties to the delivery.

Subsection 5 Miscellaneous Clauses

(Article 73-31-62 Locus of Responsibility in the case where Settlement Price is not able to be calculated, etc.)

A Commodity Futures Clearing Participant is not entitled to seek indemnity against JSCC and the Designated Market Operator for any damages suffered by it as a result of an inability, delay or error regarding the calculation of the Settlement Price, or as a result of a change in the Final Settlement Price.

Section 7-3 Settlement of Option Contract on Commodity Futures Contract

(Article 73-31-63 Reporting Close-out Quantity and the Like)

1 A Commodity Futures Clearing Participant shall, in respect of each issue of Option Contract on Commodity Futures, notify JSCC the close-out quantity and the amount of Offsetting Sale or Offsetting Purchase when it has executed Offsetting-Sale or Offsetting-Purchase^{*1}, by each account as set forth in Article 46-3 and by the cutoff time set by JSCC.

(*1 excluding the case stipulated in the following Paragraph)

2 A Commodity Futures Clearing Participant shall notify, in respect of each issue of Option Contract on Commodity Futures, JSCC the close-out quantity^{*1}, and, when Offsetting-Sale in respect of the Long Position Subject To Brokerage for Clearing or Offsetting-Purchase in respect of the Short Position Subject To Brokerage for Clearing has been executed, the amount of Offsetting Sale or Offsetting Purchase by a Commodity Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing or Short Position Subject To Brokerage for Clearing, by each account as set forth in Article 46-4 and by the cutoff time set by JSCC. In such case, a Commodity Futures Clearing Participant may cause the Commodity Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing or the relevant Short Position Subject To Brokerage for Clearing to make such notification in place of Commodity Futures Clearing Participant's own notification.

(*1 limited to those under commission of the Brokerage for Clearing of Securities, etc.)

3 When JSCC has received the notification pursuant to the provisions of Paragraph 1, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position and the Short Position by each account set forth in Article 46-3 that is managed by the relevant Commodity Futures Clearing Participant.

4 When JSCC has received the notification pursuant to the provisions of Paragraph 2, the close-out quantity and the amount of the Offsetting-Sales/Offsetting-Purchases so notified shall be regarded as the amount pertaining to the settlement and such amount shall be subtracted from the Long Position Subject To Brokerage for Clearing and the Short Position Subject To Brokerage for Clearing by each account set forth in Article 46-4 that is managed by the relevant Commodity Futures Clearing Participant.

5 When JSCC has received the notification set forth in Paragraph 1 or Paragraph 2, JSCC shall inform the Designated Market Operator^{*1} of the close-out quantity and the amount of the Offsetting-Sales and/or the Offsetting-Purchases so notified.

(*1 referring to the Designated Market Operator operating the Designated Financial

Instruments Market prescribed in Item (6)-3 of Paragraph 2 of Article 3; the same applies hereinafter in this Section)

(Article 73-31-64 Payment/Receipt of Contract Price)

When a Contract for Clearing in respect of Option Contract on Commodity Futures is formed, the Commodity Futures Clearing Participant shall pay/receive the contract price therefor to/from JSCC on the day immediately following the trading day of the conclusion of the trading contract^{*1}. In such case, a Commodity Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the day on which the relevant money is to be paid or received, and a Commodity Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. of the day on which the relevant money is to be paid or received.

(*¹ referring to the trading day prescribed by the Designated Market Operator in respect of the Option Contract on Commodity Futures; the same applies hereinafter in this Section)

(Article 73-31-65 Notification of Exercise of Option)

1 An exercise of the option pertaining to the Long Position^{*1} of Option Contract on Commodity Futures shall be done by the Commodity Futures Clearing Participant's notifying JSCC of the amount pertaining to the exercise in respect of each issue by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC which precedes the expiration time of the Option Contract on Commodity Futures specified by the Designated Market Operator.

(*¹ excluding the Long Position Subject To Brokerage for Clearing)

2 An exercise of the option pertaining to the Long Position^{*1} of Option Contract on Commodity Futures shall be done by notifying JSCC of the amount pertaining to the exercise in respect of each issue and each Commodity Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing, and by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC which precedes the expiration time of the Option Contract on Commodity Futures specified by the Designated Market Operator. In such case, a Commodity Futures Clearing Participant may cause the Commodity Futures Non-Clearing Participant pertaining to the relevant Long Position Subject To Brokerage for Clearing to make such notification in place of Commodity Futures Clearing Participant's own notification.

(*¹ limited to the Long Position Subject To Brokerage for Clearing)

3 Regarding the issue which falls under any of the following Items on the Exercise Date^{*1}, the Commodity Futures Clearing Participant cannot make the notification of the exercise of the right set forth in the preceding two Paragraphs:

(*1 referring to the exercise date specified by the Designated Market Operator in respect of the Option Contract on Commodity Futures; the same applies hereinafter in this Section)

(1) In respect of Put Option on Commodity Futures, in the case where the exercise price is at the Option Settlement Price*¹ or lower;

(*¹ referring to the option settlement price specified by the Designated Market Operator; the same applies hereinafter in this Section)

(2) In respect of Call Option on Commodity Futures, in the case where the exercise price is at the Option Settlement Price or higher.

4 Regarding the issue which falls under any of the following Items on the Exercise Date, the notification of the exercise of the option on that issue shall be deemed to have been made even though the notification of the exercise under Paragraph 1 or Paragraph 2 is not made on the relevant day by the cutoff time set by JSCC under Paragraph 1 or Paragraph 2; provided, however, that the foregoing shall not apply in the case where the Commodity Futures Clearing Participant notified by such cutoff time to the effect that it will not exercise the option in respect of such issue:

(1) In respect of Put Option on Commodity Futures, in the case where the exercise price exceeds the Option Reference Price;

(2) In respect of Call Option on Commodity Futures, in the case where the exercise price is lower than the Option Reference Price.

5 When, due to a failure of the trading system of the Designated Market Operator or other unavoidable cause, JSCC considers it inappropriate to deem that the notice of exercise have been made pursuant to the main body of the preceding Paragraph, the provisions of the main body of the said Paragraph shall not apply.

6 When JSCC has received the notification of the exercise of option prescribed in Paragraph 1 or Paragraph 2*¹, JSCC shall inform the detail of the exercise of option so notified to the Designated Market Operator.

(*¹ including the case where the notification of the exercise of option is deemed to have been received pursuant to the provisions of Paragraph 4)

(Article 73-31-66 Assignment of Exercised Option)

1 When a Commodity Futures Clearing Participant notifies the exercise of option, JSCC shall make the assignment of the quantity of the exercised option in respect of each issue in accordance with the rules of JSCC.

2 When JSCC makes the assignment of the exercised option pursuant to the provisions in the preceding Paragraph, JSCC shall notify the Commodity Futures Clearing Participant to whom such assignment is made*¹ of the quantity of the relevant assignment by separating

those for the proprietary account from those pursuant to the commissions by its customers.
(*1 in the case where the exercised option is assigned to the Short Position Subject To Brokerage for Clearing, the assigned quantity of each Commodity Futures Non-Clearing Participant pertaining to the relevant Short Position Subject To Brokerage for Clearing by separating those for the proprietary account from those pursuant to the commissions by its customers)

- 3 The Commodity Futures Clearing Participant which received the notification of the assignment to the Short Position Subject To Brokerage for Clearing pursuant to the provisions of the preceding Paragraph shall notify each Commodity Futures Non-Clearing Participant pertaining to the relevant Short Position Subject To Brokerage for Clearing of such assigned quantity by separating those for the proprietary account from those pursuant to the commissions by its customers.
- 4 When JSCC makes the assignment of the quantity of the exercised option pursuant to the provisions of Paragraph 1, JSCC shall notify the detail of such assignment to the Designated Market Operator.

(Article 73-31-67 Payment/Receipt on the Settlement of Exercised Option)

When the right pertaining to Option Contract on Commodity Futures is exercised, the Commodity Futures Clearing Participant shall pay/receive the money equivalent to the difference between its exercise price and the Option Settlement Price to/from JSCC on the day following the day on which the relevant right is exercised. In such case, a Commodity Futures Clearing Participant making payment shall pay the money by 11:00 A.M. on the day on which the relevant money to be paid or received, and a Commodity Futures Clearing Participant receiving payment shall receive the money at 1:00 P.M. on the day on which the relevant money to be paid or received.

(Article 73-31-68 Locus of Responsibility in the case where Option Reference Price is not able to be calculated, etc.)

A Commodity Futures Clearing Participant is not entitled to seek indemnity against JSCC and the Designated Market Operator operating the Designated Financial Instruments Market under Item (6)-2 and Item (6)-3 of Paragraph 2 of Article 3 for any damages suffered by it as a result of an inability, delay or error regarding the calculation of, or as a result of a change in, the Option Reference Price.

Section 8 Settlement of Exchange FX Contract.

(Article 73-32 Notification of Position)

1 An FX Clearing Participant shall notify JSCC of the number of Long Positions^{*1} and the number of Short Positions^{*2} relating to an Exchange FX Contract in respect of each Subject Financial Index^{*3}, and by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC. Provided, however, when the FX Clearing Participant has executed an Offsetting-Sale or Offsetting-Purchase, it shall notify the number after deducting the number subject to such Offsetting-Sale or Offsetting-Purchase as regarding them as the number relating to settlement.

(*1 excluding Long Position Subject To Brokerage for Clearing)

(*2 excluding Short Position Subject To Brokerage for Clearing)

(*3 referring to the subject financial index set by the Designated Market Operator^{*3-1}; the same applies hereinafter in this Section)

(*3-1 referring to the Designated Market Operator operating the Designated Financial Instruments Market prescribed in Item (11) of Paragraph 2 of Article 3; the same applies hereinafter in this Section)

2 An FX Clearing Participant shall notify JSCC of the number of Long Positions Subject To Brokerage for Clearing and the number of Short Positions Subject To Brokerage for Clearing relating to an Exchange FX Contract in respect of each Subject Financial Index and in respect of each FX Non-Clearing Participant^{*1} relating to such Long Position Subject To Brokerage for Clearing or such Short Position Subject To Brokerage for Clearing, and by separating those for the proprietary account from those pursuant to the commissions by its customers, by the cutoff time set by JSCC. Provided, however, when an Offsetting-Sale or Offsetting-Purchase has been executed, such Clearing Participant shall notify the number after deducting the number subject to such Offsetting-Sale or Offsetting-Purchase as regarding them as the number relating to settlement. In such case, the FX Clearing Participant may cause the FX Non-Clearing Participant relating to such Long Position Subject To Brokerage for Clearing or such Short Position Subject To Brokerage for Clearing to file such notification in place of the FX Clearing Participant.

(*1 referring to the entity which has the trading qualification in respect of Exchange FX Contract but does not have FX Clearing Qualification; the same applies hereinafter)

3 The FX Clearing Participant shall calculate and record the number subject to the notification under the preceding two Paragraphs immediately after the trading session of each Trading Day^{*1}.

(*1 referring to the Trading Day designated by the Designated Market Operator in respect of

an Exchange FX Contract; the same applies hereinafter in this Section)

(Article 73-33 Settlement Price and Swap Point Standard Price)

JSCC shall, pursuant to its rules, prescribe the Settlement Price and swap point standard price of each Trading Day in respect of each Subject Financial Index of Exchange FX Contract after the close of session on such Trading Day.

(Article 73-34 Payment/Receipt of Initial Mark to the Market Result)

If there is any difference in an Exchange FX Contract between the contract price and the Settlement Price on the Trading Day on which such Exchange FX Contract is executed in respect of a Position for which a rollover^{*1} is executed at the close of trading session of that Trading Day and which has arisen from the contract formed during such session, the FX Clearing Participant shall pay/receive money equivalent to such difference to/from JSCC on the settlement day^{*2} relating to such Trading Day.

(*1 referring to the rollover prescribed by the Designated Market Operator; the same applies hereinafter)

(*2 referring to the day following the closing day of the Trading Day^{*2-1})

(*2-1 if it falls on a Non-business Day, it shall be the immediately following business day; the same applies hereinafter in this Section)

(Article 73-35 Payment /Receipt of Net Difference to Previous Day)

If there is any difference in an Exchange FX Contract between the Settlement Price on the Trading Day on which a rollover is executed and the Settlement Price on the Trading Day immediately preceding such Trading Day in respect of a Position for which such rollover is operated at the close of trading session of such Trading Day and which has arisen from the contract formed prior to such session, the FX Clearing Participant shall pay/receive money equivalent to such difference to/from JSCC on the settlement day relating to such Trading Day.

(Article 73-35-2 Payment/Receipt of Final Settlement Balance)

In the Final Settlement of Exchange FX Contracts^{*1}, FX Clearing Participants shall pay/receive money described in below listed items to/from JSCC on the Final Settlement Date^{*2}:

(*1 referring to the Final Settlement of Exchange FX Contracts prescribed by the Designated Market Operator)

(*² referring to the Final Settlement Date of Exchange FX Contracts prescribed by the Designated Market Operator)

- (1) In respect of a Position existing on the Last Trading Day^{*1} which has arisen from the contract formed during the session on such Last Trading Day, the amount equal to the difference, if any, between the contract price of the relevant contract and the Final Settlement Price^{*2} on the Trading Day on which such contract is executed; and
- (2) In respect of a Position existing on the Last Trading Day which has arisen from the contract formed prior to the opening of the session on the Last Trading Day, the amount equal to the difference, if any, between the Final Settlement Price and the Settlement Price on the previous Trading Day.

(*¹ referring to the Last Trading Day prescribed by the Designated Market Operator in respect of Exchange FX Contracts; the same applies hereinafter in this Article)

(*² referring to the Final Settlement Price prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

(Article 73-36 Delivery or Receipt of Swap Points)

When a rollover of Position is executed in an Exchange FX Contract at the close of trading session on any Trading Day, FX Clearing Participant shall deliver/receive to/from JSCC the amount of money equivalent to the amount obtained by multiplying the swap point standard price of each Subject Financial Index by the difference between the number of the Long Positions subject to such rollover and the number of the Short Positions subject to such rollover^{*1}, on the settlement day relating to such Trading Day.

(*¹ hereinafter referred to as "Swap Points")

(Article 73-37 Payment /Receipt of Settlement Balance)

When an Offsetting-Sale or Offsetting-Purchase is executed in an Exchange FX Contract, FX Clearing Participant shall pay/receive to/from JSCC the sum of money set forth in the following Items according to the classification of the Position set forth in such Items on the settlement day relating to the Trading Day on which such Offsetting-Sale or Offsetting-Purchase is executed:

- (1) For Position relating to the contract formed on the Trading Day on which such Offsetting-Sale or Offsetting-Purchase is executed:

The amount of money equivalent to the difference between the contract price of the Position and the contract price of such Offsetting-Sale or Offsetting-Purchase transaction

- (2) For Position relating to the contract formed on or prior to the Trading Day immediately preceding the Trading Day on which such Offsetting-Sale or Offsetting-Purchase transaction

is executed:

The amount of money equivalent to the difference between the Settlement Price on such immediately preceding Trading Day and the contract price related to such Offsetting-Sale or Offsetting-Purchase.

(Article 73-38 Net Difference to Previous Day relating to Non-Yen Financial Index)

The amount of money equivalent to the difference prescribed in each of Article 73-34 through Article 73-37 in respect of an Exchange FX Contract relating to the Non-Yen Financial Index*¹ shall be computed in accordance with the rules prescribed by JSCC.

(*¹ referring to the non-yen financial index prescribed by the Designated Market Operator)

(Article 73-39 Locus of Responsibility in the case where Settlement Price, etc. is not able to be Calculated, etc.)

An FX Clearing Participant is not entitled to seek indemnity against JSCC or the Designated Market Operator for any damages suffered by it as a result of an inability, delay or error regarding the calculation or distribution of, or change, etc. in, Settlement Price or swap point standard price.

Section 9 Miscellaneous Clauses.

(Article 73-40 Amount of Money to be Paid/Received for Futures and Options, and Its Method)

1 The payment and receipt of the amount of money pursuant to the provisions of Article 73-3, Article 73-5-2, Article 73-8, Article 73-9, Article 73-9-2, Article 73-17, Article 73-22 through Article 73-24, Article 73-27, Article 73-30, Article 73-31-4, Article 73-31-5, Article 73-31-58, Article 73-31-59, Article 73-31-64 and Article 73-31-67 shall be performed in the amount set forth below according to the below-listed classification:

(1) Classification set forth in Items (1) and (3) of Article 46-3

The sum of the differences between the amount to be paid and amount to be received in respect of the accounts set forth in Item (1) and Item (3), a. and b. of Article 46-3 of the same Clearing Participant;

(2) Classification set forth in Item (2) A) and B) of Article 46-3 and Items (1) and (2) of Article 46-4

The sum of the differences between the amount to be paid and amount to be received in respect of the accounts set forth in Item (2) of Article 46-3, Item (1) and Item (2) a. and b. of Article 46-4 of the same Clearing Participant.

2 The payment/receipt of money set forth in the preceding Paragraph shall be made between the Clearing Participant and JSCC. The payment/receipt method in this case shall be in accordance with the rules of JSCC.

3 In the case prescribed by JSCC, a Clearing Participant may, in lieu of the payment and receipt of money as set forth in the preceding two Paragraphs, pay and receive, by each account set forth in Article 46-3 and Article 46-4 that are managed by that Clearing Participant, the net of the amount to be paid and the amount to be received in respect of the relevant account in a manner prescribed by JSCC.

(Article 73-41 Amount of Money to be Paid/Received for Futures and Options, and its Method)

1 The amount of money to be paid/received pursuant to the provisions of Article 73-34 through Article 73-38 shall be the difference between the total amount to be paid and the total amount to be received by the same FX Clearing Participant for each purpose of deposit made by such FX Clearing Participant*¹.

(*¹ referring to the classification of the Margins prescribed in Paragraph 1 of Article 19 of the Rules on Margins, etc. for Exchange FX Contracts; the same applies hereinafter)

2 In addition to those set forth in the preceding Paragraph, matters necessary to be prescribed in relation to the amount of money to be paid/received pursuant to the provisions of Article 73-34 through Article 73-38 shall be prescribed by JSCC.

(Article 73-42 Application of the Rules in the Event of the Give-up)

With respect to the Futures and Option Contracts which are newly formed as a result of the completion of the Give-up, the Clearing Participant which is also the Trading Participant Executing Clearance*¹ is deemed to have concluded the relevant Futures and Option Contracts, and the provisions of this Chapter and the following Chapter shall apply accordingly.

(*¹ in the case where the relevant Trading Participant Executing Clearance is a Non-Clearing Participant, referring to its Designated Clearing Participant)

Chapter 5-2 Succession of Margin and Unsettled Contract, etc.

(Article 73-43 Succession of Margin and Unsettled Contract, etc.)

- 1 The matters with respect to the Margin relating to the Futures and Option Contracts and the handling of Unsettled Contracts, etc. in the event of the suspension of assumption of obligation due to default, etc. in the Securities and Similar Contract Clearing Business performed by JSCC shall be prescribed in the Rules on Margins, etc. for Futures and Option Contracts.
- 2 The matters with respect to the Margin relating to the Exchange FX Contracts and the handling of Unsettled Contracts, etc. in the event of the suspension of assumption of obligation due to default, etc. in the Securities and Similar Contract Clearing Business performed by JSCC shall be prescribed in the Rules on Margins, etc. for Exchange FX Contracts.

Chapter 5-3 Position Transfers

(Article 73-44 Position Transfers)

1 In addition to the cases stipulated separately in these Business Rules, a Clearing Participant may, after obtaining JSCC's approval, transfer its Unsettled Contracts relating to Futures and Option Contracts^{*1} to other Clearing Participants.

(*1 excluding those Unsettled Contracts which are contract month contracts^{*1-1} remaining after 1:00 P.M. on the second day from and including the Last Trading Day ^{*1-2} of such contract month contract whose Last Trading Day for the Physically-delivered JGB Futures Contract has arrived, those Unsettled Contracts which are contract month contracts^{*1-3} remaining after 2:00 P.M. on the Last Trading Day^{*1-4} of such contract month contract whose Last Trading Day has arrived and Cross Margined JGB Futures Cleared Contracts,; the same applies hereinafter in this Chapter)

(*1-1 referring to the contract month contracts specified by the Designated Market Operator^{*1-1-1})

(*1-1-1 referring to the Designated Market Operator which operates the Designated Financial Instruments Market prescribed in Item (3) of Paragraph 2 of Article 3)

(*1-2 referring to the last trading day specified by the Designated Market Operator^{*1-2-1} with respect to the contracts in question)

(*1-2-1 referring to the Designated Market Operator which operates the Designated Financial Instruments Market prescribed in Item (3) of Paragraph 2 of Article 3)

(*1-3 referring to the contract month contracts specified by the Designated Market Operator^{*1-2-1})

(*1-4 referring to the last trading day specified by the Designated Market Operator^{*1-42-1} with respect to the contracts in question)

(*1-4-1 referring to the Designated Market Operator which operates the Designated Financial Instruments Market prescribed in Item (6)-2 and Item (6)-3 of Paragraph 2 of Article 3)

2 When a Clearing Participant transfers its Unsettled Contracts pursuant to the provisions of the preceding Paragraph^{*1}, it shall obtain acknowledgement of another Clearing Participant as to the Position Transfer and submit an application to JSCC by the cutoff time prescribed by JSCC in accordance with the rules prescribed by JSCC.

(*1 hereinafter referred to as the "Position Transfer" in this Chapter)

3 In the case of the immediately preceding Paragraph, the Position Transfer shall become

effective when JSCC approves such Position Transfer.

4 When implementing the Position Transfer relating to the Contracts Subject to Clearing listed in Item (3), Item (4)-2, Item (5) and Item (6)-2 of Paragraph 2 of Article 3, the Settlement Price of each contract month contract^{*1} or the Settlement Price of each rolling-sot contract on the Trading Day^{*2} which ends on the day immediately preceding the day on which the relevant Position Transfer is to be implemented shall be used as the contract price pertaining to such Position Transfer.

(*1 referring to the contract month contract specified by the Designated Market Operator in respect of the Futures and Option Contracts; the same applies hereinafter)

(*2 referring to the trading day prescribed by the Designated Market Operator with respect to Futures and Option Contracts; the same applies hereinafter)

5 In the event that an Agency Clearing Participant received notification from a Non-Clearing Participant concerning the Position Transfer in accordance with the rules prescribed by the Designated Market Operator, such Agency Clearing Participant shall submit to JSCC an application setting forth the content thereof by the cutoff time prescribed by JSCC and in accordance with the rules prescribed by JSCC, and obtain JSCC's approval.

(Article 73-45 Suspension of Position Transfers)

In the event that JSCC determines it difficult to permit transfers of Positions on a continuing basis due to failure of operation of the system for transfers of Positions or other reason, JSCC may suspend transfer of Positions.

Chapter 6 Clearing Deposit

(Article 74 Clearing Deposit)

The initial margin prescribed in Article 15-2, the clearing fund prescribed in Article 16 and Article 17, the Security Money for Facilitating DVP Settlement prescribed in Article 52, and the Margin prescribed in Article 70, all of which JSCC shall receive from Clearing Participants in order to ensure the performance of their obligations, shall be the Clearing Deposit prescribed in Article 156-11 of the Act.

(Article 75 Management of Clearing Deposit)

JSCC shall hold the Clearing Deposit set forth in the preceding Article by segregating it from its proprietary assets through such methods as utilizing a separate account, and manage it on a book in respect of each Clearing Participant by demarcating each of the initial margin set forth in each item of Paragraph 1 of Article 15-2, clearing fund set forth in each item of Paragraph 1 of Article 16 and Article 17, Security Money for Facilitating DVP Settlement and the Margin.

Chapter 7 Measures, etc. in case of Settlement Default by Clearing Participant

Section 1 General Rules

(Article 75-2 Use of Clearing Fund for Settlement at the Time of Settlement Default)

1 When a Clearing Participant*¹ fails to perform its settlement of Contracts for Clearing and JSCC considers it difficult to have such Clearing Participant complete the settlement of Contracts for Clearing through borrowing from other persons or any other means, JSCC may use the clearing fund*² deposited by Clearing Participants other than the Clearing Participant caused such failure*³ as of the date of occurrence of such failure*⁴ to complete the settlement of the Contracts for Clearing*⁵.

(*¹ excluding ETC Special Clearing Participant ; same applies hereinafter in this Section)

(*²limited to those deposited in Japanese yen; the same applies in the following Article)

(*³hereinafter referred to as “Clearing Participants on Settlement Use Commencement Date”)

(*⁴hereinafter referred to as “Settlement Use Commencement Date”)

(*⁵hereinafter referred to as “Settlement Use”)

2 The Settlement Use will be performed to the extent JSCC deems necessary in the amount up to the required amount of clearing fund in respect of the Clearing Participants on Settlement Use Commencement Date as of the day immediately preceding the Settlement Use Commencement Date.

3 When JSCC implemented the Settlement Use, JSCC shall notify such effect to the Clearing Participants on Settlement Use Commencement Date without delay.

(Article 75-3 Refund of Clearing Fund upon Settlement Use)

When implementing the Settlement Use, JSCC may suspend refund of clearing fund to the Clearing Participants on Settlement Use Commencement Date until the termination of the Settlement Use pursuant to the provisions of the following Article.

(Article 75-4 Termination of Settlement Use)

1 The Settlement Use shall terminate when JSCC considers that the settlement of Contracts for Clearing to which the Settlement Use relates has been completed.

2 Upon termination of the Settlement Use pursuant to the provisions of the immediately preceding Paragraph, JSCC shall notify such effect to the Clearing Participants on Settlement Use Commencement Date without delay.

3 Upon termination of the Settlement Use pursuant to the provisions of Paragraph 1, JSCC

shall pay the amount prescribed by JSCC to the Clearing Participants on Settlement Use Commencement Date in a manner prescribed by JSCC.

(Article 76 Measures in case of Settlement Default)

- 1 When a Clearing Participant does not perform the settlement of Contracts for Clearing or JSCC deems there is a real possibility that a Clearing Participant does not perform the settlement of Contracts for Clearing, JSCC shall implement the measures, to the extent and for the period that JSCC deems necessary, to suspend the assumption of the obligations under the Contracts Subject to Clearing to which such Clearing Participant*¹ is a party and to suspend such Clearing Participant from receiving all or part of the securities, Warehouse Receipts and the Like, commodity and money which were to be received from JSCC.
- (*¹ hereinafter referred to as the "Default Clearing Participant")² In the event that the Default Clearing Participant does not perform the settlement of Contracts for Clearing, JSCC may cause other Clearing Participants to sell or buy the securities, Warehouse Receipts and the Like or commodity or to perform similar acts which are necessary for the handling of the relevant default.
- 3 JSCC may apply the securities, Warehouse Receipts and the Like, commodity and money, the receipt of which was suspended pursuant to the provisions of Paragraph 1, to satisfy the obligations pertaining to the default of the settlement of Contracts for Clearing by the Default Clearing Participant.
- 4 The Default Clearing Participant which has been subjected to the measure of suspending assumption of obligations pursuant to the provisions of Paragraph 1 may, after obtaining JSCC's approval, transfer its unsettled Contracts for Clearing pertaining to the Contracts Subject to Clearing constituting the obligations which became subjected to such measure to other Clearing Participants during the duration of such measure; provided, however, that the foregoing shall not apply in the case where the measure of suspending assumption was imposed against all the obligations under the Contracts Subject to Clearing to which the Default Clearing Participant is a party pursuant to the provisions of the following Paragraph.
- 5 In the event that JSCC has taken the measure set forth in Paragraph 1, if the Default Clearing Participant became insolvent, or if JSCC deems that there is a real possibility for the Default Clearing Participant to become insolvent or it is especially necessary to do so*¹, notwithstanding the provisions of said Paragraph, JSCC may impose the measure of suspending assumption of all the obligations under the Contracts Subject to Clearing to which the Default Clearing Participant is a party and of suspending the Default Clearing Participant from receiving securities, Warehouse Receipts and the Like, commodity and money which were to be received from JSCC, until the cause thereof ceases to exist.

(*1 hereinafter referred to as the “Determination of Insolvency”)

6 The provisions of Paragraph 3 shall apply *mutatis mutandis* to the securities, Warehouse Receipts and the Like, commodity and money the receiving of which was suspended pursuant to the provisions of the preceding Paragraph.

7 In the event that JSCC has suspended assumption of all the obligations under the Contracts Subject to Clearing to which the Default Clearing Participant is a party pursuant to the provisions of Paragraph 5, JSCC may, taking into consideration the composition and size of the Default Clearing Participant’s portfolio of Unsettled Contracts*1 and market conditions, cause the Default Clearing Participant to transfer to other Clearing Participants, perform Offsetting Sale or Offsetting Purchase of, exercise, or execute hedge transactions*2 on the account of the relevant Default Clearing Participant in respect of, the relevant Defaulted Contracts and cause other arrangements that JSCC deems necessary to be made.

(*1 hereinafter referred to as “Defaulted Contracts”)

(*2 referring to Contracts Subject to Clearing to be executed to avoid all or part of losses that JSCC may incur up to the time when the arrangement set forth in this Paragraph is made)

8 If the Defaulted Contracts remain or are highly likely to remain even after the implementation of the measures set forth in the immediately preceding Paragraph, and only when JSCC considers it necessary to prevent emergence or expansion of loss set forth in Paragraph 1 of Article 78, JSCC may hold an auction for default settlement*1.

(*1 referring to an auction process to have transactions for the purpose of the liquidation of the Defaulted Contracts executed; the same applies hereinafter)

9 Notwithstanding the provisions of Paragraph 7, in the case where JSCC has suspended assumption of all the obligations under the Contracts Subject to Clearing to which the Default Clearing Participant is a party pursuant to the provisions of Paragraph 5, if there are Default Delivery Positions*1, JSCC shall perform liquidation for the completion of settlement of the relevant Default Delivery Positions and hold a Default Settlement Auction as prescribed by JSCC in its rules.

(*1 referring to the defaulting contracts which have already been determined to be settled through delivery related to Physical Settlement Futures Contracts as prescribed in these Business Rules; the same applies hereinafter)

9 Only to the extent necessary to make the arrangements set forth in Paragraph 7, JSCC may assume, from the Default Clearing Participant which has been subjected to the measure of suspending assumption of all the obligations pursuant to the provisions of Paragraph 5, the obligations under the relevant Default Clearing Participant’s Contracts Subject to Clearing.

10 When JSCC deems it necessary to do so, JSCC may cause other Clearing Participants to

make the arrangements set forth in Paragraph 7.

11 In the case of Paragraph 2 and the preceding Paragraph, an entrustment agreement shall be deemed to have been formed between such other Clearing Participant and the Clearing Participant subject to the suspension of assumption of obligations.

(Article 76-2. Setting Default Settlement Period)

1 When the Default Clearing Participant holds Futures Clearing Qualification, JSCC shall set the Default Settlement Period defined in the following Paragraph.

2 A Default Settlement Period shall be, for a Clearing Participant subject to the Determination of Insolvency^{*1}, a period of 30 days from the date of the Determination of Insolvency of such Clearing Participant; provided, however, that if another Clearing Participant becomes subject to the Determination of Insolvency during such period, such period shall be extended until the day on which JSCC deems that the settlement of default of such other Clearing Participant completes, and if any further Clearing Participant becomes subject to the Determination of Insolvency during such extended period, such period shall be further extended in the same manner.

(*1 except where the Default Settlement Period has already commenced at the time of such Determination)

(Article 76-3 Consultation to Avoid Early Termination)

1 When an auction for default settlement is held in respect of the Defaulted Contracts related to the Default Clearing Participant holding Futures Clearing Qualification, where it is threatened that the losses arising out of the Determination of Insolvency of the Default Clearing Participant fixed by successfully concluding the auction for default settlement cannot be recovered in full under the provisions of Paragraph 1 and Paragraph 3 of Article 79-2, JSCC, the Designated Market Operators and the Clearing Participants shall have a consultation on how to settle such loss in a manner prescribed by JSCC.

2 When, as a result of the consultation pursuant to the provisions of the preceding Paragraph, all of the requirements stipulated in the following Items are satisfied among JSCC, the Designated Market Operator and all Clearing Participants, an agreement on how to settle losses is considered to have reached and JSCC shall settle such losses in accordance with such agreement. In this case, the settlement shall enable JSCC to recover such losses in full and to continue its Clearing Business related to each Clearing Qualification.

(1) At least two-thirds of the Clearing Participants other than the Default Clearing Participant existing during the Default Settlement Period^{*1}, in terms of the ratio of the required amount of clearing fund for the Default Settlement Period to the aggregate amount of such required

amount of clearing fund for all Clearing Participants for the Default Settlement Period, is for the method of settlement submitted to the consultation.

(*1 hereinafter referred to as "Clearing Participant for Default Settlement Period)

(2) The consent of the Clearing Participants to bear additional burden if the proposed method is taken, JSCC and the Designated Market Operator is obtained.

4 In addition to preceding two Paragraphs, the matters necessary for the consultation prescribed in this Article shall be set by JSCC on each applicable occasion

(Article 76-4. Early Termination)

1 When an agreement on how to settle losses under Paragraph 2 of the preceding Article cannot be reached through the mutual consultation under Paragraph 1 of the said Article, the position subject to Defaulted Contracts and the position related to Contracts Subject to Clearing of the Clearing Participants for Default Settlement Period designated by JSCC to be allocated shall terminate early as a matter of course at the time JSCC designates at each occasion without any specific expression of intention from JSCC or Clearing Participants.

2 The early termination described in the preceding Paragraph refers to a process of terminating the Contracts for Clearing before its last trading day due to cause other than notification of Clearing Participants given pursuant to the provisions of these Business Rules.

3 Upon early termination of the Contracts for Clearing, a notification of Offsetting Sale or Offsetting Purchase quantity concerning the position subject to the early termination shall be deemed to have been submitted by the Default Clearing Participant or the Clearing Participant for Default Settlement Period, as the case may be.

4 In the event of the preceding Paragraph, the Clearing Participant shall settle the early termination charge with JSCC as prescribed by JSCC.

5 The early termination charge described in the preceding Paragraph shall be the amount JSCC calculates, as to the position allocated to the Clearing Participants for Default Settlement Period pursuant to the provisions of Paragraph 1, by deeming that the offsetting transactions against Unsettled Contracts, such as Offsetting Sale or Offsetting Purchase, has been executed at the Settlement Price for the date of the early termination.

6 In addition to each of the preceding Paragraphs, the matters necessary for the early termination shall be set by JSCC on each applicable occasion.

(Article 77 Notification of Imposition of Measure to Suspend Assumption of Obligation)

In the event that JSCC has imposed the measure of suspending assumption of the obligations under the Contracts Subject to Clearing to which a Clearing Participant is a party pursuant to the provisions of Paragraph 1 or Paragraph 5 of the immediately preceding

Article, JSCC shall notify to that effect to all the other Clearing Participants*¹ having Clearing Qualification of the same category as that of the relevant Clearing Participant's one.

(*¹ including the ETF Special Clearing Participants and Registered ETF Trust Banks, when the relevant Clearing Participant is a Securities Clearing Participant)

(Article 78 Compensation for Loss Caused by Default)

1 In the event that JSCC has suffered loss*¹ as a result of the nonperformance of the settlement of the Contracts for Clearing by the Default Clearing Participant, each of the following deposit*² shall be applied to compensate such loss according to the purpose thereof:

(*¹ including the loss JSCC incurred in the course of the handling of such default*¹⁻¹)

(*¹⁻¹ including the handling which takes place when JSCC deems that there is a real possibility of default)

(*² in case of securities in lieu of cash or warehouse receipts*²⁻¹, the amount obtained through liquidation of such Securities or the Like in a manner prescribed by JSCC)

(*²⁻¹ hereinafter referred to as "Securities or the Like")

- (1) Margin for buying/selling transaction deposited with JSCC by the Default Clearing Participant;
- (2) Security Money for Facilitating DVP Settlement deposited with JSCC by the Default Clearing Participant;
- (3) Margin relating to the Futures and Option Contracts and Margin relating to the Exchange FX Contracts for the proprietary account deposited with JSCC by the Default Clearing Participant;
- (4) Margin relating to the Futures and Option Contracts and Margin relating to the Exchange FX Contracts in respect of which the Default Clearing Participant has a claim for refund*¹ (*¹ excluding the Margin set forth in the immediately preceding Item);
- (5) Initial margin deposited with JSCC by the Defaulting Clearing Participant;
- (6) Clearing fund deposited with JSCC by the Default Clearing Participant;
- (7) Delivery Price and the like relating to the Commodity Futures Contracts in respect of which the Default Clearing Participant has a claim for refund.

2 In addition to the sources set forth in the immediately preceding Paragraph, JSCC shall be compensated for its loss from the following sources:

- (1) Regarding the deposit set forth in each Item of the immediately preceding Paragraph, if there is any residual amount after being used for its original purpose, such residual amount;
- (2) Other deposits that the Default Clearing Participant has deposited with JSCC*¹; and

(*¹ if JSCC has used it for its original purpose, the remaining amount)

- (3) Excess collateral^{*¹} that the Default Clearing Participant has deposited with JSCC in connection with any Other Clearing Business^{*²}

(*¹ referring to the margin, clearing fund or other collateral^{*¹⁻¹} which the Default Clearing Participant has deposited with JSCC in connection with any Other Clearing Business^{*²}, that remains after the application to the payment of the obligations of the Default Clearing Participant in accordance with the provisions of the business rules of such Other Clearing Business)

(*¹⁻¹ limited only to those of which the Default Clearing Participant has the claim for refund)

(*² referring to the Financial Instruments Obligation Assumption Business and the Business of Assuming Commodity Transaction Debts conducted by JSCC and businesses pertaining thereto, other than the Securities and Similar Contract Clearing Business; the same applies hereinafter)

- 3 If any part of the loss in respect of each category of Clearing Qualification remains uncompensated after the operation of the provisions of the preceding two Paragraphs, and if the relevant Default Clearing Participant is a trading participant or a member of a Financial Instruments Exchange, the participant bond^{*¹} which the relevant Default Clearing Participant has deposited with the Financial Instruments Exchange where it has the trading qualification or is a member shall be applied to compensate for the remaining loss.

(*¹ if the customers or the Financial Instruments Exchange has exercised the preferential right to receive payment in respect of the bond, its balance)

- 4 If any part of the loss in respect of each category of Clearing Qualification remains uncompensated after the operation of the provisions of the preceding three Paragraphs, and if there is any money to be received as a result of a third party guarantee against loss or other money or other assets with the particular purpose to compensate the relevant loss^{*¹}, JSCC shall be compensated with such money and assets.

(*¹ excluding the charge set forth in Paragraph 7 and the following Article)

- 5 If any part of the loss in respect of each category of Clearing Qualification listed below remains uncompensated after the operation of the provisions of Paragraph 1 through Paragraph 4, JSCC shall be compensated from the reserves prescribed in each of the below Items maintained by JSCC:

- (1) Securities Clearing Qualification, JGB Futures Clearing Qualification, Index Futures Clearing Qualification and FX Clearing Qualification
 Securities and Similar Contracts Settlement Guarantee Reserve

(2) Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification and Petroleum Futures Clearing Qualification
Commodity Futures Settlement Guarantee Reserve

- 6 The amount of the Securities and Similar Contracts Settlement Guarantee Reserve and the Commodity Futures Settlement Guarantee Reserve maintained by JSCC referred to in the preceding Paragraph shall be the amount reserved or otherwise set aside in the manners prescribed by JSCC.
- 7 The matters necessary for the loss compensation prescribed in each preceding Paragraph shall be set by JSCC on each applicable occasion.

(Article 78-2 Compensation for Loss with Clearing Fund of Non-Default Clearing Participants)

1 In the case where any portion of the loss*¹ related to Securities Clearing Qualification, JGB Futures Clearing Qualification, Index Futures Clearing Qualification, Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification, Petroleum Futures Clearing Qualification or FX Clearing Qualification which JSCC has incurred as a result of the nonperformance by a Default Clearing Participant of the settlement of Contracts for Clearing existing between JSCC and such Default Clearing Participant still remains uncompensated even after the operation of the provisions of the preceding Article, such loss related to each Clearing Qualification shall be compensated for, according to each category of the Clearing Qualification listed in each of the below Items, with the amount of the clearing fund specified in the relevant Item:

(1) Securities Clearing Qualification and FX Clearing Qualification

The amount representing the required amount of clearing fund for each type of Clearing Qualification set forth in Item (1) or Item (7) of Paragraph 1 of Article 16, deposited by each Clearing Participant other than the Default Clearing Participant*¹ with JSCC as of the day of the occurrence of the relevant default*².

(*¹ including the day on which JSCC deems there is a real possibility of default; hereinafter referred to as the "Default Day" in this Chapter)

(*² hereinafter referred to as the "Clearing Participant on Default Day" in this Chapter)

(2) Futures Clearing Qualification Clearing Qualification

The amount representing the required amount of clearing fund for each type of Clearing Qualification set forth in Article 17, deposited by the Clearing Participants for Default Settlement Period related to the relevant loss with JSCC as of the day immediately preceding the day on which the relevant Default Settlement Period commences.

2 In the event of the immediately preceding Article, when JSCC held the auction for default settlement, the clearing fund shall be applied to the loss remaining uncompensated as per

the immediately preceding Paragraph in the order from the clearing fund deposited by the Clearing Participants on Default Day or the Clearing Participants for Default Settlement Period other than the successful bidder participants*¹ and then those deposited by the successful bidder participants.

(*¹ referring to the Clearing Participant bid in the auction for default settlement which won the bid; the same applies hereinafter)

- 3 In the case where JSCC deems it difficult to calculate the uncompensated loss as referred to in Paragraph 1 for a considerable period, JSCC may regard the amount which is provisionally estimated and calculated by JSCC as such uncompensated loss, and compensate for such amount in the manners prescribed in Paragraph 1. In such case, when such uncompensated loss is firmly determined, the difference between such firmly determined amount and the provisional amount calculated by JSCC shall be paid/received between the Clearing Participants on Default Day or the Clearing Participants for Default Settlement Period and JSCC.
- 4 When JSCC has made collection from the Default Clearing Participant against its claim pertaining to the loss which was compensated for pursuant to Paragraph 1, JSCC shall repay such collected amount to the Clearing Participants on Default Day or the Clearing Participants for Default Settlement Period by prorating it among them.

(Article 79 Special Clearing Charge relating to Securities Clearing Qualification or FX Clearing Qualification)

- 1 Regarding the loss which JSCC has incurred as a result of the nonperformance by a Default Clearing Participant holding Securities Clearing Qualification or FX Clearing Qualification of the settlement of Contracts for Clearing with JSCC, in the case where any portion of such loss still remains uncompensated even after the operation of the provisions of the preceding Article, all Clearing Participants on Default Day shall pay Special Clearing Charge in accordance with the rules of JSCC. In such case, JSCC shall apply such Special Clearing Charge for compensating for such uncompensated loss.
- 2 The amount of the Special Clearing Charge set forth in the preceding Paragraph shall be, for each category of the Clearing Qualification, the amount equal to the uncompensated loss stipulated in said Paragraph prorated in accordance with the rules of JSCC among the Clearing Participants on Default Day.
- 3 If a Clearing Participant does not pay the Special Clearing Charge set forth in Paragraph 1, such Clearing Participant shall be regarded as having failed to perform the settlement of Contracts for Clearing on the Default Day with respect to such unpaid amount, and the provisions from Article 76 to this Article shall be applied accordingly.

4 The provisions of Paragraph 3 and Paragraph 4 of the preceding Article shall apply *mutatis mutandis* to the case where JSCC deems it difficult to calculate the amount of loss which remains uncompensated as referred to in Paragraph 1 for a considerable period. In such case, “(JSCC may) compensate for such amount in the manners prescribed in Paragraph 1” in the first sentence of Paragraph 3 of the preceding Article shall be deemed to be “(JSCC may) demand payment of the Special Clearing Charge on the day set by JSCC”.

(Article 79-2. Special Clearing Charge etc. relating to Futures Clearing Qualification)

1 Regarding the loss which JSCC has incurred as a result of the nonperformance by a Default Clearing Participant of the settlement of Contracts for Clearing with JSCC, in the case where any portion of such loss still remains uncompensated even after the operation of the provisions of Article 78-2, all Clearing Participants for Default Settlement Period shall pay the First Special Clearing Charge in accordance with the rules of JSCC. In such case, JSCC shall apply such First Special Clearing Charge for compensating for such uncompensated loss.

2 The amount of the First Special Clearing Charge set forth in the preceding Paragraph shall be, for each type of the Clearing Qualification, the amount equal to the uncompensated loss stipulated in said Paragraph prorated in accordance with the rules of JSCC among the Clearing Participants for Default Settlement Period; provided, however, that the amount of the First Special Clearing Charge shall be capped at three times of the required amount of clearing fund of the Clearing Participants for Default Settlement Period on the day immediately preceding the day on which the Default Settlement Period commences.

3 In the case where any portion of the loss remains uncompensated even after the application of the First Special Clearing Charge, all Clearing Participants for Default Settlement Period shall pay the Second Special Clearing Charge in accordance with the rules of JSCC. In such case, JSCC shall apply such Second Special Clearing Charge for compensating for such uncompensated loss.

4 The amount of the Second Special Clearing Charge under the preceding Paragraph shall be obtained by prorating the amount of the loss remaining uncompensated after the application of the First Special Clearing Charge according to the net receivable^{*1} of the amount prescribed by JSCC as the amount equivalent to the VM/OP Premium^{*2} that should have been settled, in respect of the Clearing Participants for Default Settlement Period, during the period from the date of the Determination of Insolvency of the Default Clearing Participant to the date of completion of the liquidation related to the relevant Determination of Insolvency^{*3}.

(*1 only when the relevant amount is positive value)

(*2 including the amount equivalent to the VM/OP Premium arising in association with the auction for default settlement prescribed in Paragraph 8 of Article 76 and the Early

Termination Fee prescribed in Paragraph 4 of Article 76-4; hereinafter referred to as “VM/OP Premium Equivalent”)

(*³ hereinafter referred to as “Liquidation Period”)

5. If a Clearing Participant for Default Settlement Period does not pay the First Special Clearing Charge set forth in Paragraph 1, the Second Special Clearing Charge set forth in Paragraph 3 or the Early Termination Fee set forth in Paragraph 4 of Article 76-4, such Clearing Participant for Default Settlement Period shall be regarded as having failed to perform the settlement of Contracts for Clearing on the Default Day with respect to such unpaid amount, and the provisions from Article 76 to this Article shall be applied accordingly.
6. The provisions of Paragraph 3 and Paragraph 4 of Article 78-2 shall apply *mutatis mutandis* to the case where JSCC deems it difficult to calculate the amount of loss which remains uncompensated as referred to in Paragraph 1 for a considerable period. In such case, “(JSCC may) compensate for such amount in the manners prescribed in Paragraph 1” in the first sentence of Paragraph 3 of the preceding Article shall be deemed to be “(JSCC may) demand payment of the First Special Clearing Charge and the Second Special Clearing Charge on the day set by JSCC.”

Section 2 Cross Margining Special Clearing Charge

(Article 79-3 Cross Margining Special Clearing Charge)

1 When claims and obligations related to the Cross Margined JGB Futures Cleared Contracts between the Cross Margining Requestor and JSCC cease to exist pursuant to the provisions of Article 73-15-4, and if there remains any loss incurred by JSCC in respect of the claims and obligations which come into existence between the Cross Margining Accepting Party and JSCC pursuant to the provisions of Article 84-5 of IRS Business Rules which cannot be covered by the use of the Fourth Tier Special Clearing Charge^{*1}, the Cross Margining Requestor shall pay the Cross Margining Special Clearing Charge in the amount equal to such remaining loss in a manner prescribed by JSCC. In this case, JSCC will cover such loss by such Cross Margining Special Clearing Charge.

(*1 referring to the Fourth Tier Special Clearing Charge set forth in Article 106.1 of IRS Business Rules; the same applies in Paragraph 2 below)

2 When the Cross Margining Requestor described in the immediately preceding Paragraph fails to pay the Cross Margining Special Clearing Charge set forth in the said Paragraph, the Cross Margining Requestor shall be deemed to have failed its performance of the settlement of the Clearing Contracts on the day on which it has determined that such loss cannot be covered fully by the Fourth Tier Special Clearing Charge, and the provisions of Article 76 to the preceding Article shall apply.

3 When JSCC deems it difficult to calculate the Cross Margining Special Clearing Charge set forth in Paragraph 1 for a considerable period of time, JSCC may deem the amount tentatively calculated by JSCC as an expected amount of such remaining loss and request the payment of the Cross Margining Special Clearing Charge in such amount on the date designated by JSCC. In this case, when the final amount of such remaining loss set forth in Paragraph 1 has been determined, the difference between such final amount of the remaining loss and the amount tentatively calculated by JSCC shall be settled between the Cross Margining Requestor under Paragraph 1 and JSCC.

4 When JSCC can collect its claims related to the loss recovered pursuant to the provisions of Paragraph 1 from the Cross Margining Accepting Party set forth in Paragraph 1, JSCC shall refund the amount so collected to the Cross Margining Requestor under Paragraph 1 pursuant to the provisions of IRS Business Rules.

Section 3 Measures, etc. in case of Settlement Default by ETF Special Clearing Participant

(Article 79-3-2 Measures in case of Settlement Default)

- 1 When an ETF Special Clearing Participant does not perform the settlement of Contracts for Clearing or JSCC deems there is a real possibility that an ETF Special Clearing Participant does not perform the settlement of Contracts for Clearing, JSCC shall implement measures, to the extent and for the period that JSCC deems necessary, to suspend the assumption of the obligations under the Contracts Subject to Clearing to which such ETF Special Clearing Participant^{*1} is a party.
(*1 hereinafter referred to as "Default ETF Special Clearing Participant").
- 2 The Default ETF Special Clearing Participant subject to the measures of suspending assumption pursuant to the provisions of preceding Item, after obtaining JSCC's approval, may transfer the unsettled Contracts for Clearing related to Contracts Subject to Clearing subject to the relevant measurement to other ETF Special Clearing Participants during such period, provided, however, when the measures of suspending assumption of all the obligations is taken pursuant to the provisions of following Item, the foregoing shall not apply.
- 3 JSCC may, when the measures set forth in the Paragraph 1 is taken, suspend assumption of all the obligations based on Contracts Subject to Clearing to which the Default ETF Special Clearing Participant is a party, if the Default ETF Special Clearing Participant has become insolvent or JSCC deems there is a real possibility for the Default ETF Special Clearing Participant to become insolvent or it is especially necessary to do so, notwithstanding the provisions of the said Paragraph, until the cause thereof ceases to exist.
- 4 When JSCC suspends the assumption of all the obligations based on Contracts Subject to Clearing to which the Default ETF Special Clearing Participant is a party pursuant to the provisions of the preceding Item, the agreements pursuant to the provision of Paragraph 2 of Article 45-3 and the assumptions of obligations pursuant to Item (4) and Item (5) of Paragraph 1 of Article 46 related to Contracts for Clearing^{*1} with the Default ETF Special Clearing Participant, for which new recording pursuant

to the provision of Item (1) sub-item (c) of Paragraph 3 of Article 56 or deletion of record pursuant to the provision of Item (3) sub-item (a) of the said Paragraph has not been completed, shall cease to have effect retrospectively to the time of application of assumption set forth in Paragraph 1 of Article 45-3; provided, however, that, if indemnification, penalty or other similar payment of money for the delay has been paid with respect to Invalid Contracts for Clearing, the relevant money shall not be returned.

(*hereinafter referred to as "Invalid Contracts for Clearing")

5 When assumption of obligations ceases to have effect pursuant to the provisions of the preceding Item, JSCC shall return, listed securities and money received from the Securities Clearing Participants for the settlement of Invalid Contracts for Clearing to the relevant Securities Clearing Participants, in a manner prescribed by JSCC.

(Article 79-3-3 Notification of Imposition of Measure to Suspend Assumption of Obligation)

In the event that JSCC has imposed the measure of suspending assumption of the obligations under the Contracts Subject to Clearing to which an ETF Special Clearing Participant is a party, pursuant to the provisions of Paragraph 1 or Paragraph 3 of the immediately preceding Article, JSCC shall notify to that effect to Securities Clearing Participants, ETF Special Clearing Participants and Registered ETF Trust Banks.

Chapter 8 Miscellaneous Provisions

(Article 79-4 Adjustment of Position under Security Option Contract)

- 1 In the case of a stock split in respect of the underlying security of Security Option Contract where one stock is to be split into an integral multiple of one stock; in the case of an allotment of stocks without compensation where the stock of the same class as that of the underlying security in number equal to an integral multiple of one stock of the underlying security are allotted per each stock of the underlying security; in the case of a change in the trading unit; in the case of a succession of Securities Option Contracts as prescribed by the Designated Market Operator; or in other cases where JSCC deems it necessary to do so, the Position under the Security Option Contract pertaining to the securities option in respect of such underlying security shall be adjusted in accordance with the rules of JSCC.
- 2 The provisions of the preceding Paragraph shall apply *mutatis mutandis* to the underlying security^{*1} of Security Option Contract.
(*1 excluding stocks)

(Article 80 Extraordinary Change of Settlement Cutoff Time)

When JSCC deems it necessary, JSCC may extraordinarily change the Settlement Cutoff Time^{*1} in respect of Contracts for Clearing between JSCC and a Clearing Participant. In such case, JSCC shall notify the Clearing Participant, etc. to that effect in advance.

(*1 including the cutoff time prescribed in Paragraph 1 and Paragraph 2 of Article 51)

(Article 81 Deferment of Settlement Date Due to System Failure, etc.)

- 1 In the case where JSCC deems it impossible or difficult to carry out the settlement of Contracts for Clearing by using 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, due to an occurrence of a system failure to those systems or some other unavoidable reasons, JSCC may defer all or part of the settlement to the following day or later. In such case, JSCC shall notify Clearing Participants, etc. to that effect in advance.
- 2 In the case where JSCC deems it impossible or difficult to make the notification of an exercise of options in respect of Security Option Contract, Option Contract on JGB

Futures, Index Option Contract and/or Option Contract on Commodity Futures due to an occurrence of a system failure to the systems set up by JSCC or other institutions which are necessary to make the notification of the exercise of those options or due to some other unavoidable reasons, JSCC may change the Exercise Period or the Exercise Date, or suspend the exercise itself with respect to all or part of those options. In such case, JSCC shall notify Clearing Participants to that effect in advance.

- 3 The matters necessary for the deferment of the settlement day, the change of the Exercise Period or the Exercise Date, and the suspension of exercise itself prescribed in the preceding two Paragraphs shall be set by JSCC on each applicable occasion.

(Article 82 Extraordinary Measures in Cases of Natural Disaster, etc.)

- 1 If circumstances lead up to the event that the settlement of Contracts for Clearing is deemed to be impossible or extraordinarily difficult due to a natural disaster, economic upheaval, a shortage of goods or other unavoidable reasons, JSCC may set new conditions of the settlement for the relevant contract through a resolution adopted at the meeting of board of directors of JSCC.
- 2 When JSCC has set the new conditions of the settlement pursuant to the preceding Paragraph, the Clearing Participants, etc. shall comply with them.
- 3 In the case of the event stipulated in Paragraph 1 and when JSCC acknowledges urgent need therefor, JSCC may set new conditions of the settlement without the resolution of board of directors' meeting.

(Article 83 Cancellation, etc. of Claims and Obligations under When-Issued Transaction)

- 1 Regarding the Contracts Subject to Clearing on the When-Issued Transaction, in the case where the conditions of the issuance of the stock are changed, or where the stock is not issued or recognized as not to be issued, by the settlement day, JSCC may take the measures regarding changing the securities eligible for settlement or the settlement day, or canceling the claims and obligations under the relevant When-Issued Transaction.
- 2 The provisions of the preceding Paragraph shall apply *mutatis mutandis* to preferred equity capital contribution securities and investment trust beneficiary securities.

(Article 83-2 Change, etc. of Securities Subject to Settlement under JGB Futures Contract)

In the case where JSCC deems it difficult to carry out the Settlement by Physical Delivery and Payment in respect of JGB Futures Contract taking into account such factors as the situation of the Positions, JSCC may take measures regarding changing the securities subject to the settlement of the Physically-delivered JGB Futures Contract between JSCC and the Clearing Participant or changing the Day of Settlement by Physical Delivery and Payment.

(Article 83-3 Transfer of Unsettled Contracts in Case of Corporate Divestiture or Transfer of Business)

- 1 In the case where a Clearing Participant transfers its business to another Clearing Participant, or causes another Clearing Participant to succeed to its business by way of a divestiture, and when the former Clearing Participant does not lose its Clearing Qualification simultaneously with the succession or transfer of such business, that Clearing Participant may, by obtaining JSCC's approval, transfer to such another Clearing Participant its Unsettled Contracts of Futures and Option Contracts or Exchange FX Contracts pertaining to the relevant business being succeeded to or transferred.
- 2 In the event stipulated in the preceding Paragraph, if the Unsettled Contracts to be transferred are pursuant to the commissions by its customers, such former Clearing Participant shall obtain the consent of the relevant customers on the transfer of the Unsettled Contracts.
- 3 In the event stipulated in Paragraph 1, when an Agency Clearing Participant is to take over the Non-Clearing Participant's Unsettled Contract which are pursuant to the commissions of the Brokerage for Clearing of Securities, etc., such Agency Clearing Participant shall obtain the consent of the relevant Non-Clearing Participant on the transfer of the relevant Unsettled Contracts.

(Article 83-4 Application of Excess Collateral relating to Securities and Similar Contract Clearing Business to Other Clearing Business)

JSCC may apply the excess collateral deposited by a Default Clearing Participant in relation to the Securities and Similar Contract Clearing Business*¹ to the payment of any other obligations owed by such Default Clearing Participant to JSCC in accordance with the provisions of the business rules of the Other Clearing Businesses as applicable.

(*¹ referring to the Margin, initial margin, clearing fund or other collateral of which the Default Clearing Participant has the right to claim refund from JSCC in connection with the Securities and Similar Contract Clearing Business, that remains after the application to the payment of the obligations of the Default Clearing Participant in accordance with the provisions of these Business Rules*¹⁻¹)

(*¹⁻¹ including any rules and regulations promulgated hereunder)

(Article 84 Payment of Fees by Designated Market Operator)

Designated Market Operator shall pay JSCC the fees prescribed by JSCC's rules in accordance with such rules.

(Article 84-2 Prohibition of Transfer, Etc. of Claims)

A Clearing Participant may not transfer or commit to transfer to a third person, or furnish as collateral, any and all claims prescribed in these Business Rules*¹ unless otherwise provided herein.

(*¹including any rules and regulations promulgated hereunder; the same applies hereinafter in this Article)

(Article 85 Entrustment of Operations)

- 1 JSCC may entrust the administrative work relating to the Securities and Similar Contract Clearing Business specified by JSCC to the entity designated by JSCC.
- 2 In addition to these Business Rules, Clearing Participants, etc. shall comply with the rules in respect of the administrative work described in the preceding Paragraph which are set by the entity designated pursuant to said Paragraph and are approved by JSCC.
- 3 The provisions of Article 18 shall apply *mutatis mutandis* to the case set forth in Paragraph 1.

(Article 86 Stipulation of Necessary Matters Regarding Financial Instruments Obligation Assumption Business and Related Businesses)

In addition to the matters prescribed in these Business Rules, when JSCC deems it necessary regarding the Securities and Similar Contract Clearing Business, JSCC may stipulate rules concerning required operations.

(Article 87 Incidental Business)

JSCC shall conduct the businesses incidental to the Financial Instruments Obligation Assumption Business and Related Businesses*¹.

(*¹ limited only to those prescribed in Article 2)

(Article 88. Business of Assuming Commodity Transaction Debts and Associated Business Activities)

JSCC engages in the Business of Assuming Commodity Transaction Debts and associated business activities prescribed in Paragraph 2 of Article 170 of the Commodity Derivatives Act.

(Article 89 Authority to Make Amendment)

Amendments to these Business 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 Business Rules shall come into effect on January 14, 2003; provided, however, that the provisions of Section 1 and Section 2*¹ of Chapter 1 and Article 16 shall come into effect on January 10, 2003, and the provisions of Article 66 shall come into effect on January 8, 2003.

(*¹ excluding Article 10)

2 In the case where the entity applying for the Principal Clearing Qualification pursuant to the provisions of Paragraph 1 of Article 6 on January 10, 2003 has already been a trading participant or a member of a Designated Market Operator, the examination on the matters stipulated in Item (2) of Paragraph 1 of Article 7 shall not be performed; provided, however, that such entity is required not to have fallen under any of the Items of Paragraph 3 of Article 29.

3 In the case where the Clearing Participant which obtained the approval set forth in Paragraph 3 of Article 6 on January 10, 2003 is an Securities Clearing Participant of the Tokyo Stock Exchange, Inc.*¹, and when the total value of the clearing fund, which is comprised of cash and securities in lieu of cash valued at their substituting values*², deposited by such Clearing Participant with TSE as of such day pursuant to TSE's Clearing/Settlement Regulations is at least equal to the required amount of the clearing fund for securities contracts prescribed in Article 16, such Clearing Participant shall be regarded as having deposited the clearing fund prescribed in Paragraph 1 of Article 8 for the purpose of the provisions of said Paragraph.

(*¹ hereinafter referred to as "TSE")

(*² deducting the amount with respect to which the relevant Clearing Participant completed the procedure set by TSE to make it the clearing fund for Futures and Option Contracts prescribed in the business rules of TSE as of January 14, 2003*²⁻¹)

(*²⁻¹ hereinafter referred to as the "Effective Date")

4 Among the Contracts Subject to Clearing prescribed in Paragraph 2 of Article 3 which were formed prior to the Effective Date, in respect of those which have not been settled as of the Effective Date*¹, JSCC shall assume the obligations pursuant to the provisions of Paragraph 1 of Article 46 on the Effective Date unless otherwise prescribed in the following Paragraph.

(*¹ limited to those to which a Clearing Participant of JSCC is a party as of the Effective

Date)

5 In the case where the Designated Market Operator was assuming the obligation under Contracts Subject to Clearing as of the day immediately preceding the Effective Date^{*1}, JSCC shall assume the obligations between such Designated Market Operator and the Clearing Participant^{*2}. In such case, the provisions of Paragraph 1 of Article 46 shall apply *mutatis mutandis* to the assumption of such obligations, and the provisions of Item (1) of Paragraph 1 of Article 54 shall apply *mutatis mutandis* to the claims and obligations between JSCC and the Designated Market Operator pertaining to the assumption of such obligations.

(*¹ including the case where the Designated Market Operator is a party to a transaction of buying/selling the underlying stock of Share Option Transaction resulting from its exercise)

(*² limited to the Clearing Participants which are JSCC's Clearing Participants as of the Effective Date)

6 In the case where JSCC's Clearing Participant which was TSE's Securities Clearing Participant on the day immediately preceding the Effective Date was making the application stipulated in Item 4 of Paragraph 1 of Article 39 of TSE's Clearing/Settlement Regulations before the Effective Date, such Clearing Participant shall be regarded as having been making the application stipulated in Item (4) of Paragraph 1 of Article 53.

7 With respect to the application of the provisions of Article 40 to the case where the Contract for Commissioning Clearance prescribed in Article 39 is to be concluded on the Effective Date, the words "in advance" in Article 40 shall be deemed to be "without delay".

8 The amount of money to be paid/received between a Clearing Participant and JSCC in respect of When-Issued Transaction on the Effective Date shall be as follows in addition to the amount prescribed in Article 67:

(i) With respect to the When-Issued Transactions concluded in the securities markets operated by TSE or Sapporo Securities Exchange Securities Membership Corporation on or before January 7, 2003, the amount equivalent to the difference between the Settlement Prices on January 7 of the same year set by those market operators and the Settlement Price set by JSCC on January 8 of the same year;

(ii) With respect to the When-Issued Transactions concluded in the securities markets operated by Osaka Stock Exchange Co., Ltd., Fukuoka Stock Exchange Securities

Membership Corporation or Japan Securities Dealers Association on or before January 7, 2003, the amount equivalent to the difference between their contract price and the Settlement Price set by JSCC on January 8 of the same year;

(iii) With respect to the When-Issued Transactions concluded in the securities markets operated by Nagoya Stock Exchange, Inc. on or before January 7, 2003, the amount equivalent to the difference between the Settlement Price on the day of the conclusion of the relevant trading and the Settlement Price set by JSCC on January 8 of the same year.

9 Regarding the application of the provisions in Paragraph 2 of Article 79, until March 31, 2003, the phrase in said Paragraph “the shareholder’s capital^{*2} as of the last day of the fiscal year^{*3} of JSCC which immediately precedes the fiscal year in which the Default Day falls^{*4}” shall be deemed to be “the shareholders’ capital as of the last of September, 2002”; and the phrase “the total sum of the capital, the capital reserve, and the earned surplus^{*5} as of the last day of the Preceding Fiscal Year; and the total value of its own stocks^{*6} to be acquired which was resolved on at the regular general meeting of shareholders pertaining to the Preceding Fiscal Year” shall be deemed to be “the amount obtained by adding the undivided profit of the current fiscal year to or by subtracting the undisposed deficit of the current fiscal year from, the total amount of the capital, the capital reserve, and the earned surplus as of the last day of September, 2002”.

(*² referring to the balance after the disposition of the surplus fund pursuant to the resolution of the regular general meeting of shareholders pertaining to the Preceding Fiscal Year)

(*³ being referred to as the “Preceding Fiscal Year” in this Paragraph)

(*⁴ being referred to as the “Current Fiscal Year” in this Paragraph)

(*⁵ referring to the balance after the disposition of the surplus fund pursuant to the resolution of the regular general meeting of shareholders pertaining to the Preceding Fiscal Year)

(*⁶ limited to the total value of its own stocks to be acquired pursuant to the provisions of Paragraph 3 of Article 210 of the Commercial Code)

10 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)^{*1} shall be treated as

Convertible Bonds or corporate bonds with the stock acquisition rights that are not Convertible Bonds, respectively, and these Business Rules shall be applied to them accordingly.

(*¹ hereinafter referred to as the “Law Amending Commercial Code, Etc.” in this Supplementary Provisions)

11 The certificate of subscription right, which is issued in conjunction with the corporate bonds with stock acquisition rights set forth in the immediately preceding Paragraph pursuant to Paragraph 1 of Article 341-13 of the Commercial Code as it existed prior to the amendment made under the Law Amending Commercial Code, Etc., shall be regarded as a certificate of stock acquisition rights, and these Business Rules shall be applied to it accordingly.

12 In addition to the provisions of Paragraph 2 through Paragraph 9, matters regarding the handling of the assumption of obligations as at the time these Business Rules come into effect and other necessary matters shall be set by JSCC on all such occasions.

Supplementary Provisions

These revised Business Rules shall come into effect on April 1, 2003.

Supplementary Provisions

1 These revised Business Rules shall come into effect on February 2, 2004.

2 The entity who applied for Clearing Qualification by January 16, 2004 in accordance with the rules of JSCC and obtained the approval from JSCC shall be regarded as being granted Share Option Clearing Qualification, JGB Futures Clearing Qualification or Stock Price Index Futures Clearing Qualification pursuant to the provisions of Paragraph 1 of Article 9 on the day on which these revised Business Rules come into effect*¹.

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

3 For the approval set forth in the preceding Paragraph, JSCC shall perform the examination in conformity with the provisions of Article 7.

4 Notwithstanding the provisions of the immediately preceding Paragraph, in the case where JSCC is to grant the approval set forth in Paragraph 2 to the entity who is

actually a Share Option Clearing Participant, a JGB Futures Clearing Participant or a Stock Index Futures Clearing Participant of Tokyo Stock Exchange, Inc.*¹ as of the day immediately preceding the Effective Day, for Share Option Clearing Qualification, JGB Futures Clearing Qualification or Stock Price Index Futures Clearing Qualification*², respectively, the examination of the matters prescribed in Item (2) of Paragraph 1 of Article 7 shall not be performed; provided, however, that it is required that such entity has not fallen under any of the Items of Paragraph 3 of Article 29.

(*¹ hereinafter referred to as “TSE”)

(*² limited to Principal Clearing Qualification with respect to these qualifications)

5 The entity who obtained the approval set forth in Paragraph 2 shall deposit the clearing fund and complete other necessary procedures prescribed by JSCC by the day immediately preceding the Effective Date; provided, however, that in the case where the entity who is a Share Option Clearing Participant, JGB Futures Clearing Participant or Stock Index Futures Clearing Participant of TSE has obtained the approval for the respective Share Option Clearing Qualification, JGB Futures Clearing Qualification or Stock Price Index Futures Clearing Qualification, and when the total value of the clearing fund for Futures and Option Contract— which is comprised of cash and securities in lieu of cash valued at their substituting values, deposited with TSE pursuant to TSE’s business rules as of the day immediately preceding the Effective Date by the relevant entity who is a Share Option Clearing Participant, JGB Futures Clearing Participant or Stock Price Index Futures Clearing Participant —is at least equal to the required amount of the clearing fund for Futures and Option Contract prescribed by TSE, the relevant Share Option Clearing Participant, JGB Futures Clearing Participant or Stock Price Index Futures Clearing Participant shall be regarded as having deposited the clearing fund.

6 In the case where TSE has assumed the obligations under the Contracts Subject to Clearing prescribed in Item (3) through Item (8) of Paragraph 2 of Article 3 as of the day immediately preceding the Effective Date*¹, JSCC shall assume the obligations existing between TSE and the Clearing Participant*² on the Effective Date. In such case, the provisions of Paragraph 1 of Article 46 shall apply *mutatis mutandis* to the assumption of such obligations, and the provisions of Item (1) of Paragraph 1 of Article 54 shall apply *mutatis mutandis* to the claims and obligations between JSCC and TSE in respect of the relevant assumption of the obligations.

(*¹ including the case where TSE is a party to the JGB Futures Contract resulting from

the exercise of the option under Option Contract on JGB Futures)

(*2 limited to the Clearing Participant which became JSCC's Share Option Clearing Participant, JGB Futures Clearing Participant or Stock Price Index Futures Clearing Participant on the Effective Date)

7 With respect to the application of the provisions of Article 40 to the case where the entity who obtained the approval set forth in Paragraph 2 is to conclude the Contract for Commissioning Clearance prescribed in Article 39 on the Effective Date, the word "in advance" in said Paragraph shall be deemed to be "without delay".

8 In addition to the provisions of Paragraph 2 through the preceding Paragraph, matters regarding the handling of the assumption of obligations at the time these Business Rules come into effect and other necessary matters shall be set by JSCC on all such occasions.

Supplementary Provisions

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

*The date set by JSCC is December 13, 2004.

Supplementary Provisions

1 These revised Business Rules shall come into effect on January 1, 2005.

2 The bankruptcy adjudicated on or after January 1, 2005 as a result of the petition filed on or before December 31, 2004 shall be regarded as a decision to commence bankruptcy procedure.

Supplementary Provisions

These revised Business Rules shall come into effect on June 10, 2005.

Supplementary Provisions

These revised Business Rules shall come into effect on November 7, 2005.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on January 10, 2006.
- 2 With respect to the bonds*¹ which are actually listed on the designated securities market at the time when these revised Business Rules come into effect, such revised provisions shall apply to settlement in respect of which the date of settlement is on or after the day designated by JSCC as the date for JASDEC to commence handling of such bonds in its book-entry transfer business.
(*¹ excluding Japanese Government Bonds, corporate bonds with stock acquisition rights, etc., and Exchangeable Corporate Bonds)

Supplementary Provisions

These revised Business Rules shall come into effect on January 30, 2006.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on April 1, 2006.
- 2 Notwithstanding the provisions of the preceding Paragraph, the provisions heretofore in force shall remain applicable to the issues designated by each Designated Market Operator until the day set by that Designated Market Operator in respect of each such issue.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on May 1, 2006.
- 2 Notwithstanding the provisions of the preceding Paragraph, with respect to the stock acquisition right for which the provisions then in force still remain applicable pursuant to the provisions of Paragraph 2 of Article 98 of the Laws Concerning the Coordination, etc. of Associated Laws in Connection with the Enforcement of the Companies Act. (Law No. 87 of 2005), the provisions heretofore in force shall remain applicable.
- 3 The Convertible Bond which is stipulated in Item 6 of Paragraph 2 of Article 47 of these Business Rules as it existed prior to this revision, and in respect of which the resolution for its offering was passed prior to the day on which these revised Business Rules came into effect, shall be regarded as the Convertible Bond stipulated in the

same Article of the Business Rules as it exists after this revision, and the revised provisions shall apply accordingly.

- 4 Notwithstanding the provisions of Paragraph 1, with respect to the application of Paragraph 2 of Article 79 in the case where the Default Day falls on or before March 31, 2007, the provisions heretofore in force shall remain applicable.

Supplementary Provisions

These revised Business Rules shall come into effect on January 1, 2007.

Supplementary Provisions

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

Supplementary Provisions

These revised Business Rules shall come into effect on November 1, 2007.

Supplementary Provisions

These revised Business Rules shall come into effect on December 10, 2007.

Supplementary Provisions

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

Supplementary Provisions

These revised Business Rules shall come into effect on April 1, 2008.

Supplementary Provisions

These revised Business Rules shall come into effect on May 7, 2008.

Supplementary Provisions

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

Supplementary Provisions

These revised Business Rules shall come into effect on July 7, 2008; provided, however, that the revised provisions of Paragraph 2 of Article 16 and Paragraph 1 of Article 70 shall apply from the deposit which is deposited with JSCC on or after the day on which these revised provisions come into effect.

Supplementary Provisions

These revised Business Rules shall come into effect on August 25, 2008.

Supplementary Provisions

These revised Business Rules shall come into effect on December 26, 2008.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on January 1, 2009.
- 2 The provisions heretofore in force shall remain applicable to the settlement in respect of the stock acquisition right securities which are actually listed in the Designated Financial Instruments Market on the day on which these revised provisions come into effect.

Supplementary Provisions

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

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on November 16, 2009.

2 The provisions heretofore in force shall remain applicable to the settlement in respect of the Contracts for Clearing which JSCC had assumed obligation until November 15, 2009.

Supplementary Provisions

These revised Business Rules shall come into effect on July 16, 2010.

Supplementary Provisions

These revised Business Rules shall come into effect on April 1, 2011.

Supplementary Provisions

These revised Business Rules shall come into effect on July 19, 2011.

Supplementary Provisions

These revised Business Rules shall come into effect on March 31, 2012.

Supplementary Provisions

These revised Business Rules shall come into effect on December 1, 2012.

Supplementary Provisions

1 These revised Business Rules shall come into effect on March 31, 2013.

2 During the period from March 31, 2013 to March 30, 2014, in applying (c) of B) of Item (2) of Paragraph 1 of Article 7, Item (5) of Paragraph 3 of Article 29 and Item (4) of Paragraph 4 of Article 29, all as amended, the words "4.5 percent" in a. of (c) of B) of Item (2) of Paragraph 1 of Article 7 and A) of Item (4) of Paragraph 4 of Article 29 shall be interpreted to mean "3.5 percent," the words "6 percent" in b. of (c) of B) of Item (2) of Paragraph 1 of Article 7 and B) of Item 4 of Paragraph 4 of Article 29 shall be interpreted to mean "4.5 percent", the words "2.25 percent" in A) of Item (5) of

Paragraph 3 of Article 29 shall be interpreted to mean “1.75 percent”, and the words “3 percent” in B) of Item (5) of Paragraph 3 of Article 29 shall be interpreted to mean “2.25 percent”.

3 During the period from March 31, 2014 to March 30, 2015, in applying (c) of B) of Item (2) of Paragraph 1 of Article 7, Item (5) of Paragraph 3 of Article 29 and Item (4) of Paragraph 4 of Article 29, all as amended, the words “4.5 percent” in a. of (c) of B) of Item (2) of Paragraph 1 of Article 7 and A) of Item (4) of Paragraph 4 of Article 29 shall be interpreted to mean “4 percent,” the words “6 percent” in b. of (c) of B) of Item (2) of Paragraph 1 of Article 7 and B) of Item 4 of Paragraph 4 of Article 29 shall be interpreted to mean “5.5 percent”, the words “2.25 percent” in A) of Item (5) of Paragraph 3 of Article 29 shall be interpreted to mean “2 percent”, and the words “3 percent” in B) of Item (5) of Paragraph 3 of Article 29 shall be interpreted to mean “2.75 percent”.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on July 16, 2013.
- 2 When the entity who is a clearing participant in futures and options or an FX clearing participant of Osaka Securities Exchange Co., Ltd.*¹ and who applies for Clearing Qualification by June 28, 2013 in accordance with the rules of JSCC obtains the approval from JSCC through the examination conducted by applying *mutatis mutandis* the provisions of Article 7, such entity shall be regarded as being granted Index Futures Clearing Qualification or FX Clearing Qualification pursuant to the provisions of Paragraph 1 of Article 9 on the day on which these revised Business Rules come into effect*². In such case, if such entity does not fall under any one of the categories set forth in Items of Paragraph 3 of Article 29, and remains to be a clearing participant in futures and options or an FX clearing participant of OSE as of the day immediately preceding the Effective Date, the examination of the matters prescribed in Item (2) of Paragraph 1 of Article 7 shall not be performed.
 (*¹ hereinafter referred to as “OSE”)
 (*² hereinafter referred to as the “Effective Date”)
- 3 The entity who obtained the approval set forth in the preceding Paragraph in relation to the Index Futures Clearing Qualification shall deposit the clearing fund and complete other necessary procedures prescribed by JSCC by the day immediately

preceding the Effective Date; provided, however, that in the case where the entity who is a clearing participant in futures and options of OSE has obtained the approval for the Index Futures Clearing Qualification, and when the total value of the clearing deposit — which is comprised of cash and securities in lieu of cash valued at their substituting prices, — deposited by such entity with OSE pursuant to OSE's clearing rules as of the day immediately preceding the Effective Date, plus the amount of clearing fund deposited by it with JSCC as of the day immediately preceding the Effective Date is equal to or more than the required amount of the clearing fund prescribed by JSCC, such entity shall be regarded as having deposited the clearing fund.

- 4 The entity who obtained the approval set forth in Paragraph 2 in relation to the FX Clearing Qualification shall deposit the clearing fund and complete other necessary procedures prescribed by JSCC by the day immediately preceding the Effective Date; provided, however, that in the case where the entity who is an FX clearing participant of OSE has obtained the approval for the FX Clearing Qualification, and when the total value of the clearing deposit — which is comprised of cash and securities in lieu of cash valued at their substituting prices—, deposited by such entity with OSE pursuant to OSE's clearing rules as of the day immediately preceding the Effective Date is equal to or more than the total sum of required amount of FX clearing deposit prescribed by OSE, such entity shall be regarded as having deposited the clearing fund.
- 5 The entity who holds Principal Clearing Qualification or Agency Clearing Qualification for Individual Option Clearing Qualification of JSCC as of the day immediately preceding the Effective Date^{*1} shall be deemed to have been granted Principal Clearing Qualification or Agency Clearing Qualification, respectively, for Index Futures Clearing Qualification as of the Effective Date in accordance with the provisions of Paragraph 1 of Article 9. In such case, such entity shall deposit the clearing fund and complete other necessary procedures prescribed by JSCC by the day immediately preceding the Effective Date.

(*1 limited only to the entity who does not hold Index Futures Clearing Qualification)

- 6 In the case where OSE has assumed the obligations under the Contracts Subject to Clearing prescribed in Item (2), Item (5), Item (6) and Item (11) of Paragraph 2 of Article 3, all as amended, as of the day immediately preceding the Effective Date, JSCC shall assume the obligations existing between OSE and the OSE's clearing

participant*¹ on the Effective Date. In such case, the provisions of Paragraph 1 of Article 46 shall apply *mutatis mutandis* to the assumption of such obligations, and the provisions of Item (1) of Paragraph 1 of Article 54 shall apply *mutatis mutandis* to the claims and obligations between JSCC and OSE in respect of the relevant assumption of the obligations.

(*¹ limited to those which became JSCC's Index Futures Clearing Participant or FX Clearing Participant on the Effective Date)

7 With respect to the application of the provisions of Article 40 to the case where the entity who obtained the approval set forth in Paragraph 2 is to conclude the Contract for Commissioning Clearance prescribed in Article 39 on the Effective Date, the word "in advance" in said Paragraph shall be deemed to be "without delay".

8 In addition to the provisions of Paragraph 2 through the preceding Paragraph, matters regarding the handling of the assumption of obligations at the time these revised Business Rules come into effect and other necessary matters shall be set by JSCC on all such occasions.

Supplementary Provisions

These revised Rules shall come into effect on the date designated by JSCC.

Note: The date designated by JSCC is March 7, 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 March 31, 2014.

Supplementary Provisions

These revised Rules shall come into effect on October 23, 2014.

Supplementary Provisions

These revised Rules shall come into effect on December 1, 2014.

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 Business 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 Business 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

- 1 These revised Business Rules shall come into effect on January 8, 2016; provided that revisions to Article 15-3, Paragraph 4 of Article 15-4, Article 17 and Article 78-2

shall come into effect on the next day following the date on which other revisions to these Business Rules come into effect (or next business day, if such day falls on a non-business day).

- 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, 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 January 8, 2016.

Supplementary Provisions

1. These revised Business Rules shall come into effect on January 30, 2017.
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, 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 January 30, 2017.

Supplementary Provisions

1. These revised Business Rules shall come into effect on February 13, 2018, except for the provisions of Paragraphs 3 to 7 of Article 16 which shall come into effect on February 9, 2018.
2. Notwithstanding the provisions of the preceding Paragraph, other than the revised provisions of Paragraphs 3 to 7 of Article 16, Article 21-2, Item (2) of Paragraph 1 of Article 29, Articles 75-2 to 75-4, Paragraphs 7 to 11 of Article 76, Paragraphs 2 to 4 of Article 78-2 and Paragraph 4 of Article 79, 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, 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 February 14, 2018.

Supplementary Provisions

1. These revised Business 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 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 June 25, 2018.

Supplementary Provisions

1. These revised Business Rules shall come into effect on July 16, 2019, and will apply to the settlement of the securities lending/borrowing pertaining to due bills issued on and after the effective date of these revisions.
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, 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 July 16, 2019.

Supplementary Provisions

- 1 These revised Rules shall come into effect on July 27, 2020.
- 2 Notwithstanding the provisions of the preceding Paragraph, if JSCC considers it inappropriate to apply amended rules due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these amendments shall come into force as of the date designated by JSCC which is on or after July 27, 2020.
- 3 In respect of the matters listed in each of the below Items concerning the Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification and Agricultural

Futures Clearing Qualification and all necessary procedures and other actions concerning such matters, JSCC may perform such matters in accordance with the revised Business Rules even before the effective date of these revised Rules*¹.

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

(1) Approval of the acquisition of the Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification or Agricultural Futures Clearing Qualification for the applicant pursuant to the provisions of Paragraph 6 of Article 6 as revised;

(2) The examination pursuant to the provisions of Paragraph 3 of Article 7 as revised.

4 When a person falling under any of the below Items applies for an acquisition of the Clearing Qualification specified in the relevant Item as prescribed by JSCC in its rules*¹, JSCC will not perform the examination on the matters set forth in Item (2) of Paragraph 3 of Article 7 as revised:

(*¹ Only in case of acquisition of Principal Clearing Qualification)

(1) An entity holding the clearing qualification of Japan Commodity Clearing House Co., Ltd.*¹ relating to the precious metals market at Tokyo Commodity Exchange, Inc.*²
Precious Metal Futures Clearing Qualification

(*¹ hereinafter referred to as "JCCH")

(*² hereinafter referred to as "TOCOM")

(2) An entity holding the clearing qualification of JCCH relating to the rubber market at TOCOM:

Rubber Futures Clearing Qualification

(3) An entity holding the clearing qualification of JCCH relating to the agricultural / sugar market at TOCOM:

Agricultural Futures Clearing Qualification

5 The entity applied for acquisition of the Clearing Qualification pursuant to the provisions of the preceding Paragraph which falls under any of the Items of Paragraph 3 of Article 29 as revised must eliminate such event within the period of one (1) year after the Effective Date, and if it is unable to do so, JSCC may implement a measure of revocation of the Clearing Qualification for such entity.

6 When a renunciation of JGB Futures Clearing Qualification, Index Futures Clearing Qualification, Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification or Agricultural Futures Clearing Qualification set forth in Article 22 has been applied for on or before the business day preceding the Effective Date, the provisions of Article 26 before the revision shall apply to the treatment related to the renunciation of the

Clearing Qualification set forth in Article 26.

7 In an application of the provisions of Item (3) and Item (4) of Paragraph 3 of Article 29 as revised to the entity calculating the capital adequacy ratio under the transitional measures for Article 4 of the Cabinet Office Ordinance on Financial Instruments Business, etc. (Cabinet Office Ordinance No. 11 of 2014), the reference to “120 percent” in the said Items shall be deemed to be “140 percent.”

8 In addition to the provisions of Paragraph 2 through the preceding Paragraph, matters regarding the handling of the assumption of obligations at the time these revised Business Rules come into effect and other necessary matters shall be set by JSCC on all such occasions.

Supplementary Provisions

1 These revised Rules shall come into effect on January 18, 2021.

2 Notwithstanding the provisions of the preceding Paragraph, if JSCC considers it inappropriate to apply amended rules due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these amendments shall come into force as of the date designated by JSCC which is on or after January 18, 2021.

3 In respect of the matters listed in each of the below Items concerning the ETF Special Clearing Participants and the Registered ETF Trust Banks, all necessary procedures and other actions concerning such matters, JSCC may perform such matters in accordance with the revised Business Rules even before the effective date of these revised Rules.

(1) Approval of acquisition of ETF Special Clearing Qualification for an acquisition applicant pursuant to the provisions of Paragraph 7 of Article 6 as revised.

(2) Approval of registration of Registered ETF Trust Bank for a registration applicant pursuant to the provisions of Paragraph 12 of Article 6, as revised.

(3) Examination for the approval pursuant to the provisions of Paragraph 4 of Article 7 as revised.

(4) Examination for the approval pursuant to the provisions of Paragraph 1 of Article 10-4 as revised

Supplementary Provisions

- 1 These revised Rules shall come into effect on September 21, 2021.
- 2 Notwithstanding the provisions of the preceding Paragraph, if JSCC considers it inappropriate to apply amended rules due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these amendments shall come into force as of the date designated by JSCC which is on or after September 21, 2021.

Supplementary Provisions

- 1 These revised Rules shall come into effect on January 11, 2022.
- 2 Notwithstanding the provisions of the preceding Paragraph, if JSCC considers it inappropriate to apply amended rules due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these amendments shall come into force as of the date designated by JSCC which is on or after January 11, 2022.

Supplementary Provisions

- 1 These revised Rules shall come into effect on April 4, 2022.
- 2 Notwithstanding the provisions of the preceding Paragraph, if JSCC considers it inappropriate to apply amended rules due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these amendments shall come into force as of the date designated by JSCC which is on or after 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, if JSCC considers it inappropriate to apply amended rules due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these amendments shall come into force as of the date designated by JSCC which is on or after September 21,

2022.

- 3 Any matter that is necessary for the enforcement of these revised Rules shall be separately prescribed by JSCC.

Supplementary Provisions

1 These revised Rules shall come into effect on May 29, 2023.

2 Notwithstanding the provisions of the preceding Paragraph, if JSCC considers it inappropriate to apply amended rules due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these amendments shall come into force as of the date designated by JSCC which is on or after May 29, 2023.

3 Any matter that is necessary for the enforcement of these revised Rules shall be separately prescribed by JSCC.

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 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.
- 10 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.
- 11 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.
- 12 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)

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

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

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

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

(*⁴ limited to the suspension due to a violation of the Instructions for Improvement on Position Holding pursuant to the provisions of Article 29-3 of the Business Rules)

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

15 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.

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 for proprietary account, reduced by the total amount of the net option value for proprietary account, plus the Delivery Clearing Margin for proprietary account —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 for proprietary account:

The amount of margin calculated in accordance with SPAN 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 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 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 for proprietary account," shall be deemed to be "customer's SPAN Margin Requirement"; the phrase, "total amount of net option value for proprietary account," shall be deemed to be "total amount of the customer's net option value"; the phrase "Paragraph 1 of Article 6-2 and Paragraph 1 of Article 6-3," shall be deemed to be "Paragraph 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 for proprietary account," shall be deemed to be "SPAN Margin Requirement 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 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 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.

Section 2 Margin Pertaining to Clearing Participants

(Article 9 Deposit of the Margin for Proprietary Account)

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

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

(Article 9-2 Preliminary Margin Add-on)

1 The amount of the preliminary Margin add-on means the sum total of the amount obtained, with respect to all accounts of the Clearing Participant, by multiplying the amount 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.

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

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

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

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

- 1 A Clearing Participant shall deposit with JSCC, on behalf of the relevant customer, the entire

amount of the Margin which is provided by the customer in accordance, with the rules prescribed by JSCC.

- 2 Notwithstanding the provisions of the preceding Paragraph, a Clearing Participant may deposit with JSCC as the Margin its own fund in an amount not less than an amount equal to the sum of the amount of money^{*1} and the Marked to Market Value^{*2} of the Securities and the Like, which have been provided by the relevant customer as the Margin, in accordance with the rules prescribed by JSCC, during the four-day period commencing on the day on which the customer provides the Margin^{*3}. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

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

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

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

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

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

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

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

- 4 When any of the preceding three Paragraphs applies, if the sum of the amount of money^{*1} and the value of the Securities and the Like valuated based on their substituting prices^{*2},

which have been deposited with or provided to the Clearing Participant by a customer as the Margin or the Customer Margin, is less than the amount required for the Margin^{*3} for the relevant customer, the Clearing Participant shall deposit with JSCC as the Margin its own fund in an amount not less than an amount equal to such amount required for Margin, deducting the value of the Margin and/or the Customer Margin deposited or provided by such customer, in accordance with the rules prescribed by JSCC. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

(*¹ when such money is denominated in a foreign currency, the amount appraised by 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 valuated 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 24-2¹, 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-Clearing Participant’s customer^{*1}, which is provided as the Margin by the relevant customer to the relevant Non-Clearing Participant^{*2};
(*¹ hereinafter referred to as the “Non-Clearing Participant’s Commissioned Margin”)
(*² excluding the Margin set forth in the immediately following Item; hereinafter referred to as the “Non-Clearing Participant’s Commissioned Margin (Direct Deposit)”)
- (9) Where a Brokerage Margin is deposited with a customer by an Applicant, the portion of the Non-Clearing Participant’s Commissioned Margin, which is provided by such customer to the Non-Clearing Participant as the Margin equivalent to such Brokerage Margin^{*1}; and
(*¹ hereinafter referred to as the “Non-Clearing Participant’s Commissioned Margin

(Replaced by Broker)”

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

(*¹ hereinafter referred to as the “Non-Clearing Participant’s Commissioned Margin (Replaced)”

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

(Article 20-2 Deposit of Intraday Margin)

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

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

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

(*²⁻¹ in the case where the applicable Securities and the Like are the Foreign Government Bonds, an amount equal to their market price, multiplied by the rate set forth in Paragraph 2 of the *Appendix 1*, and then converted to Japanese yen at the telegraphic transfer spot buying rate per 1 unit of the currency used for appraisal of each Foreign Government Bonds in the Tokyo foreign exchange market on the day which is the day before the date of calculation of the value obtained by multiplying the market value by the rate specified in Paragraph 2 of *Appendix 1*; the same applies to Article 21)

2 In the case where JSCC causes the Margin to be deposited pursuant to the provisions of the preceding Paragraph, JSCC shall provide the Clearing Participant with notice to that effect promptly.

3 Notwithstanding the provisions of Paragraph 1, if the amount obtained, in respect of a

Clearing Participant, by deducting the amount required for Margin for the Clearing Participant's proprietary account applied at the time of the calculation of the amount required for Intraday Margin from the amount required for Intraday Margin is not more than 10 million yen, such Clearing Participant has no obligation of additional deposit of the Clearing Participant's Proprietary Margin.

- 4 The provisions of Paragraph 2 of the preceding Article shall apply *mutatis mutandis* to the Margin set forth in Paragraph 1.

(Article 20-3 Amount required for Intraday Margin)

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

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

- (1) Recalculated Intraday Risk Amount

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

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

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

Operator)

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Intraday Value Equivalent to Option Contract Price:

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

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

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

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

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

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

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

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

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

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

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

(Article 20-4 Intraday Settlement Price)

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

(Article 21 Deposit of Emergency Margin)

1 In the case where the prices of the JGB Futures Contracts, Index Futures Contracts, Precious Metal Futures Contracts or Oil Futures Contracts*¹ fall under each Item below or where otherwise deemed necessary by JSCC, if the sum of the amount of money and the value of the Securities and the Like valuated based on their substituting prices, which have been deposited with JSCC by a Clearing Participant as the Margin for proprietary account, is less

than the amount required for the Emergency Margin stipulated in the immediately following Article, such Clearing Participant shall deposit with JSCC as the Margin for proprietary account an amount not less than the amount equal to such shortfall by 4 P.M. on the applicable day. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.

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

- (1) Where the extent of fluctuations in the prices of the JGB Futures Contracts exceeds the thresholds prescribed by JSCC in the Afternoon Session,
- (2) Where the extent of fluctuations in the prices of the Index Futures Contracts exceeds the thresholds prescribed by JSCC in the daytime session,
- (3) Where the extent of fluctuations in the prices of the Precious Metal Futures Contracts exceeds the thresholds prescribed by JSCC in the daytime session.
- (4) Where the extent of fluctuations in the prices of the Oil Futures Contracts exceeds the thresholds prescribed by JSCC in the daytime session.

2 In the case where JSCC causes the Margin to be deposited pursuant to the provisions of the preceding Paragraph, JSCC shall provide the Clearing Participant with notice to that effect promptly.

3 Notwithstanding the provisions of Paragraph 1, if the amount obtained, in respect of a Clearing Participant, by deducting the amount required for Margin for the Clearing Participant's proprietary account applied at the time of the calculation of the required amount for Emergency Margin from the required amount for Emergency Margin is not more than 10 million yen, such Clearing Participant has no obligation of additional deposit of the Clearing Participant's Proprietary Margin

4 The provisions of Paragraph 2 of Article 20 shall apply *mutatis mutandis* to the Margin set forth in Paragraph 1.

(Article 22 Amount Required for Emergency Margin)

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

(1) Recalculated Risk Amount:

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

(*¹ in the case of a Security Option Contract*¹⁻¹, ~~an Index Futures Contract~~ 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 (i~~v~~ⁱⁱ) below:

- (i) With respect to a JGB Futures Contract for proprietary account which are concluded during the Night Session, Morning Session and Afternoon Session before 1:00 P.M. on the applicable Trading Day*¹, an amount equal to the difference between its contract price and the Emergency Settlement Price.

(*¹ including J-NET Transactions*¹⁻¹ 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

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

- (ii)(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*¹⁻¹ concluded before the 1:00 P.M. on the applicable Trading Day; the same applies hereinafter in this (ii))

- (i~~v~~ⁱⁱ) 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)

(*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 not less than the amount of such shortfall within 3 hours after the notice is given. In such event, Securities and the Like may be deposited in lieu of cash as the relevant Margin.
- 4 Notwithstanding the provisions of the preceding Paragraph, when JSCC specifically admits taking into consideration operating hours of the fund settlement infrastructures and other circumstances, such as deposit operations, JSCC may change the deposit deadline and/or the relevant amount.
- 5 The provisions of Paragraph 2 of Article 20 shall apply *mutatis mutandis* to the Margin set forth in Paragraph 3.

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

- 1 The Risk Equivalent under Normal Market Conditions for each account set forth in Article 46-3 and Article 46-4 of the Business Rules shall be the Recalculated Risk Amount as per *Appendix 2*, adding the amount of the Value Equivalent to Differences Pertaining to Futures Contracts and the amount of the Value Equivalent to Option Contract Price if such amounts

are to be paid, and deducting the foregoing amounts if such amounts are to be received.

- 2 The Total Risk Equivalent under Normal Market Conditions shall be the sum of the value*¹ obtained, for accounts set forth in Article 46-3 and Article 46-4 of the Business Rules, by deducting the expected amount of Margin deposit from the value obtained according to the preceding Paragraph for the relevant account, and then adding the amount calculated according to the provisions of the preceding Paragraph in respect of the account set forth in Item (1) of Article 46-3 of the Business Rules.
(*¹ positive value only)
- 3 In the case where JSCC causes the Margin to be deposited pursuant to the provisions of the Paragraph 3 of Article 23-2, JSCC shall determine Monitoring Settlement Price..

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

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

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

- (1) The relevant customer

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

- (2) The Clearing Participant

An amount equal to the Total Sum of Clearing Participant's Margin Pertaining to Customer's Actual Deposit, deducting the amount set forth in the preceding Item, and

further deducting an amount equal to the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Clearing Participant to JSCC, where such contracts are pursuant to the commission by the relevant customer.

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

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

(1) The relevant Applicant

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

(2) The relevant customer

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

such contracts are pursuant to the commission by the relevant Applicant.

(3) The Clearing Participant

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

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

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

(1) The relevant customer

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

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

(2) The Clearing Participant

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

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

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

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

- (1) The relevant customer

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

- (2) The Non-Clearing Participant

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

- (3) The Designated Clearing Participant

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

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

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

(1) The relevant Applicant

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

(2) The relevant customer

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

further deducting an amount equal to the yet-to-be performed Obligations Pertaining to Futures and Option Contracts owed by the relevant customer to the Non-Clearing Participant, where such contracts are pursuant to the commission by the relevant Applicant.

(3) The Non-Clearing Participant

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

(4) The Designated Clearing Participant

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

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

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

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

(1) The relevant customer

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

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

(2) The Non-Clearing Participant

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

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

(3) The Designated Clearing Participant

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

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

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

provided as the Margin to the Clearing Participant by the relevant Non-Clearing Participant, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Proprietary Margin (Replaced); the amount deposited with JSCC in excess of the sum of the amount*² of money and the Marked to Market Value of the Securities and the Like which have been deposited with the Non-Clearing Participant as the Customer Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced); and the amount deposited with the Clearing Participant as the Margin of the Non-Clearing Participant in excess of the sum of the amount*³ of money and the Marked to Market Value of the Securities and the Like which have been deposited with the Non-Clearing Participant as the Customer Margin, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced).

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

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

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

(1) The relevant Non-Clearing Participant

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

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

(2) The Designated Clearing Participant

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

commission of the Brokerage for Clearing of Securities, etc.

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

8 A Clearing Participant shall have the right to claim a refund of such portion of the Clearing Participant's Proprietary Margin and Clearing Participant's Commissioned Margin deposited with JSCC with respect to such Clearing Participant, which is equal to the Total Sum of Clearing Participant's Margin Pertaining to its own Actual Deposit deducting an amount*¹ equal to the entire amount of the yet-to-be performed payment or delivery Obligations Pertaining to Futures and Option Contracts owed by the relevant Clearing Participant to JSCC; provided, however, that the amount of the refund shall not exceed the total*² of: the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Clearing Participant's Proprietary Margin; the amount deposited with JSCC in excess of the sum*³ of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with the Clearing Participant as the Customer Margin which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Clearing Participant's Commissioned Margin (Replaced); the amount deposited with JSCC in excess of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been provided as the Margin to the Clearing Participant by the relevant Non-Clearing Participant, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Proprietary Margin (Replaced); and the amount deposited with JSCC in excess of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with the Clearing Participant as the Margin of the Non-Clearing Participant by the relevant Non-Clearing Participant, which is a part of the sum of the amount of money and the Marked to Market Value of the Securities and the Like which have been deposited with JSCC as the Non-Clearing Participant's Commissioned Margin (Replaced).

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

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

(*³ including the sum of the amount of money and the Marked to Market Value of the Securities and the Like relating to the Margin provided by such customer, during the

period ending upon the deposit of such Margin with JSCC)

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

- (1) With respect to a Clearing Participant's right to claim a refund, the relevant Clearing Participant shall exercise such right to claim a refund after notifying JSCC that such right is being exercised;
- (2) With respect to a Non-Clearing Participant's right to claim a refund, the Designated Clearing Participant shall exercise it on behalf the relevant Non-Clearing Participant;
- (3) With respect to a Trading Participant's customer's right to claim a refund, the relevant Trading Participant*¹ shall exercise it on behalf of such customer; and
(*¹ in the event that the relevant Trading Participant is a Non-Clearing Participant, the relevant Non-Clearing Participant and its Designated Clearing Participant)
- (4) With respect to an Applicant's right to claim a refund, the Trading Participant*¹ to which the Futures and Option Contracts pursuant to the commission by the relevant Applicant is re-commissioned by a customer shall exercise it on behalf of the relevant Applicant.
(*¹ in the event that the relevant Trading Participant is a Non-Clearing Participant, the relevant Non-Clearing Participant and its Designated Clearing Participant)

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

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

(*¹ in the case of a Security Option Contract*¹⁻¹, every day)

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

(*² in the case of a Security Option Contract*²⁻¹, such day)

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

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

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

of fixing Position of the applicable Trading Day.

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

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

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

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

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

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

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

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

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

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

Chapter 2-2 Delivery Payments and the Like

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

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

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

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

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

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

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

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

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

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

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

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

2 A Non-Clearing Participant shall have the right to claim a refund of the Delivery Payment for the proprietary account of the Non-Clearing Participant deposited with JSCC.

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

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

Section 1 Handling of Unsettled Contracts

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

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

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

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

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

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

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

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

1 In the event that a Designated Market Operator implements the Suspension of Transactions, etc. due to Insolvency with respect to a Non-Clearing Participant, JSCC shall cause those Unsettled Contracts between JSCC and the Designated Clearing Participant of the Non-Clearing Participant subject to the Suspension of Transactions, etc. due to Insolvency, which are pursuant to the relevant Non-Clearing Participant's commission of the Brokerage for

Clearing of Securities, etc., to be transferred to other Clearing Participants, or cause other necessary arrangements to be made, depending on the details of the measure taken by the relevant Designated Market Operator.

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

Section 2 Handling of the Clearing Participant's Commissioned Margin

(Article 30 Handling of Margin for Customers' Account)

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

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

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

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

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

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

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

(Replaced) pursuant to the provisions of the immediately following Article, and then apportioned pro-rata according to the amount equal to the sum of the amount of money and the Marked to Market Value of the Securities and the Like deposited with such Insolvent Clearing Participant by each customer as the Customer Margin.

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

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

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

- 1 In the event that JSCC has acquired Japanese yen cash in exchange for the fund in foreign currency and/or converted the Securities and the Like into cash pursuant to the provisions of Paragraph 1 of the preceding Article, the Clearing Participant's Commissioned Margin (Replaced) shall be the sum of the amount of money, other than the funds in foreign currency subject to such acquisition, and the Securities and the Like, other than those subject to such

conversion, which had been deposited with JSCC by the Insolvent Clearing Participant as the Clearing Participant's Commissioned Margin (Replaced), and the amount arising from such acquisition, deducting the amount of expenses required for such acquisition, and the amount arising from such conversion, deducting the amount of expenses required for such conversion.

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

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

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

2 In the event that a Designated Market Operator causes an Offsetting-Sale, Offsetting-Purchase or exercise of options to be implemented with respect to the Unsettled Contracts pursuant to the commission by the Insolvent Clearing Participant's customers, or causes the Position Transfer in the case of Suspension of Transactions, etc. due to Insolvency pursuant to the commission by the Insolvent Clearing Participant's customers to be implemented, the right to claim a refund of the Margin for customers' account pertaining to the Insolvent Clearing Participant's customers*¹ may be exercised directly against JSCC. In such event, if the Margin for customers' account pertaining to the relevant customers has been deposited as the Clearing Participant's Commissioned Margin (Replaced), the amount of such refund shall be limited to the lesser of the amounts set forth in the Items under Paragraph 2 of Article 30.

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

3 In the event that the Insolvent Clearing Participant's customer directly exercises the right to

claim a refund of the Margin for customers' account against JSCC pursuant to the provisions of the preceding Paragraph, in accordance with the contract classification set forth in the following Items, JSCC shall cause such customer to notify JSCC of the matters deemed necessary by JSCC, after the day set forth in the applicable Item:

(1) JGB Futures Contract

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

(2) Interest Rate Futures Contract

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

~~(32)~~ 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;

~~(43)~~ 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;

~~(54)~~ 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;

~~(65)~~ 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

~~(76)~~ 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 Jasdaq Securities Exchange, Inc.
(*¹ limited to the issues listed on Jasdaq 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.

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.

<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.

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	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	

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	EUR denominated bonds issued by French Republic	The last quote in the Paris market on the immediately preceding day	
Municipal bonds (*3) Special bonds (excluding bonds guaranteed by the Japanese Government)(*4) Corporate Bonds (excluding bonds with stock acquisition rights and Exchangeable Corporate Bonds) (*3) (*4) 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)	Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published	Average of the relevant Reference Statistical Prices for OTC Bond Transactions The closing price (*1) in the Financial Instruments Exchange (*2)	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.
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	

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Convertible Bonds (* 3) (* 5) (* 6) Exchangeable Corporate Bonds) (* 3) (* 6)	Which are listed on a domestic Financial Instruments Exchange	The closing price (* 1) in the Financial Instruments Exchange (* 2)	80/100
Stocks Preferred equity capital contribution securities Depository receipts for foreign stocks Beneficiary securities of foreign investment trusts Foreign investment securities Beneficiary securities of beneficiary securities issuing trust Beneficiary securities of foreign beneficiary securities issuing trust	Which are listed on a domestic Financial Instruments Exchange	The closing price (* 1) in the Financial Instruments Exchange (* 2)	70/100
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

- (* 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 for an Account – Aggregate Net Option Value for an Account

(Note 1) SPAN Margin for an Account means the amount of Margin calculated 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.

- (Note 2) Risk Fluctuation Equivalent means the amount obtained by subtracting SPAN Margin for an account calculated pursuant to the provisions of a. (a) on the previous Trading Day from the SPAN Margin 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:

Amount Required for Delivery Clearing Margin related to Precious Metals
= Delivery Price X Delivery Unit Multiplier X 10/100

- (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)

Amount Required for Delivery Clearing Margin related to Rubber
= Delivery Price X Delivery Unit Multiplier X 10/100

- (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 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 the matters which are to be prescribed by JSCC pursuant to the Business Rules.

(Article 2 Designated Market Operators)

The Designated Market Operators designated by JSCC pursuant to Item (1) of Paragraph 2 of Article 3 of the Business Rules shall be those set forth in the following Items:

- (1) Tokyo Stock Exchange, Inc.;
- (2) Osaka Exchange Co., Ltd.;
- (3) Nagoya Stock Exchange, Inc.;
- (4) Fukuoka Stock Exchange Securities Membership Corporation;
- (5) Sapporo Securities Exchange Securities Membership Corporation;
- (6) Japannext Co., Ltd.;
- (7) Cboe Japan Limited; and
- (8) Osaka Digital Exchange Co., Ltd.

(Article 3 Contracts Subject to Clearing)

1 The Contracts Subject to Clearing relating to the contracts set forth in Item (1) of Paragraph 2 of Article 3 of the Business Rules shall be the buying and selling of securities prescribed in the following Items in the Designated Financial Instruments Market operated and managed by the Designated Market Operators listed in the following Items —the terms in the following Items shall have the meanings prescribed by each of the Designated Market Operators listed in such Items.

- (1) Tokyo Stock Exchange, Inc.

Transactions^{*1} prescribed in (a) through (n) below in accordance with the classification of securities described in (a) through (n) below.

(*1 including the buying/selling relating to Off-auction Distributions, the buying/selling for correction of errors, etc. and the buying/selling for reinstatement; as for the Cash Transaction and other transactions the settlement of which is carried out on the day of the conclusion of the buying/selling contracts, limited to pre-matched transactions)

- (a) Stocks^{*1} issued by domestic corporations;

(*1 including preferred equity capital contribution securities issued by a domestic corporation)

Cash Transactions, Regular Transactions, When-Issued Transactions and

ToSTNeT Transactions

- (b) Stock acquisition right securities and capital contribution securities issued by domestic corporations;
Cash Transactions, Regular Transactions and ToSTNeT Transactions
 - (c) Stocks*¹ issued by foreign corporations;
(*¹ including stock acquisition right securities and depositary receipts for foreign stocks issued by a foreign corporation)
Cash Transactions, Regular Transactions and ToSTNeT Transactions
 - (d) Investment trust beneficiary securities*¹
(*¹ excluding those listed in (g));
Cash Transactions, Regular Transactions, When-Issued Transactions and ToSTNeT Transactions
 - (e) Investment securities;
Cash Transactions, Regular Transactions and ToSTNeT Transactions
 - (f) Investment securities acquisition right securities;
Cash Transactions, Regular Transactions and ToSTNeT Transactions
 - (g) Index-linked investment trust beneficiary securities;
Cash Transactions, Regular Transactions and ToSTNeT Transactions
 - (h) Foreign investment trust beneficiary securities;
Cash Transactions, Regular Transactions and ToSTNeT Transactions
 - (i) Foreign investment securities;
Cash Transactions, Regular Transactions and ToSTNeT Transactions
 - (j) Beneficiary securities of a beneficiary securities issuing trust;
Cash Transactions, Regular Transactions and ToSTNeT Transactions
 - (k) Beneficiary securities of a foreign beneficiary securities issuing trust;
Cash Transactions, Regular Transactions and ToSTNeT Transactions
 - (l) Bonds*¹
(*¹ excluding those listed in (m) or (n) and limited to those handled by JASDEC for its book-entry transfer business);
Cash Transactions and Regular Transactions
 - (m) Japanese Government Bonds; and
Regular Transactions
 - (n) Convertible Bonds*¹.
(*¹ excluding those issued by foreign corporations)
Cash Transactions, Regular Transactions and ToSTNeT Transactions
- (2) Nagoya Stock Exchange, Inc.

Transactions*¹ prescribed in (a) through (i) below in accordance with the classification of securities described in (a) through (i) below.

(*¹ Including the Off-auction Distributions, the buying/selling for correction of errors, etc. and the buying/selling for reinstatement; as for the Same-Day Transactions and other transactions the settlement of which is carried out on the day of the conclusion of the buying/selling contracts, limited to pre-matched transactions)

- (a) Stocks issued by domestic corporations;
Same-Day Transactions, Regular Transactions, When-Issued Transactions, and N-NET Transactions
- (b) Stock acquisition right securities issued by domestic corporations;
Same-Day Transactions, Regular Transactions and N-NET Transactions
- (c) Stocks*¹ issued by foreign corporations;
(*¹ including stock acquisition right securities issued by a foreign corporation)
Same-Day Transactions, Regular Transactions and N-NET Transactions
- (d) Investment trust beneficiary securities
Same-Day Transactions, Regular Transactions and N-NET Transactions
- (e) Foreign investment trust beneficiary securities;
Same-Day Transactions, Regular Transactions and N-NET Transactions
- (f) Foreign investment securities;
Same-Day Transactions, Regular Transactions and N-NET Transactions
- (g) Bonds*¹;
(*¹ excluding those listed in (h) or (i))
Same-Day Transactions and Regular Transactions
- (h) Japanese Government Bonds; and
Regular Transactions
- (i) Convertible Bonds.
Same-Day Transactions, Regular Transactions and N-NET Transactions

(3) Fukuoka Stock Exchange Securities Membership Corporation

Transactions*¹ prescribed in (a) through (i) below in accordance with the classification of securities described in (a) through (i) below.

(*¹ Including the buying/selling relating to Off-auction Distributions, the buying/selling for correction of errors, etc. and the buying/selling for reinstatement; as for the Cash Transactions and other transactions the settlement of which is carried out on the day of the conclusion of the buying/selling contracts, limited to pre-matched transactions)

- (a) Stocks*¹ issued by domestic corporations
(*¹ including preferred equity capital contribution securities issued by a domestic

- corporation);
 Cash Transactions, Regular Transactions, When-Issued Transactions and Off-auction Transactions
- (b) Stock acquisition right securities issued by domestic corporations;
 Cash Transactions, Regular Transactions and Off-auction Transactions
- (c) Stocks*¹ issued by foreign corporations;
 (*¹ including stock acquisition right securities, depositary receipts for foreign stocks and foreign securities trust beneficiary securities issued by a foreign corporation)
 Cash Transactions, Regular Transactions and Off-auction Transactions
- (d) Investment trust beneficiary securities*¹;
 (*¹ excluding those listed in (g))
 Cash Transactions, Regular Transactions, When-Issued Transactions and Off-auction Transactions
- (e) Investment securities;
 Cash Transactions, Regular Transactions and Off-auction Transactions
- (f) Investment securities acquisition right securities;
 Cash Transactions, Regular Transactions and Off-auction Transactions
- (g) Stock index linked investment trust beneficiary securities;
 Cash Transactions and Regular Transactions
- (h) Bonds*¹; and
 (*¹ excluding those listed in (i))
 Cash Transactions and Regular Transactions
- (i) Convertible Bonds.
 Cash Transactions, Regular Transactions and Off-auction Transactions
- (4) Sapporo Securities Exchange Securities Membership Corporation
 Transactions*¹ prescribed in (a) through (e) below in accordance with the classification of securities described in (a) through (e) below.
 (*¹ including the buying/selling relating to Off-auction Distributions, the buying/selling for correction of errors, etc. and the buying/selling for reinstatement; as for the Cash Transactions and other transactions the settlement of which is carried out on the day of the conclusion of the buying/selling contracts, limited to pre-matched transactions)
- (a) Stocks issued by domestic corporations;
 Cash Transactions, Regular Transactions, When-Issued Transactions and Off-auction Transactions
- (b) Stock acquisition right securities issued by domestic corporations;
 Cash Transactions, Regular Transactions and Off-auction Transactions

- (c) Nikkei 300 Index Fund;
Cash Transactions and Regular Transactions
- (d) Bonds*¹; and
(*¹ excluding those listed in (e))
Cash Transactions and Regular Transactions
- (e) Convertible Bonds.
Cash Transactions and Regular Transactions
- (5) Japannext Co., Ltd.
Transactions*¹ prescribed in (a) through (j) below in accordance with the classification of securities described in (a) through (j) below.
(*¹ including the buying/selling for correction of errors, etc.)
 - (a) Stocks*¹ issued by domestic corporations;
(*¹ including preferred equity capital contribution securities issued by a domestic corporation)
Regular Transactions
 - (b) Stock acquisition right securities issued by domestic corporations;
Regular Transactions
 - (c) Stocks*¹ issued by foreign corporations;
(*¹ including stock acquisition right securities and depositary receipts for foreign stocks issued by a foreign corporation)
Regular Transactions
 - (d) Investment trust beneficiary securities;
Regular Transactions
 - (e) Foreign investment trust beneficiary securities;
Regular Transactions
 - (f) Investment securities;
Regular Transactions
 - (g) Investment securities acquisition right securities;
Regular Transactions
 - (h) Foreign investment securities;
Regular Transactions
 - (i) Beneficiary securities of a beneficiary securities issuing trust; and
Regular Transactions
 - (j) Beneficiary securities of a foreign beneficiary securities issuing trust.
Regular Transactions
- (6) Cboe Japan Limited

Transactions*¹ prescribed in (a) through (h) below in accordance with the classification of securities described in (a) through (h) below.

(*¹ including the buying/selling for correction of errors, etc.)

(a) Stocks*¹ issued by domestic corporations;

(*¹ including preferred equity capital contribution securities issued by a domestic corporation)

Regular Transactions

(b) Stocks*¹ issued by foreign corporations;

(*¹ including depository receipts for foreign stocks issued by a foreign corporation)

Regular Transactions

(c) Investment trust beneficiary securities;

Regular Transactions

(d) Foreign investment trust beneficiary securities;

Regular Transactions

(e) Investment securities;

Regular Transactions

(f) Foreign investment securities;

Regular Transactions

(g) Beneficiary securities of a beneficiary securities issuing trust; and

Regular Transactions

(h) Beneficiary securities of a foreign beneficiary securities issuing trust.

Regular Transactions

(7) Osaka Digital Exchange Co., Ltd.

Transactions*¹ prescribed in (a) through (j) below in accordance with the classification of securities described in (a) through (j) below.

(*¹ including the buying/selling for correction of errors, etc.)

(a) Stocks*¹ issued by domestic corporations;

(*¹ including preferred equity capital contribution securities issued by a domestic corporation)

Regular Transactions

(b) Stock acquisition right securities issued by domestic corporations;

Regular Transactions

(c) Stocks*¹ issued by foreign corporations;

(*¹ including stock acquisition right securities and depository receipts for foreign stocks issued by a foreign corporation)

Regular Transactions

- (d) Investment trust beneficiary securities;
Regular Transactions
 - (e) Foreign investment trust beneficiary securities;
Regular Transactions
 - (f) Investment securities;
Regular Transactions
 - (g) Investment securities acquisition right securities;
Regular Transactions
 - (h) Foreign investment securities;
Regular Transactions
 - (i) Beneficiary securities of a beneficiary securities issuing trust; and
Regular Transactions
 - (j) Beneficiary securities of a foreign beneficiary securities issuing trust.
Regular Transactions
- 2 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (2) of Paragraph 2 of Article 3 of the Business Rules shall be the Security Option Contracts ^{*1} prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by the Designated Market Operator listed in such Items.
- (*1 including transactions for correction of errors)
- (1) Auction Transactions
 - (2) J-NET Transactions
- 3 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (3) of Paragraph 2 of Article 3 of the Business Rules shall be the JGB Futures Contracts^{*1} prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article —the terms in this Paragraph shall have the meanings prescribed by such Designated Market Operator.
- (*1 including transactions for correction of errors)
- (1) Auction Transactions
 - (2) Transactions resulting from the position transfer
 - (3) J-NET Transactions
- 4 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (4) of Paragraph 2 of Article 3 of the Business Rules shall be the Option Contracts on JGB Futures^{*1} prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms

in this Paragraph shall have the meanings prescribed by such Designated Market Operator.

(*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

5 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (4)-2 of Paragraph 2 of Article 3 of the Business Rules shall be the Interest Rate Futures Contracts*¹ prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by such Designated Market Operator.

(*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

6 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (5) of Paragraph 2 of Article 3 of the Business Rules shall be the Index Futures Contracts*¹ prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by the Designated Market Operator.

(*1 including transactions for correction of errors)

(1) Auction Transactions

(2) Transactions resulting from the position transfer

(3) J-NET Transactions

7~~6~~ The Contracts Subject to Clearing pertaining to the contract stipulated in Item (6) of Paragraph 2 of Article 3 of the Business Rules shall be the Index Option Contracts*¹ prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by the Designated Market Operator listed in such Items.

(*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

8~~7~~ The Contracts Subject to Clearing pertaining to the contract stipulated in Item (6)-2 of Paragraph 2 of Article 3 of the Business Rules shall be the Commodity Futures Contracts*¹ prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this

Paragraph shall have the meanings prescribed by the Designated Market Operator listed in such Items.

(*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

~~98~~ The Contracts Subject to Clearing pertaining to the contract stipulated in Item (6)-3 of Paragraph 2 of Article 3 of the Business Rules shall be the Option Contracts on Commodity Futures*¹ prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by the Designated Market Operator listed in such Items.

(*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

~~109~~ The Contracts Subject to Clearing pertaining to the contract stipulated in Item (7) of Paragraph 2 of Article 3 of the Business Rules shall be the lending and borrowing of cash, stocks and the like*¹ that are necessary for the settlement of the buying/selling set forth in Paragraph 1, and the buying/selling of the underlying securities resulting from an exercise of options under the Security Option Contracts set forth in Paragraph 2.

(*1 limited to the lending implemented by the Designated Securities Finance Company to a Clearing Participant in accordance with the Rules for Money/Securities Loan Transaction through the settlement system of a Designated Market Operator)

~~119~~ The Contracts Subject to Clearing pertaining to the contract stipulated in Item (8) of Paragraph 2 of Article 3 of the Business Rules shall be the lending and borrowing of stocks and the like*¹ that are necessary for the transactions set forth in the preceding Paragraph.

(*1 limited to the lending implemented by a Clearing Participant to the Designated Securities Finance Company in accordance with the Rules for Money/Securities Loan Transaction through the settlement system of a Designated Market Operator)

~~124~~ The Contracts Subject to Clearing pertaining to the contract stipulated in Item (9) of Paragraph 2 of Article 3 of the Business Rules shall be the delivery/receipt of the Collateral, etc. pertaining to the transactions set forth in the preceding two Paragraphs.

~~132~~ The Contracts Subject to Clearing pertinent to the contract stipulated in Item (10) of Paragraph 2 of Article 3 of the Business Rules shall be the buying and selling resulting from Buy-In.

~~143~~ The Contracts Subject to Clearing pertinent to the contract stipulated in Item (11) of Paragraph 2 of Article 3 of the Business Rules shall be the Exchange FX Contracts in the

Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article.

(Article 4 Application for Obtaining the Clearing Qualification, etc.)

1 The application for obtaining the Clearing Qualification prescribed in Paragraph 1 through Paragraph 4 and Paragraph 6 of Article 6 of the Business Rules shall be made by way of a Clearing Qualification applicant's submission to JSCC of a written application for the Clearing Qualification in a prescribed form containing the information set forth in the following Items:

(1) Category of Clearing Qualification to be obtained, and whether it is the Principal Clearing Qualification or the Agency Clearing Qualification*¹;

(*¹ when submitting an application for the Securities Clearing Qualification set forth in Paragraph 3 of Article 6 of the Business Rules, a statement to the effect that it is for the Principal Clearing Qualification which is subject to the condition that the scope of the Contracts Subject to Clearing be limited to the contracts listed in Item (7) through Item (10) of Paragraph 2 of Article 3 of the Business Rules, when submitting an application for the Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification set forth in Paragraph 4 of the said Article, a statement to the effect that it is for the Principal Clearing Qualification shall be required and when submitting an application for ETF Special Clearing Qualification set forth in Paragraph 6 of Article 6 of the Business Rules, a statement on whether it is for the Principal Clearing Qualification or for the Agency Clearing Qualification shall not be required.)

(2) Trade name or corporate name*¹;

(*¹ including the trade name or corporate name in English)

(3) Address of the headquarter or principal office;

(4) Name of the representative; and

(5) Reasons for application.

2 The provisions of the immediately preceding Paragraph shall apply *mutatis mutandis* to the application for obtaining the Clearing Qualification set forth in Paragraph 8 of Article 6 of the Business Rules. In this case, "when submitting an application for the Securities Clearing Qualification set forth in Paragraph 3 of Article 6 of the Business Rules" in the preceding Paragraph shall be replaced with "when a Specified Successor Financial Institution which succeeds to obligations, etc.^{*1} of a securities finance company through an acceptance of transfer of specified business, etc.^{*2} is submitting an application for the

Clearing Qualification set forth in Paragraph 8 of Article 6 of the Business Rules”

(*1 Referring to obligations, etc. prescribed in Paragraph 1 of Article 126-34 of the Deposit Insurance Act)

(*2 Referring to acceptance of transfer of specified business, etc. prescribed in Paragraph 1 of Article 126-34 of the said Act)

3 Documents deemed necessary by JSCC shall be attached to the written application for the Clearing Qualification set forth in Paragraph 1.

4 Application for registration of a Registered ETF Trust Bank set forth in Paragraph 11 of Article 6 of the Business Rules shall be made by an applicant related to the relevant registration by submission of the ETF Trust Bank registration application form which states its application for registration of the Registered ETF Trust Bank and items listed in Item (2) through Item (5) of Paragraph 1. In this case, an applicant shall attach the document which JSCC deems necessary to ETF Trust Bank registration application form.

(Article 4-2. Document concerning Parental Guarantee)

The form to be prescribed by JSCC as set forth in Paragraph 5 of Article 6 and Article 10-3 of the Business Rules shall be the form attached hereto as Exhibit Form 1.

(Article 4-3 Handling of Examination for Obtaining Clearing Qualification related to Commercials)

An examination to confirm a satisfaction of the criteria set forth in Item (2) C) (c) of Paragraph 3 of Article 7 of the Business Rules shall be conducted through a consideration of a liquidity ratio, a debt ratio and a status of credit ratings of an applicant for the Clearing Qualification, and other viewpoints.

(Article 5 Procedures for Obtaining the Clearing Qualification)

1 The procedures for obtaining the Clearing Qualification prescribed in Paragraph 1 of Article 8 of the Business Rules shall be the payment of the fee for obtaining the Clearing Qualification and other procedures deemed necessary by JSCC.

2 The fee for obtaining the Clearing Qualification set forth in the preceding Paragraph shall be 1 million yen for each category of Clearing Qualification to be obtained, which shall be paid together with the corresponding consumption tax and local consumption tax; provided, however, that in the event that more than one category of Clearing Qualification set forth in the Business Rules and the Business Rules on Business of Assuming Commodity Transaction Debts are to be obtained simultaneously, the fee shall be 1 million yen regardless of the number of categories of Clearing Qualification, which shall be paid

together with the corresponding consumption tax and local consumption tax.

- 3 The provisions of Paragraph 1 shall apply *mutatis mutandis* to the procedures for obtaining the Clearing Qualification prescribed by JSCC under Paragraph 3 of Article 8 of the Business Rules. In this case, the phrase “the payment of the fee for obtaining the Clearing Qualification and other procedures deemed necessary by JSCC” in Paragraph 1 shall be replaced with “the procedures deemed necessary by JSCC.”

(Article 6 Matters to be Included in Notifications)

Notifications prescribed in Paragraph 1 of Article 12*¹, Article 13*¹, Article 19, Article 40 and Article 41 of the Business Rules to JSCC shall be submitted by the date and time prescribed by JSCC by way of submitting prescribed notification forms, to which documents deemed necessary by JSCC shall be attached.

(*¹including the case applied to *mutatis mutandis* in Paragraph 2 of Article 17-2 of the Business Rules)

(Article 6-2 Procedures for Hearings)

The procedures relating to the hearing stipulated in Paragraph 2 of Article 14 of the Business Rules*¹ shall be as prescribed by the following Items:

(*¹including the case applied *mutatis mutandis* in Paragraph 2 of Article 17-2 of the Business Rules. In this case, the reference to "Clearing Participant" shall be deemed to be "Registered ETF Trust Bank")

- (1) JSCC shall notify the Clearing Participant, concerning which the hearing will be conducted, of the topics and the date of the hearing in advance.
- (2) The relevant Clearing Participant shall have the right to give a statement at the hearing, and JSCC shall prepare records of the topics of the hearing, contents of the statements made thereat and other matters.

(Article 6-3 Handling of Cash Deposited as Initial Margin, etc.)

- 1 When a Clearing Participant makes deposit of the initial margin prescribed in Article 15-2 of the Business Rules with JSCC in cash, it shall do so by way of 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 clearing deposit 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.
- 3 The provisions of the preceding two Paragraphs shall apply *mutatis mutandis* in the case

where the clearing fund prescribed in Paragraph 1 of Article 16 of the Business Rules, the Security Money for Facilitating DVP Settlement prescribed in Article 52 of the Business Rules or the Margin for When-Issued Transaction prescribed in Article 70 of the Business Rules is deposited with JSCC in cash. In such case, the phrase “initial margin prescribed in Article 15-2 of the Business Rules” shall be deemed to be “clearing fund prescribed in Paragraph 1 of Article 16 of the Business Rules” in Paragraph 1, “Security Money for Facilitating DVP Settlement prescribed in Article 52 of the Business Rules” or “Margin for When-Issued Transaction prescribed in Article 70 of the Business Rules”.

(Article 6-4 Currencies Designated by JSCC)

- 1 The currencies designated by JSCC as set forth in Paragraph 3 of Article 15-2, Paragraph 4 of Article 16, Paragraph 2 of Article 52 and Paragraph 2 of Article 70 of the Business Rules shall be Japanese yen and the currency of the United States of America.
- 2 A certain rate designated by JSCC as set forth in Paragraph 3 of Article 15-2, Paragraph 4 of Article 16, Paragraph 2 of Article 52 and Paragraph 2 of Article 70 of the Business Rules shall be 95 percent in case of the currency of the United States of America.

(Article 7 Securities to be Deposited in lieu of Cash)

Matters regarding the securities to be deposited in lieu of cash prescribed in Paragraph 4 through Paragraph 6 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 3 through Paragraph 5 of Article 52, and Paragraph 3 through Paragraph 5 of Article 70 of the Business Rules shall be set forth in *Appendix 1*.

(Article 7-2 Procedures for Intraday Deposit of Initial Margin)

- 1 The event prescribed by JSCC set forth in the provisions of Paragraph 1 of Article 15-3 of the Business Rules shall be the event where the difference between the contract price of the contract month contract, which is designated by JSCC as an Index Futures Contract linked to the market price of a transaction relating to the Securities Clearing Qualification, immediately prior to 11 A.M. of the Day Session of any Trading Day and the Settlement Price on the immediately preceding Trading Day exceeds the value prescribed by JSCC in advance.

(Article 8 Matters to be Reported)

- 1 The circumstances prescribed by JSCC set forth in the provisions of Article 20 of the Business Rules shall be those listed in the following Items*¹ and the reports shall be submitted in prescribed forms, to which documents deemed necessary by JSCC shall be

attached:

(*1for the case of ETF Special Clearing Participant and Registered ETF Trust Bank, those listed in Item (2), Item (3), Item (4), Item (4-3), Item (7-2) through Item (9), Item (9-3) and Item (11), Item (12) and Item (13))

(1) When the Clearing Participant prescribed or amended the method of managing the risk of loss, the method of division of duties or the details or methods of other operations;

(1-2) If the Clearing Participant became aware that a Designated Parent Company*¹ has filed the notification referred to in Article 57-14 of the Act in connection with the matter listed in Item (6) of Paragraph 1 of Article 57-13 of the Act;

(*¹referring to a Designated Parent Company defined in Paragraph 3 of Article 57-12 of the Act; the same applies hereinafter)

(2) The circumstance set forth in A) through E) below according to the category of the Clearing Participant set forth therein has arisen:

A) Securities Clearing Participant, JGB Futures Clearing Participant or Index Futures Clearing Participant:

If the Clearing Participant has done any one of the acts set forth in (a) through (c) below which is applicable to the Clearing Participant according to its category set forth therein:

(a) Financial Instruments Business Operator:

When it suspended or resumed its operation of the business listed in Item (1) of Paragraph 1 of Article 28 of the Act

(b) Registered Financial Institution:

When it suspended or resumed its operation of the Registered Financial Institution Business*¹

(*¹referring to the Registered Financial Institution Business prescribed in Item (3) of Paragraph 1 of Article 33-5 of the Act; the same applies hereinafter)

(c) Securities Financial Company:

When it suspended or resumed its operation of the business prescribed in Paragraph 1 of Article 156-24 of the Act;

B) Commodity Futures Clearing Participant;

If the Clearing Participant has done any one of the acts set forth in (a) through (c) below which is applicable to the Clearing Participant according to its category set forth therein:

(a) Financial Instruments Business Operator:

When it suspended or resumed its operation of the business listed in Item (1)-2 of Paragraph 1 of Article 28 of the Act

(b) Registered Financial Institution:

When it suspended or resumed its operation of the Registered Financial Institution Business or the business relating to the Commodity Futures Contracts and the Option Contracts on Commodity Futures

(c) Commercials:

When it suspended or resumed the business relating to the Commodity Futures Contracts and the Option Contracts on Commodity Futures;

C) FX Clearing Participant:

If the Clearing Participant has done either of the acts set forth in (a) or (b) below which is applicable to the Clearing Participant according to its category set forth therein:

(a) Financial Instruments Business Operator:

When it suspended or resumed its operation of the business listed in Item (3) of Paragraph 2 of Article 28 of the Act*¹

(*¹ when such Clearing Participant is commissioned an Exchange FX Contract, such business or the business listed in Paragraph 5 of the said Article)

(b) Registered Financial Institution:

When it suspended or resumed its operation of the Registered Financial Institution Business

D) ETF Special Clearing Participant

When it suspended or resumed its operation set forth in Item 2 of Paragraph 4 of Article 28 of the Act

E) Registered ETF Trust Bank

When it suspended or resumed its operation set forth in Paragraph 1 of Article 2 of the Trust Business Act (Act No. 154 of June 4, 2004)

(3) If the Clearing Participant has filed a petition for the commencement of bankruptcy procedures, the commencement of rehabilitation procedures, the commencement of corporate reorganization procedures, the commencement of a liquidation or the commencement of a special liquidation, or it became aware that such petition has been filed against it;

(3-2) If the Clearing Participant became aware that a petition for the commencement of bankruptcy procedures, the commencement of rehabilitation procedures, the commencement of corporate reorganization procedures, the commencement of a liquidation or the commencement of a special liquidation has been filed with respect to a Designated Parent Company;

(4) If the Clearing Participant became actually or potentially insolvent;

(4-2) If the Clearing Participant became aware that a Designated Parent Company became

- actually or potentially insolvent;
- (4-3) If the ETF Special Clearing Participant becomes or is likely to become unable to perform creation of securities investment trust, partial redemption of securities investment trust principal or exchange of exchange traded fund beneficiary certificate for exchange traded fund component stock.
- (5) If the amount of net worth^{*1} of the Clearing Participant became less than 300 million yen^{*2};
- (^{*1} in the case of a Registered Financial Institution, a Securities Finance Company or Commercials, the amount of its net assets; the same applies hereinafter in this Item)
- (^{*2} in the case of a Commodity Futures Clearing Participant that is a Principal Clearing Participant, if the amount of its net worth become less than 1 billion yen, and in the case of an Agency Clearing Participant, if the amount of its net worth became less than 20 billion yen)
- (6) If the amount of stated capital or total amount of capital contributions^{*1} of the Clearing Participant became less than 300 million yen^{*2};
- (^{*1} in the case of a mutual company, the total amount of the foundation fund^{*1-1})
- (^{*1-1} including the amount of reserve for redemption of the foundation fund)
- (^{*2} in the case of a Securities Finance Company which has obtained the Clearing Qualification pursuant to the application submitted pursuant to Paragraph 2 of Article 6 of the Business Rules, 100 million yen)
- (7) If any one of the events set forth in A) through D) below has occurred to the Clearing Participant according to its category set forth therein:
- A) Financial Instruments Business Operator:
- If its Capital-to-Risk Ratio or consolidated Capital-to-Risk Ratio^{*1} became less than 140 percent^{*2}
- (^{*1} for those who do not engage in the act listed in Item (1) of Paragraph 1 of Article 28 of the Act as business, referring to the ratio calculated by applying *mutatis mutandis* the provisions of Paragraph 1 of Article 46-6 of the Act; the same applies hereinafter in this Item)
- (^{*2} in the case of a Clearing Participant which is an Agency Clearing Participant, if its Capital-to-Risk Ratio or consolidated Capital-to-Risk Ratio^{*1} became less than 200 percent)
- B) Registered Financial Institution subject to Uniform International Standards:
- If any one of the events set forth in (a) through (c) below has occurred^{*1}:
- (^{*1} in the case of a foreign bank, if any event equivalent thereto has occurred)
- (a) If its non-consolidated or consolidated Common Equity Tier 1 ratio^{*1} became

less than 2.25 percent^{*2};

(*¹ for an institution which operates with investment from its members, its non-consolidated or consolidated common capital contribution Tier 1 ratio; the same applies hereinafter)

(*² in the case of an Agency Clearing Participant, if its non-consolidated or consolidated Common Equity Tier 1 ratio became less than 4.5 percent)

(b) If its non-consolidated or consolidated Tier 1 ratio became less than 3 percent^{*1}; or

(*¹ in the case of an Agency Clearing Participant, if its non-consolidated or consolidated Tier 1 ratio became less than 6 percent)

(c) If its non-consolidated or consolidated Total Capital ratio became less than 4 percent^{*1}

(*¹ in the case of an Agency Clearing Participant, if its non-consolidated or consolidated Total Capital ratio became less than 8 percent)

C) Registered Financial Institution other than Registered Financial Institutions subject to Uniform International Standards, foreign banks and insurance companies:

If its non-consolidated or consolidated capital adequacy ratio under the domestic standards became less than 2 percent where it has no offshore base for sales or business operation^{*1}

(*¹ in the case of an Agency Clearing Participant, if its non-consolidated or consolidated capital adequacy ratio under the uniform international standards became less than 8 percent where it has an offshore base for sales or business operation or if its non-consolidated or consolidated capital adequacy ratio under the domestic standards became less than 4 percent where it has no offshore base for sales or business operation)

D) Insurance company

If its non-consolidated or consolidated solvency margin ratio became less than 100 percent^{*1}(*¹ in the case of a Clearing Participant which is an Agency Clearing Participant, if its non-consolidated or consolidated solvency margin ratio became less than 400 percent)

(7-2) If the Clearing Participant became aware that a majority of the voting rights^{*1} of all shareholders or a majority of the voting rights relating to capital contributions has come to be held by a single individual, a single legal entity or another organization;

(*¹ including the voting rights pertaining to the shares which are deemed to have voting rights pursuant to Paragraph 3 of Article 879 of the Companies Act (Act No. 86 of 2005), but excluding the voting rights pertaining to the shares whose voting rights

cannot be exercised on any of the matters that may be resolved on at general meetings of shareholders)

- (8) When there has been any change in the composition of the top 10 major shareholders*¹ of the Clearing Participant;
(*¹ referring to the 10 shareholders ranked in the order of the number of shares owned in their own names or in other persons' names)
- (8-2) When any of directors or officers of the Clearing Participant became, or ceased to be, a director or officer of another corporation or other legal entity;
- (9) If a punitive or other measure has been taken pursuant to the provisions of the Laws and Regulations against, or an opportunity to participate in a hearing or to present a defense in connection with such measure has been granted pursuant to the provisions of the Laws and Regulations to, the Clearing Participant;
- (9-2) If the Clearing Participant became aware that a punitive or other measure has been taken pursuant to the provisions of the Laws and Regulations against, or an opportunity to participate in a hearing or to present a defense in connection with such measure has been granted pursuant to the provisions of the Laws and Regulations to, a Designated Parent Company or Specified Major Shareholder*¹;
(*¹ referring to the Specified Major Shareholder defined in Paragraph 4 of Article 32 of the Act; the same applies hereinafter)
- (9-3) In association with a punitive measure set forth in preceding two Items, when the Clearing Participant reported improvement plan, etc. to an administrative agency.
- (10) When the Clearing Participant has joined or withdrawn from a Designated Market Operator*¹;
(*¹ including when it has obtained or lost the trading qualification)
- (11) In the case of a Financial Instruments Business Operator, if it became aware that any of its directors or officers has come to be the person described in any of (a) through (i) of Item (2) of Paragraph 1 of Article 29-4 of the Act; or in the case of a Registered Financial Institution, a Securities Financial Company Commercial or a trust company, if it became aware that a decision concerning the commencement of bankruptcy procedures involving any of its directors or officers has been made, or that any of its directors or officers has been sentenced to imprisonment or a more severe criminal penalty, or fined pursuant to the provisions of the Act;
- (11-2) If the Clearing Participant became aware that any director or officer of a Designated Parent Company has come to be the person described in any of (a) through (i) of Item (2) of Paragraph 1 of Article 29-4 of the Act;
- (12) If the Clearing Participant became aware that either (d) or (e) of Item (5) of Paragraph

- 1 of Article 29-4 of the Act has become applicable to any Major Shareholder^{*1} of a Financial Instruments Business Operator^{*2};
- (*¹ referring to a Major Shareholder prescribed in Paragraph 2 of Article 29-4 of the Act; the same applies hereinafter)
- (*² in the case of a foreign corporation, if it became aware that (f) of the above-referenced Item has become applicable to a person which is equivalent to a Major Shareholder)
- (12-2) If the Clearing Participant became aware that either (d) or (e) of Item (5) of Paragraph 1 of Article 29-4 of the Act has become applicable to any Major Shareholder of a Designated Parent Company;
- (13) If a lawsuit^{*1} involving a civil case has been filed, if a decision, etc., has been entered by a court in such lawsuit^{*2}, if a petition for mediation^{*3} under the Act for Conciliation of Civil Affairs has been filed, or if such mediation has been concluded;
- (*¹ excluding cases where the value of the object of the lawsuit is less than 300 million yen; the same applies hereinafter)
- (*² including appeal)
- (*³ excluding cases where the value of the subject matter of the mediation is less than 300 million yen; the same applies hereinafter)
- (13-2) If the Clearing Participant became aware that a lawsuit involving a civil case has been filed, or a decision, etc., has been entered by a court in such lawsuit^{*1}, or that a petition for mediation under the Act for Conciliation of Civil Affairs has been filed, or if such mediation has been concluded, with respect to a Designated Parent Company;
- (*¹ including appeal)
- (14) In the case of a Financial Instruments Business Operator, when it prepared a report regarding its affiliated companies pursuant to the provisions of Paragraph 2 of Article 46-3 of the Act; in the case of a Registered Financial Institution, when it prepared a report regarding its affiliated companies pursuant to the provisions of Paragraph 2 of Article 48-2 of the Act; or, in the case of a foreign Financial Instruments Business Operator, when it prepared a report regarding its affiliated companies pursuant to the provisions of Paragraph 2 of Article 49-3 of the Act; or, in the case of Commercials, when it prepared a report regarding its affiliated companies prescribed by JSCC;
- (15) When the Clearing Participant prepared monitoring survey sheets pursuant to the provisions of Article 56-2 of the Act^{*1};
- (*¹ in the case of a Registered Financial Institution which is an Agency Clearing Participant, when it prepared the main account status sheets prescribed by JSCC)
- (15-2) When the Clearing Participant prepared documents stating its state of soundness of

- management to be made available for public inspection in accordance with the provisions of Paragraph 3 of Article 57-5 of the Act;
- (15-3) When the Ultimate Designated Parent Company^{*1} of the Clearing Participant prepared documents stating its state of soundness of management to be made available for public inspection in accordance with the provisions of Paragraph 3 of Article 57-17 of the Act;
- (*1 referring to the Ultimate Designated Parent Company prescribed in Paragraph 3 of Article 57-12 of the Act; the same applies hereinafter)
- (16) In the case of a Financial Instruments Business Operator, when it prepared a business report; in the case of a Registered Financial Institution, when it prepared a non-consolidated or consolidated business report or interim business report; or, in the case of a Securities Finance Company, when it prepared a business report or status sheet of interim financial results;
- (16-2) When the Clearing Participant prepared a business report pursuant to Paragraph 1 of Article 57-3 of the Act;
- (16-3) When the Ultimate Designated Parent Company of the Clearing Participant prepared a business report;
- (16-4) In the case of Commercials, when it prepared a Securities Report or other document related to each fiscal year;
- (17) When the Clearing Participant prepared fact sheets prescribed by JSCC regarding financial results or interim financial results;
- (18) In the case of a foreign Financial Instruments Business Operator^{*1}, when it prepared the balance sheet, profit and loss statement or other statements concerning finance and accounting which are set forth in Paragraph 1 of Article 49-3 of the Act;
- (*1 limited to those who have registered as operator of the business relating to the act listed in Item (1) of Paragraph 1 of Article 28 of the Act)
- (19) If the Clearing Participant prescribed or changed the conditions upon the satisfaction of which the Contracts for Commissioning Clearance can be cancelled through an agreement with a Non-Clearing Participant, in order to ensure the likelihood of the performance of obligations relating to the contracts based on the commissions of the Brokerage for Clearing of Securities, etc.;
- (20) If a Non-Clearing Participant which has designated the relevant Clearing Participant as its Designated Clearing Participant failed to perform the settlement or there is a real possibility that such Non-Clearing Participant will fail to perform the settlement;
- (21) If the Clearing Participant became aware that a Designated Parent Company has changed its head office or any other principal administrative office;

- (22) If the Clearing Participant has made the notification pursuant to Paragraph 1 or Paragraph 6^{*1} of Article 57-2 of the Act;
(*¹ limited to the case where it has fallen under Item (2) of the same Paragraph)
- (23) If the Clearing Participant became aware that a Designated Parent Company has been designated or such designation has been terminated or such designation has ceased to be effective;
- (24) If the Clearing Participant became aware that a Designated Parent Company has merged with another legal entity^{*1};
(*¹excluding the case where the said Designated Parent Company ceases to exist due to the merger)
- (25) If the Clearing Participant became aware that there has been a change in directors or officers of a Designated Parent Company^{*1};
(*¹excluding cases listed in Item (8-2))
- (26) If the Clearing Participant became aware that there is a person who became an additional Specified Major Shareholder or who ceased to be a Specified Major Shareholder; or
- (27) If the Clearing Participant changed its fiscal year end date.

2 As to the Clearing Participant obtained a Parental Guarantee, the circumstances to be prescribed by JSCC as set forth in the provisions of Article 20 of the Business Rules shall be those listed in Paragraph 1^{*1}, and when the Parent falls under Item (3), Item (4), Item (5), Item (6), Item (13), Item (14) through Item (15-2), Item (16) and Item (16-2)^{*2}, and it shall be reported using the prescribed form attaching the documents deemed necessary by JSCC. In this case, the phrase, "If the amount of net worth of the Clearing Participant became less than 300 million yen," in Item (5) shall be deemed to be "If the amount of net worth of the Parent (limited to those provided Parental Guarantee for the relevant Clearing Participant; the same applies hereinafter) became less than 20 billion yen."

(*¹ excluding Item (5) and Item (6) of the said Paragraph)

(*² excluding, for Item (3) of Paragraph 1, the case where the report relating to the Parent has already been submitted pursuant to Item (3-2) of the said Paragraph, for Item (4) of the said Paragraph, the case where the report relating to the Parent has already been submitted pursuant to Item (4-2), for Item (13) of the said Paragraph, the case where the report relating to the Parent has already been submitted pursuant to Item (13-2) of the said Paragraph, and for Item (15-2) of the said Paragraph, the case where the report relating to the Parent has already been submitted pursuant to Item (15-3) of the said Paragraph)

3 In addition to those set forth in Paragraph 1, an FX Clearing Participant shall prepare and

submit a designated report on the status of management by category/classification, etc.*1 for every fiscal year.

(*1 including description of the status of management by category/classification and status of external audit or internal audit)

4 With respect to the reports referenced in Item (16) of Paragraph 1, in addition to those referenced in the main text of such Item*1, audit reports concerning financial statements*2 prepared by accounting auditors and attached to the business reports or non-consolidated business reports shall be attached.

(*1 including the case when the report is submitted in respect of the Parent pursuant to the provisions of Paragraph 2)

(*2 including those deemed appropriate by JSCC as similar document thereto)

(Article 9 Application for Renunciation of the Clearing Qualification)

1 The application for renunciation of the Clearing Qualification prescribed in Article 22 of the Business Rules shall be made by way of submission by the Clearing Qualification renunciation applicant to JSCC of a written application for renunciation of the Clearing Qualification in a prescribed form, containing the information set forth in the following Items:

(1) Category of Clearing Qualification to be renounced, and whether it is the Principal Clearing Qualification or the Agency Clearing Qualification*1; (*1 as for the application for renunciation of the ETF Special Clearing Qualification, statement as to whether it is Principal Clearing Qualification or Agency Clearing Qualification shall not be required.)

(2) Trade name or corporate name*1;

(*1 including the trade name or corporate name in English)

(3) Address of the headquarter or principal office;

(4) Name of the representative; and

(5) Reasons for applying for renunciation.

2 Documents set forth in the following Items shall be attached to the written application for renunciation of the Clearing Qualification set forth in the preceding Paragraph:

(1) Schedule for the renunciation of the Clearing Qualification; and

(2) Other documents deemed necessary by JSCC.

(Article 9-2 Reporting Method in response to Inquiry to Clearing Participant Holding Excessive Position)

The report set forth in Paragraph 1 and Paragraph 3 of Article 21-2 of the Business Rules shall be submitted using the prescribed form and attaching the documents JSCC

considers necessary.

(Article 9-2-2 Application for Renunciation of Registration)

Application for revocation of Registered ETF Trust Bank set forth in Article 26-2 of the Business Rules shall be made by application of revocation of registration as a Registered ETF Trust Bank and by submission of the prescribed Registered ETF Trust Bank revocation form which states items listed in Item (2) through Item (5) of Paragraph 1 of Article 9 to JSCC. In this case, the timetable related to revocation of registration and the documents which JSCC deems necessary, shall be attached to the ETF Trust Bank revocation form.

(Article 9-3 Measures against Commercials)

The measures against Commercials set forth in Item (8) of Paragraph 3 of Article 29 of the Business Rules shall be taken taking into account the liquidity ratio, debt ratio and status of credit ratings of the Commercials and other viewpoints.

(Article 9-4 Margins with Respect to which Measures are Taken)

1 The Margin prescribed by JSCC pursuant to the provisions of Paragraph 1 of Article 29-4 of the Business Rules shall be the Margins listed in Paragraph 1 of Article 9-2^{*1} and Item (2) of Paragraph 1 of Article 20 of the Rules on Margins, etc. for Futures and Option Contracts and the Margin listed in Item (4) and Item (8) of Paragraph 1 of Article 19 of the Rules on Margins, etc. for Exchange FX Contracts.

(*1 excluding Margins under Paragraph 3 of Article 9-2 that relates to the accounts set forth in Item (2) of Article 46-3 and Item (2) of Article 46-4 of the Business Rules)

2 The Margin prescribed by JSCC pursuant to the provisions of Paragraph 2 of Article 29-4 of the Business Rules shall be the Margins listed in Paragraph 1 of Article 9-2^{*1} and Item (2), Item (5), item (7) and Item (10) of Paragraph 1 of Article 20 of the Rules on Margins, etc. for Futures and Option Contracts and the Margin listed in Item (4) and Item (8) of Paragraph 1 of Article 19 of the Rules on Margins, etc. for Exchange FX Contracts.

(*1 excluding Margins under Paragraph 3 of Article 9-2 that relates to the accounts set forth in Item (2) of Article 46-3 and Item (2) of Article 46-4 of the Business Rules)

(Article 9-5 Hours subject to Emergency Suspension)

The period of time prescribed by JSCC as set forth in Article 29-5 of the Business Rules shall be the period from 1:00 P.M. through 9:00 A.M. on the immediately following day ^{*1}.

(*1 if such day falls on a holiday, it shall be the immediately following business day; the same applies hereinafter)

(Article 9-6 Indicator Value Calculation Method on Consecutive Holiday Trading Days)

- 1 The indicator value to be prescribed by JSCC as set forth in Paragraph 1 of Article 29-6 of the Business Rules shall be the value obtained by dividing the Total Risk Equivalent under Normal Market Conditions set forth in Paragraph 2 of Article 23-2 of the Rules on Margins, etc. for Futures and Option Contracts by the sum of the deposited amount of Margin for the Clearing Participant's house account and the deposited amount of clearing fund.
- 2 The judgment timing to be prescribed by JSCC as set forth in Item (1) of Paragraph 1 of Article 29-6 of the Business Rules shall be 16:00, and the timing JSCC designates as deadline as set forth in Item (2) of Paragraph 1 of Article 29-6 shall be 11:00.
- 3 The value to be separately prescribed by JSCC as set forth in Paragraph 2 of Article 29-6 of the Business Rules shall be 1.
- 4 The amount to be prescribed by JSCC as set forth in Paragraph 3 of Article 29-6 of the Business Rules shall be the money to be received as a third party guarantee against loss set forth in Paragraph 4 of Article 78 of the Business Rules the purpose of which is a recovery of loss from any settlement failure on a Holiday Trading Day.

(Article 10 Contract for Commissioning Clearance)

The Contract for Commissioning Clearance stipulated in Paragraph 1, Article 39 of the Business Rules shall be concluded, based on the category of Clearing Qualification of the Agency Clearing Participant set forth in each of the following Items, in the form of the applicable Exhibit Form referenced the applicable Item:

- (1) Securities Clearing Qualification
Exhibit Form 2
- (2) JGB Futures Clearing Qualification
Exhibit Form 3
- (3) Index Futures Clearing Qualification
Exhibit Form 4
- (4) Precious Metal Futures Clearing Qualification
Exhibit Form 5
- (5) Rubber Futures Clearing Qualification
Exhibit Form 6
- (6) Agricultural Futures Clearing Qualification
Exhibit Form 7
- (7) Petroleum Futures Clearing Qualification

- Exhibit Form 8
- (8) FX Clearing Qualification
- Exhibit Form 9

(Article 10-2 Application, etc. for Assumption of Obligations listed in Item (12) or Item (13) of Paragraph 2 of Article 3 of the Business Rules)

- 1 The manner prescribed by JSCC as set forth in Paragraph 1 of Article 45-3 of the Business Rules shall be in the manner which uses the platform on which JSCC operates for a Beneficiary Certificate, etc. Applicant, ETF Special Clearing Participant and Registered ETF Trust Bank to exchange information and make an application or approve such application^{*1}; provided, however, when JSCC deems that a use of the Platform is inadequate, due to problems affecting the operation of the systems set up by JSCC or other institutions or due to any other unavoidable cause, it shall be in the manner each time prescribed by JSCC .
(*¹hereinafter referred to as “Platform”)
- 2 Statement set forth in Paragraph 2 of Article 45-3 of the Business Rules shall be prepared in the form specified by JSCC for operation of the Platform.

(Article 10-3 Assumption of the obligations based on the contracts prescribed in Item (12) or Item (13) of Paragraph 2 of Article 3 of the Business Rules)

- 1 The details of obligations to be assumed by JSCC set forth in Item (4) sub-Item a to sub-item c and Item (5) of Paragraph 1 of Article 46 of the Business Rules shall be confirmed by using the Platform; provided, however, when JSCC deems that a use of the Platform is inadequate, due to problems affecting the operation of the systems set up by JSCC or other institutions or due to any other unavoidable cause, in the manner each time prescribed by JSCC .

(Article 10-4 Allocation Report and the Like)

- 1 When allocating the Unsettled Contracts related to Futures and Option Contracts managed under one of the accounts^{*1} set forth in Article 46-3 and Article 46-4 of the Business Rules to another account with the same account classification, the Clearing Participant shall submit the report of such allocation^{*2} first, and then perform such allocation or transfer of Position related to the Futures and Option Contracts.
(*¹ excluding the account set forth in Item (1) of Article 46-3 of the Business Rules)
(*² hereinafter referred to as the “Allocation Report”)
- 2 In the case of the preceding Paragraph, the Allocation Report shall be submitted by 6:00

P.M. on the day on which the Trading Day^{*1} of the conclusion of the Futures and Option Contract related to the Unsettled Contract^{*2} ends.

(*1 referring to the trading day prescribed by the Designated Market Operator in respect of Security Option Contracts^{*1-1}, JGB Futures Contracts, Option Contracts on JGB Futures, Interest Rate Futures Contracts, Index Futures Contracts, Index Option Contracts, Commodity Futures Contracts and Option Contracts on Commodity Futures)

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

(*2 or, in respect of Security Option Contract^{*2-1}, by 6:00 P.M. on the day on which the contract is concluded)

(*2-1 excluding Flexible Contract Months)

- 3 When JSCC deems that a submission of the Allocation Report is impossible or difficult, due to problems affecting the operation of the systems set up by JSCC or another institution which are necessary for the submission of the Allocation Report or due to any other unavoidable cause, the cutoff time prescribed by the preceding Paragraph shall be the time prescribed by JSCC on each applicable occasion. In such event, prior notice of such cutoff time shall be provided to the Clearing Participant.

(Article 11 Uniform DVP Settlement Price)

- 1 The Uniform DVP Settlement Price set forth in Article 49 of the Business Rules shall be the closing price^{*1} of an issue on the preceding day^{*2} in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets^{*3} where a contract price^{*4} relating to such issue exists on the preceding day.

(*1 including the final quote that is posted in accordance with the rules prescribed by the Designated Market Operator; the same applies hereinafter in this Article, Article 18 and Article 19)

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

(*3 limited to Financial Instruments Exchange Markets; the same applies hereinafter in this Article, Article 18 and Article 19)

(*4 including quotes prescribed by each of the Designated Market Operators; the same applies hereinafter in this Article, Article 18 and Article 19)

- 2 When the preceding Paragraph applies, if no contract price exists in any of the Designated Financial Instruments Markets on such preceding day, the Uniform DVP Settlement Price

shall be the standard price on such preceding day in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets.

3 With respect to the specific order of priority set forth in the preceding two Paragraphs, the Designated Financial Instruments Market with the highest trading volume^{*1} of the relevant issue among the Designated Financial Instruments Markets: during July through December of the preceding year in the case where such preceding day occurs during February through July; or during January through June in the case where such preceding day occurs during August through January of 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 trading volume pertaining to the Regular Transactions^{*1-1} formed in an auction market)

(*1-1 referring to the Regular Transactions prescribed by each market operator)

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

4 Notwithstanding the provisions of the preceding three Paragraphs, when deemed necessary by JSCC, the Uniform DVP Settlement Price may be the price prescribed by JSCC on each applicable occasion.

(Article 12 Payment/Receipt of Money)

1 Payments and receipts of money prescribed in Paragraph 3 of Article 51, Paragraph 1 of Article 56, Paragraph 1 of Article 67, Paragraph 1 of Article 68 and Paragraph 2 of Article 73-40 of the Business Rules shall be made in accordance with each of the following Items:

(1) A Clearing Participant^{*1} making a payment of money shall open an account at the bank^{*2} which is selected by the Clearing Participant from the banks designated by JSCC or the Bank of Japan, and shall make a remittance from such account to the account held in the name of JSCC at such Fund Settling Bank.

(*1excluding ETF Special Clearing Participants)

(*2hereinafter referred to as the "Fund Settling Bank")

(2) A Clearing Participant^{*1} receiving a payment of money shall open an account at the Fund Settling Bank and receive it at such account.

(*1excluding ETF Special Clearing Participant)

2 Payment/receipt of money set forth in Item (1) and Item (2) of Paragraph 3 of Article 56 of the Business Rules shall be executed in the manner prescribed in each of the following Items.

(1)A Registered ETF Trust Bank which pays money shall hold an account with a bank

selected by the Registered ETF Trust Bank among the banks designated by JSCC or the Bank of Japan and transfer the money from the relevant account to the account in the name of JSCC held in the relevant bank.

- (2) A Registered ETF Trust Bank which pays/receives money shall receive money in the account prescribed in the preceding Item.
- 3 The case prescribed by JSCC as set forth in Paragraph 3 of Article 73-40 shall be the case where a Clearing Participant submits a request to JSCC for each account set forth in Article 46-3 and Article 46-4 of the Business Rules, and JSCC approves such request.
- 4 The payment and receipt of money prescribed by JSCC as set forth in Paragraph 3 of Article 73-40 of the Business Rules shall be performed according to the manner set forth below:
 - (1) The Clearing Participant paying money shall make payment to JSCC with the money^{*1} deposited to the account approved by JSCC pursuant to the provisions of the preceding Paragraph;
(*¹ only in Japanese yen)
 - (2) The Clearing Participant receiving money shall receive money^{*1} at the account approved by JSCC pursuant to the provisions of the preceding Paragraph. In this case, money the Clearing Participant received shall be deemed to have been deposited to the relevant account.
(*¹ only in Japanese yen)

(Article 13 Order of Priority Relating to Delivery of Securities from JSCC to Receiving Securities Clearing Participants in DVP Settlement, etc.)

The delivery of securities from JSCC to a receiving Securities Clearing Participant in the DVP Settlement prescribed in Article 53 of the Business Rules shall be made by way of a delivery of securities that JSCC received from a delivering Securities Clearing Participant in accordance with the delivery order, time and quantity prescribed by JSCC.

(Article 14 Notification for Subordinating Priority in Securities Receipt)

- 1 A receiving Securities Clearing Participant may give a notification, by issue and in a manner prescribed by JSCC, of the quantity of the securities to be delivered by JSCC to the receiving Securities Clearing Participant as set forth in the immediately preceding Article^{*1} for which the delivery order of such receiving Securities Clearing Participant may be set at the lowest priority.

(*¹ Excluding the quantity for which Buy-in request set forth in Article 10 of the Rules on Handling of the Case of Delivery Failure and Buy-In has been submitted.)

- 2 When the notification set forth in the immediately preceding Paragraph is given, notwithstanding the provisions of the immediately preceding Article, JSCC may set the delivery order related to the issue and the quantity so notified at the lowest priority; provided that if multiple receiving Securities Clearing Participants submitted such notification in respect of the same settlement day and the same issue, the delivery order among such receiving Securities Clearing Participants in respect of the issue and the quantity subject to the notification shall be determined in a manner prescribed by JSCC.
- 3 If a Securities Clearing Participant desires to submit the notification set forth in Paragraph 1, it shall submit the request in the form prescribed by JSCC together with the document considered necessary by JSCC and obtain approval of JSCC in advance.

(Article 15 Securities to be Delivered)

The securities to be delivered for the settlement set forth in Article 58 of the Business Rules shall be the type of securities comprising a trading unit and in bearer form in the case of securities which are Convertible Bonds Not Handled by JASDEC.

(Articles 16 and 17) Deleted

(Article 18 Settlement Price for When-Issued Transaction)

- 1 The Settlement Price for the When-Issued Transaction prescribed in Article 66 of the Business Rules shall be the closing price of the relevant issue on the preceding day in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets where a contract price relating to such issue exists.
- 2 The Settlement Price stipulated in the preceding Paragraph shall be the Settlement Price on the preceding day in the event that no contract price exists in any of the Designated Financial Instruments Markets on the relevant day.
- 3 The provisions of Paragraph 3 of Article 11 shall apply *mutatis mutandis* to the specific order of priority referenced in Paragraph 1 of this Article; and the provisions of Paragraph 4 of Article 11 shall apply *mutatis mutandis* to the Settlement Price referenced in Paragraph 1 of this Article.
- 4 Notwithstanding the provisions of the preceding three Paragraphs, if deemed necessary by JSCC, the Settlement Price for the When-Issued Transaction can be the price prescribed by JSCC on each applicable occasion.

(Article 19 Amount of Margin)

1 The amount of the Margin prescribed in Paragraph 1 of Article 70 of the Business Rules shall be an amount not less than the amount^{*1} of the Standard Price for the Margin in respect of When-Issued Transaction^{*2}, multiplied by 10/100:

(*1 any fractional amount less than 1 yen shall be rounded up to 1 yen)

(*2 referring to the price listed in one of the following Items)

(1) The closing price of the relevant issue in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets where a contract price exists on the commencement day of the When-Issued Transaction;

(2) In the event that no contract price of the relevant issue exists on such commencement day in any of the Designated Financial Instruments Markets, the closing price of the old stock^{*1} of the relevant issue as of such commencement day in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets; or

(*1 including preferred equity capital contribution securities, capital contribution securities and investment trust beneficiary securities)

(3) In the event that no contract price set forth in the preceding two Items exists, the price prescribed by JSCC on each applicable occasion.

2 The provisions of Paragraph 3 of Article 11 shall apply *mutatis mutandis* to the specific order of priority referenced in the preceding Paragraph. In such event, the phrase, "such preceding day," in Paragraph 3 of such Article shall be deemed to be "such commencement day".

(Article 20 Methods for Transferring Japanese Government Bonds and Money)

1 The delivery/receipt of Japanese Government Bonds pertaining to the settlement stipulated in Paragraph 1 of Article 72 of the Business Rules and the Settlement by Physical Delivery and Payment stipulated in Paragraph 1 of Article 73-12 of the Business Rules shall be made by way of a book-entry transfer between accounts that are opened at the Bank of Japan pursuant to the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) shall be made in accordance with each of the following Items:

(1) Settlement between a delivering Clearing Participant and JSCC shall be made as stipulated in (a) through (c) below, in accordance with the classification set forth in (a) through (c):

(a) In the case of a transfer between the delivering Clearing Participant's account and

JSCC's account:

The delivering Clearing Participant shall submit a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) to the Bank of Japan;

- (b) In the case of a transfer between an account of a participant^{*1} designated by the Bank of Japan pursuant to the provisions of Paragraph 1 of Article 11 of the BOJ Business Regulations concerning the JGB Book-Entry System prescribed by the Bank of Japan and JSCC's account:

(*1 limited to the participant with respect to which notice is submitted to JSCC in advance)

Such participant designated by the Bank of Japan shall submit a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) to the Bank of Japan. In this case, the delivering Clearing Participant shall give necessary instruction to such participant designated by the Bank of Japan.

- (c) In the case of a transfer between an account of an agent and JSCC's account^{*1}:

(*1 limited to the case where JSCC's approval is obtained in advance through procedures prescribed by JSCC)

Such agent shall submit a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) to the Bank of Japan. In this case, the delivering Clearing Participant obtained approval of JSCC shall give necessary instruction to such agent.

- (2) With respect to the settlement between JSCC and a receiving Clearing Participant, JSCC shall submit a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) to the Bank of Japan.

2 The payment/receipt of money pertaining to the settlement stipulated in Paragraph 1 of Article 72 of the Business Rules and the Settlement by Physical Delivery and Payment stipulated in Paragraph 1 of Article 73-12 of the Business Rules shall be made in accordance with each of the following Items:

- (1) A Clearing Participant making a payment of money shall make a remittance from one of the relevant Clearing Participant's accounts^{*1} opened at the Bank of Japan for the purpose of receiving or paying money pertaining to the DVP settlement on Japanese Government Bonds with the use of the Bank of Japan Financial Network System^{*2}, which is designated by the relevant Clearing Participant, to JSCC's account opened at the Bank of Japan; the Settlement Instruction (Funds) in such event shall be made in accordance with (a) or (b) below:

(*1 hereinafter referred to as the “Designated Account”)

(*2 in the case where no such account exists, one of the accounts of the holders of the Bank of Japan’s current accounts opened at the Bank of Japan, which is designated by such Clearing Participant for the purpose of paying/receiving money pertaining to the DVP settlement on Japanese Government Bonds with the use of the Bank of Japan Financial Network System)

(a) In the case where the remittance is made from the account of the Clearing Participant making the payment:

The Clearing Participant making the payment shall submit a Settlement Instruction (Funds) to the Bank of Japan.

(b) In the case where the remittance is made from the account of the holder of the Bank of Japan’s current account other than the Clearing Participant making the payment:

Such holder of the Bank of Japan’s current account shall submit a Settlement Instruction (Funds) to the Bank of Japan. In this case, the Clearing Participant making the payment shall give necessary instruction to such holder of the Bank of Japan’s current account.

(2) A Clearing Participant receiving a payment shall receive the payment at the Designated Account; the Settlement Instruction (Funds) in such event shall be made by JSCC.

3 The requests for the transfer prescribed in the preceding two Paragraphs shall be made based on the volume or monetary amount specified by JSCC. In such event, JSCC shall specify the aggregate face amount of Japanese Government Bonds relating to each request for the transfer, which shall not exceed 5 billion yen.

(Article 20-2 Cutoff Time for Close-out Quantity Report and the Like In Respect of Futures and Option Contracts)

1 Notification set forth in Paragraph 1 and Paragraph 2 of Article 73-2, Paragraph 1 and Paragraph 2 of Article 73-6, Paragraph 1 and Paragraph 2 of Article 73-16, Paragraph 1 and Paragraph 2 of Article 73-20, Paragraph 1 and Paragraph 2 of Article 73-26, Paragraph 1 and Paragraph 2 of Article 73-31-2 and Paragraph 1 and Paragraph 2 of Article 73-31-63 of the Business Rules*1 shall be made by 7:00 P.M. on the day on which the Trading Day² of the performance of the settlement ends.

(*1 hereinafter referred to as “Close-out Quantity Report”)

2 When JSCC deems that a submission of a Close-out Quantity Report is impossible or difficult, due to problems affecting the operation of the systems set up by JSCC or another institution which are necessary for the submission of the Close-out Quantity Report or due

to any other unavoidable cause, the cutoff time prescribed by the preceding Paragraph shall be the time prescribed by JSCC on each applicable occasion. In such event, prior notice of such cutoff time shall be provided to the Clearing Participant.

(Article 20-3 Cutoff Time for Notification Concerning Exercise of Options Relating to Option Contracts)

- 1 Notification concerning the exercise of options set forth in Paragraph 1 and Paragraph 2 of Article 73-4, Paragraph 1 and Paragraph 2 of Article 73-18, Paragraph 1 and Paragraph 2 of Article 73-28 and Paragraph 1 and Paragraph 2 of Article 73-31-65 of the Business Rules shall be made by 5:00 P.M. on the Exercise Day.
- 2 When JSCC deems it impossible or difficult to issue notification concerning the exercise of the option, due to problems affecting the operation of the systems set up by JSCC or another institution which are necessary for the issuance of such notification or due to any other unavoidable cause, the cutoff time prescribed by the preceding Paragraph shall be the time prescribed by JSCC on each applicable occasion. In such event, prior notice of such cutoff time shall be provided to the Clearing Participant.

(Article 20-4 Assignment Method Relating to Exercised Option)

The assignment of the exercised option prescribed in Paragraph 1 of Article 73-5, Paragraph 1 of Article 73-19, Paragraph 1 of Article 73-29, and Paragraph 1 of Article 73-31-66 of the Business Rules shall be made by dividing the amount pertaining to the short position of the issue with respect to which the option was exercised for the proprietary account and for customers' account of each Clearing Participant or Non-Clearing Participant into the smallest unit.

(Article 20-5 Settlement Price for JGB Futures Contract)

- 1 The Settlement Price prescribed by JSCC set forth in Article 73-7 of the Business Rules, which relates to JGB Futures Contracts, shall be as prescribed in the following Items; provided, however, that JSCC shall set the Settlement Price on a case-by-case basis, in the event that JSCC deems it inappropriate to cause the Settlement Price to conform with each of such Items.
 - (1) With respect to the contract month contracts prescribed in A) through C) below, the Settlement Price shall be the contract price of the JGB Futures Contracts at 3:02 P.M. on the Trading Day; provided, however, that in the event that no contract price of the JGB Futures Contracts exists at such time, the price shall be the last price*¹ in the auction trading on the same Trading Day*², and provided further, that in the event that

no contract price exists in the auction trading on such Trading Day^{*3}, the price shall be the theoretical price calculated by JSCC based on the average price of the Reference Statistical Prices for OTC Bond Transactions published by the Japan Securities Dealers Association.

(*¹ excluding the contract price under Strategy Contract^{*1-1})

(*¹⁻¹ referring to the Strategy Contract prescribed by the Designated Market Operator; the same applies hereinafter)

(*² referring to the auction trading prescribed by the Designated Market Operator but excluding trading in an Night Session ^{*2-1}; the same applies hereinafter)

(*²⁻¹ referring to the Night Session prescribed by the Designated Market Operator; the same applies hereinafter)

(*³ excluding the contract price under Strategy Contract)

A) Leading Contract Month Contract^{*1} with respect to each issue

(*¹ referring to the “Leading Contract Month Contract” prescribed in the following Paragraph; the same applies hereinafter in this Paragraph)

B) Contract month contract whose Last Trading Day^{*1} occurs earlier than that of the Leading Contract Month Contract

(*¹ referring to the Last Trading Day prescribed by the Designated Market Operator in connection with the JGB Futures Contracts; the same applies hereinafter through Article 20-7)

C) Except when the contract month contract^{*1}, whose Last Trading Day occurs immediately after the Last Trading Day of the contract month contract with the earliest Last Trading Day^{*2}, is a contract month contract described in A) or B) above, the second nearest contract month contract on the Last Trading Day of the nearest contract month contract (*¹ hereinafter referred to as the “second nearest contract month contract”)

(*² hereinafter referred to as the “nearest contract month contract”)

(2) With respect to the contract month contracts other than the contract month contracts set forth in A) through C) of the preceding Item, the price shall be equal to the Settlement Price of the Leading Contract Month Contract, reduced by the latest Contract Spread Price^{*1} between the Leading Contract Month Contract and the relevant contract month contract in the auction trading on the relevant Trading Day; provided, however, that in the event that no such Contract Spread Price exists, the price shall be equal to the Settlement Price for the Leading Contract Month Contract, reduced by the theoretical spread price calculated by JSCC based on the average price of the Reference Statistical Prices for OTC Bond Transactions published by the Japan Securities Dealers Association.

(*¹ referring to the contract price under Calendar Spread^{*¹⁻¹}; the same applies hereinafter)

(*¹⁻¹ referring to the Calendar Spread prescribed by the Designated Market Operator)

(3) Notwithstanding the provisions of the preceding two Items, when JSCC deems it inappropriate to set the Settlement Price pursuant to the provisions of such two Items 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.

2 The Leading Contract Month Contract set forth in A) of Item (1) of the preceding Paragraph shall be the contract month contract which is designated by JSCC as the contract month contract with the highest liquidity on the Trading Day immediately preceding the relevant Trading Day; provided, however, that the foregoing shall not apply when deemed inappropriate by JSCC taking the trading conditions, etc. into account.

3 Notwithstanding the provisions of the preceding two Paragraphs, the Settlement Price for a contract month contract of the Cash-settled JGB Futures Contract^{*¹} shall be equal to the Settlement Price for the contract month contract of the Physically-delivered JGB Futures Contract^{*²} which is used by the relevant Designated Market Operator when setting the Final Settlement Price^{*³} for such contract month contract; provided, however, that when the foregoing is deemed inappropriate by JSCC, the price shall be prescribed by JSCC on each applicable occasion.

(*¹ referring to the Cash-settled futures contract relating to the JGB Futures Contract prescribed by the Designated Market Operator)

(*² referring to the Physically-delivered futures contract relating to the JGB Futures Contract prescribed by the Designated Market Operator)

(*³ referring to the final settlement price prescribed by the Designated Market Operator)

(Article 20-5-2 Settlement Price for Interest Rate Futures Contract)

1 The Settlement Price prescribed by JSCC set forth in Article 73-7 of the Business Rules, which relates to Interest Rate Futures Contracts, shall be as prescribed in the following Items; provided, however, that JSCC shall set the Settlement Price on a case-by-case basis, in the event that JSCC deems it inappropriate to cause the Settlement Price to conform with each of such Items.

(1) The Settlement Price shall be the last contract price^{*¹} at the AfternoonEvening Session of the Interest Rate Futures Contracts on the relevant Trading Day prescribed by the Designated Market Operator; and

(2) In the event that no contract price of the Interest Rate Futures Contracts described in the Item (1) above exists or in the event that using the contract price at auction trading

on the relevant Trading Day as the Settlement Price is considered inappropriate, the Settlement Price shall be the theoretical price calculated by JSCC.

(Article 20-6 Conclusion of JGB Futures Pair-off Netting)

1 JSCC shall have the JGB Futures Pair-off Netting concluded for Japanese government bonds with the quantity which JSCC deems adequate, for the amount equivalent of same face value pursuant to the provisions of Article 73-12-2, Paragraph 2 of the Business Rules, for Settlement by Physical Delivery and Payment^{*1} and Individual Issue Settlement^{*2}

(*1referring to Settlement by Physical Delivery and Payment set forth in Article 73-11 of the Business Rules; the same applies hereinafter in this Article)

(*2referring to the Individual Issue Settlement set forth in Article 73-12-2, Paragraph 2 of the Business Rules; the same applies hereinafter in this Article)

2 Japanese government bonds which shall conclude the combination of JGB Futures Pair-off Netting as stipulated in the preceding Paragraph shall be limited to those for which scheduled settlement of the same issue that has the Day of Settlement by Physical Delivery and Payment as the settlement day for both Settlement by Physical Delivery and Payment and an Individual Issue Settlement exist and related to the Clearing Participant with the different settlement direction of delivery to JSCC or receipt from JSCC.

3 JGB Futures Pair-off Netting stipulated in Paragraph 1 shall be concluded for the combination where total delivery quantity to JSCC and total receipt quantity from JSCC become same when the relevant quantity aggregated by the Settlement by Physical Delivery and Payment and the Individual Issue Settlement, respectively, with respect to subject Japanese government bond for each Pair-off Netting Applying Participant.

(Article 20-7 Cutoff time for Notification Concerning Securities Subject to Settlement by Physical Delivery and Payment Relating to JGB Futures Contracts)

The cutoff time prescribed by JSCC set forth in Article 73-14 of the Business Rules shall be 5:00 P.M. on the second day following the day on which the Last Trading Day ends^{*1}; provided, however, that when deemed necessary by JSCC, such cutoff time shall be the time prescribed by JSCC on each applicable occasion.

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

(Article 20-7-2 Cross Margining Request by JGB Futures Clearing Participant)

The Cross Margining Request set forth in Paragraph 1 of Article 73-15-2 of the Business Rules shall be made by 6:20 p.m. on the day the party intends to make the request through

the IRS Clearing Operation System*¹.

(*¹ referring to the system used for exchange of information between JSCC and the Clearing Participants in connection with JSCC's Interest Rate Swap Clearing Business)

(Article 20-7-3 Criteria for Cross Margining Request)

Criteria for the Cross Margining Request set forth in Paragraph 2 of Article 73-15-2 of the Business Rules shall be the following:

(1) For each Cross Margining User, the amount equal to the Required Initial Margin Amount*¹ calculated by JSCC on an assumption of covering the Position in JGB Futures Contracts under the Cross Margining as if the Cross Margining Request related to the relevant Cross Margining User had been made is less than the Required Initial Margin Amount obtained without the said Position;

(*¹ referring to the Required Initial Margin Amount set forth in Article 64 of the IRS Business Rules; the same applies hereinafter)

(2) The Cross Margining Requestor can confirm that the Position in JGB Futures Contracts subject to the Cross Margining Request does not exceed the Position in JGB Futures Contracts on the account of the Cross Margining User made the Cross Margining Request.

(Article 20-8 Settlement Price for Index Futures Contracts)

1 The Settlement Price prescribed by JSCC set forth in Article 73-21 of the Business Rules shall be as prescribed in the following Items, based on the classification of Index Futures Contracts referenced in each Item; provided, however, that JSCC shall determine the Settlement Price on a case-by-case basis, in the event that JSCC deems it inappropriate to cause the Settlement Price to conform with each of such Items:

(1) For Index Futures Contracts*¹:

(*¹ excluding those prescribed in the following Item)

A) For Index Futures Contracts other than those listed in B) and C) below:

The Settlement Price shall be the last contract price of Index Futures Contracts in the auction trading*¹ during the period from 3:00 P.M. to the end of the Day Session prescribed by the Designated Market Operator; provided, however, that in the event that no contract price of Index Futures Contracts exists during such period or JSCC deems it inappropriate to set the contract price in the auction trading as the Settlement Price, JSCC shall determine the Settlement Price taking the theoretical price relating to the relevant contract month contract, etc., calculated based on the last value of the underlying index on the day on which the Trading Day ends, pursuant to the method

set forth in *Appendix 2* and the condition of quotes in the auction trading at the close of the Day Session on that day, etc. into account.

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

B) The Settlement Price of the contract month contracts of Mini-sized Contract*¹ whose Last Trading Day is the same as that of the contract month contract of Large-sized Contract*² shall be equal to the Settlement Price of the relevant contract month contract of Large-sized Contract.

(*¹ referring to the Mini-sized contract prescribed by the Designated Market Operator; the same applies in this Item)

(*² referring to the Large-sized contract prescribed by the Designated Market Operator; the same applies in this sub-Item B)

C) The Settlement Price of the contract month contracts of Mmicro-sized ContractFutures*¹ shall be the same as that of the contract month contract of Mini-sized Contract.

(*¹ referring to the Mmicro-sized contractFutures prescribed by the Designated Market Operator)

(2) Index Futures Contracts whose underlying index is Nikkei Stock Average Dividend Point Index*¹:

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

A) With respect to the contract month contracts with respect to which one or more contract price exist in the session of the relevant Trading Day as at and following the time before the close of the session designated by JSCC, the Settlement Price shall be the closing contract price formed as at and following such time, and with respect to the contract month contracts with respect to which contract price does not exist as at and following such time, the Settlement Price shall be the mean of the lowest of all offer quotes and the highest of all bid quotes as at such time.

B) With respect to the contract month contracts with respect to which the contract price prescribed in A) above does not exist or with respect to which the average prescribed in A) above cannot be obtained, the Settlement Price shall be (x) where one or more contract price exist prior to the time designated by JSCC before the close of the session prescribed in A) above in the session of the relevant Trading Day, the last-formed contract price, and (y) where no contract price exists in the session of the relevant Trading Day, the Settlement Price shall be the Settlement Price of the relevant contract month contract on the immediately preceding Trading Day.

C) Notwithstanding the provisions of A) and B) above, when JSCC deems it inappropriate

to set the Settlement Price pursuant to the provisions of A) and B) above taking the contract prices in the auction trading on the relevant Trading Day, 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.

(Article 21. Settlement Price for Commodity Futures Contracts)

The Settlement Price prescribed by JSCC set forth in Article 73-31-3 of the Business Rules 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^{*1}:

The last contract price^{*2} of the Physical Settlement Futures Contracts on respective trading day that is in the auction trading during the period from the commencement of the night session to the end of the day session prescribed by the Designated Market Operator; provided, however, that in the event that no such contract price exists, it shall be the Settlement Price for the immediately preceding Trading Day^{*3}.

(*1 excluding those prescribed in the following Item)

(*2 excluding the contract price under Strategy Contracts; the same applies hereinafter in this Item)

(*3 for the contract month contract^{*3-1} 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)

(*3-1 referring to the contract month contracts prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

(2) Physical Settlement Futures Contracts^{*1}:

The weighted average price^{*2} of the Physical Settlement Futures Contracts during the day session on the last trading day; provided, however, that in the event that no such contract price exists, the Settlement Price shall be the last contract price in the same trading day, and in the event that no contract price exists during the relevant trading day, it shall be the Settlement Price for the immediately preceding trading day.

(*1 limited to the contract month contracts of which the last trading day has arrived)

(*2 referring to the price obtained through the weighted average in a manner of multiplying the contract price by the contract quantity^{*2-1}, and then dividing the resultant value by the aggregate contract quantity)

(*2-1 excluding the contract price under Strategy Contracts; the same applies hereinafter

in this Item)

(3) Cash-settled Monthly Futures Contract

The 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)

(Article 22. Method of Payment/Receipt of Money in Settlement by Delivery of Commodity Futures Contracts)

The payment and receipt of money associated with the Settlement by Delivery prescribed in Article 73-31-8, Paragraph 1 of Article 73-31-10, Paragraph 1 of Article 73-31-11, Paragraph 1 of Article 73-31-12, Article 73-31-16, Paragraph 1 of Article 73-31-18, Paragraph 1 of Article 73-31-19, Paragraph 1 of Article 73-31-20, Article 73-31-26, Article 73-31-35, Paragraph 1 of Article 73-31-37, Paragraph 1 of Article 73-31-38, Paragraph 1 of Article 73-31-39, Article 73-31-44, Paragraph 1 of Article 73-31-46, Article 73-31-51, Article 73-31-52, Paragraph 2 of Article 73-31-60 and Paragraph 1 of Article 73-31-61 shall be performed in a manner prescribed below:

(1) A Clearing Participant making a payment of money shall open an account at the bank^{*1} which is selected by the Clearing Participant from the banks designated by JSCC, and shall make a remittance from such account to the account held in the name of JSCC at such Delivery Settlement Bank.

(*1 hereinafter referred to as the "Delivery Settlement Bank")

(2) A Clearing Participant receiving a payment of money shall open an account at the Delivery Settlement Bank and receive it at such account.

(Article 23. Determination of Delivery Goods related to Precious Metals)

Pursuant to the provisions of Paragraph 1 of Article 73-31-7 of the Business Rules, in the Settlement by Delivery related to Precious Metals, the delivery goods to be allocated to a Receiving Precious Metal Futures Clearing Participant shall be determined as set forth below:

(1) The delivery goods related to the Final Short Position^{*1} in the same quantity as the Final Long Position^{*2} held by the Precious Metal Futures Clearing Participant shall be allocated to the final long position of the relevant Precious Metal Futures Clearing Participant.

(*1 excluding the final short position for which the Settlement by Delivery is performed pursuant to the provisions of Article 73-31-12 and Article 73-31-13 of the Business Rules)

(*2 excluding the final long position for which the Settlement by Delivery is performed pursuant to the provisions of Article 73-31-12 and Article 73-31-13 of the Business Rules; the same applies in this Article)

(2) If there are two (2) or more Precious Metal Futures Clearing Participants holding the Final

Long Position to which the allocation of the delivery goods is not performed in the preceding Item, each delivery goods to be received by the Receiving Precious Metal Futures Clearing Participants as to the relevant final long position shall be allocated by a lottery or through other method as prescribed by JSCC.

(Article 24. Determination of Delivery Goods related to RSS)

Pursuant to the provisions of Paragraph 1 of Article 73-31-15 of the Business Rules, in the Settlement by Delivery related to RSS, the delivery goods to be allocated to a Receiving Rubber Futures Clearing Participant shall be determined as set forth below:

(1) The delivery goods related to the Final Short Position^{*1} in the same quantity as the Final Long Position^{*2} held by the Rubber Futures Clearing Participant shall be allocated to the final long position of the relevant Rubber Futures Clearing Participant.

(*1 excluding the Final Short Position for which the Settlement by Delivery is performed pursuant to the provisions of Article 73-31-20 and Article 73-31-21 of the Business Rules)

(*2 excluding the Final Long Position for which the Settlement by Delivery is performed pursuant to the provisions of Article 73-31-20 and Article 73-31-21 of the Business Rules; the same applies in this Article)

(2) If there are two (2) or more Rubber Futures Clearing Participants holding the Final Long Position to which the allocation of the delivery goods is not performed in the preceding Item, each delivery goods to be received by the Receiving Rubber Futures Clearing Participants as to the relevant final long position shall be allocated by a lottery or through other method as prescribed by JSCC.

(Article 25. Inspection Request related to RSS)

When desires an inspection or a weight inspection with respect RSS of which the delivery to the warehouse designated by the Designated Market Operator has completed before the determination of the delivery goods as prescribed in Paragraph 1 of Article 73-31-15 of the Business Rules, a Rubber Futures Clearing Participant shall request such inspection in a manner prescribed by JSCC.

(Article 26. Inspection by Receiving Rubber Futures Clearing Participant related to RSS)

1 The Receiving Rubber Futures Clearing Participant, the delivery goods to receive has been determined pursuant to the provisions of Paragraph 1 of Article 24, shall conduct an inspection or a weight inspection of the delivery goods by 5:00 P.M. on the next day following the date of such determination except for a case prescribed by JSCC.

2 If any deficiency is recognized as a result of the inspection or the weight inspection of the

preceding Paragraph, the Receiving Rubber Futures Clearing Participant may file a claim of deficiency with JSCC by 5:00 P.M. on the next day following the day prescribed in the said Paragraph in a manner prescribed by JSCC.

3 When the parties to the delivery agree to withdraw such claim after filing the claim of the preceding Paragraph, the Receiving Rubber Futures Clearing Participant may withdraw such claim by giving notice to JSCC by the day immediately preceding the date on which JSCC's inspection prescribed in the following Article is to be conducted.

(Article 27. Inspection based on Inspection Request related to RSS)

1 Upon receipt of a request set forth in Article 25 or a claim of deficiency set forth in Paragraph 2 of the preceding Article, JSCC shall conduct the inspection or the weight inspection in a manner prescribed by JSCC. In this case, JSCC may cause third parties to conduct such inspection or weight inspection when JSCC deems necessary.

2 As a result of the inspection or the weight inspection of the preceding Paragraph, if no deficiency is recognized, JSCC will reject the claim, and if any deficiency is recognized, JSCC shall have the Settlement by Delivery completed in accordance with the provisions of the following Items according to the classification of the cases. In this case, the parties to the delivery must follow the determination.

(1) When the deficiency relates to an exterior and is immaterial, and JSCC determines that it would not cause any problem if the delivery were completed based on a price discount:

Discount the amount determined by multiplying the relevant delivery quantity by the price determined by JSCC from the Price for Settlement by Delivery;

(2) When the deficiency relates to a quality or exterior, and JSCC considers that the deficiency is material and the delivery goods are not considered to be suitable for delivery:

a. JSC shall cause the Delivering Rubber Futures Clearing Participant to supply substitute delivery goods by the 5th day from the date JSCC made such determination. In this case, when such substitute goods are delivered after the last Business Day of the relevant month, the Delivering Rubber Futures Clearing Participant shall pay JSCC money in the amount obtained by multiplying the delivery quantity by 0.3% of the Price for Settlement by Delivery, and JSCC shall pay such amount of money to the Receiving Rubber Futures Clearing Participant.

b. When the substitute goods prescribed in a. above are not supplied or when JSCC considers that the deficiency in such substitute goods is material and they are not suitable for delivery, the provisions of Article 73-31-57 shall apply.

(3) When there is a shortfall in the weight of the delivery goods against the stated weight exceeding the range prescribed by the Designated Market Operator:

Discount the amount obtained by multiplying such shortfall in weight by the Price for Settlement by Delivery from the Price for Settlement by Delivery.

3 The costs of the inspection or the weight inspection of the delivery goods for handling of the deficiency as prescribed in the preceding Paragraph shall be shared as follows:

- (1) Costs of the inspection shall be borne by the Delivering Rubber Futures Clearing Participant; and
- (2) In respect of a weight inspection, when no deficiency is recognized, the costs thereof shall be borne by the Receiving Rubber Futures Clearing Participant, and when a deficiency is recognized and it has been handled as prescribed in Item (3) of the preceding Paragraph, the costs thereof shall be borne by the Delivering Rubber Futures Clearing Participant.

(Article 28. Matters to be Notified in Delivery/Receipt of TSR)

1 In the delivery/receipt of TSR prescribed in Article 73-31-26 of the Business Rules, the Receiving Rubber Futures Clearing Participant shall notify the matters listed below to the Delivering Rubber Futures Clearing Participant and the Delivering Rubber Futures Clearing Participant shall observe such notification. In this case, the Delivering Rubber Futures Clearing Participant and the Receiving Rubber Futures Clearing Participant shall co-sign and submit the shipping advice designated by JSCC to JSCC by noon on the day that is eight (8) days from and preceding the shipping date^{*1}.

(*1 excluding Non-Business Days)

(1) Shipping date of delivery goods: The shipping date shall be the date designated by the Receiving Rubber Futures Clearing Participant within the period from the 10th day of the next month following the month in which the Last Trading Date of each contract month contract belongs to the 15th day of that month^{*1}.

(*1 including Non-Business Day)

(2) When it desires to split the delivery/receipt of TSR by delivery unit: that effect.

2 For the delivery/receipt of the preceding Paragraph, in principle, the Receiving Rubber Futures Clearing Participant shall arrange the vessel^{*1} and container, and the Delivering Rubber Futures Clearing Participant shall cooperate in loading to the relevant vessel and container and other procedures.

(*1 limited to those satisfying the criteria for the port entry permission of the delivery point)

3 The delivery documents prescribed in Item (1) C) of Paragraph 1 of Article 73-31-26 of the Business Rules shall be those listed in the following Items:

- (1) Bill of Lading;
- (2) Invoice;
- (3) Quality Inspection Certificate;

- (4) Quality/Weight Certificate;
- (5) Certificate of Origin;
- (6) Packing List; and
- (7) Other documents generally used as delivery documents in international rubber transactions.

(Article 29. Shipping Date and Other Conditions on Declared Delivery or Customized Delivery related to TSR)

1 Notwithstanding the provisions of Paragraph 1 of the preceding Article, when the Settlement by Delivery related to TSR is to be performed through a Declared Delivery or a Customized Delivery, the shipping date of the delivery goods shall be the date designated by the Receiving Rubber Futures Clearing Participant pursuant to the provisions of below Items and agreed by the Delivering Rubber Futures Clearing Participant:

(1) For Declared Delivery, within the period from the day that is 3rd day from the date on which the Declared Delivery is agreed to the last day^{*1} of the next month following the month in which the Last Trading Day of each contract month contract belongs; and

(*1 including Non-Business Day)

(2) For Customized Delivery, within the period from the 10th day of the next month following the month in which the Last Trading Day of each contract month contract belongs to the last day of that next month^{*1}.

(*1 including Non-Business Day)

2 When the Settlement by Delivery related to TSR is performed through a Declared Delivery or a Customized Delivery with any goods other than such Good Delivery Material or any location other than such delivery points as designated by the Designated Market Operator, notwithstanding the provisions of Paragraph 2 of the preceding Article, an arrangement of the vessel and containers and other procedures shall be determined between the parties to the delivery.

(Article 30. Claim of Deficiency by Receiving Rubber Futures Clearing Participant related to TSR)

1 In cases where the Receiving Rubber Futures Clearing Participant received the delivery goods pursuant to the provisions of Article 73-31-26 of the Business Rules^{*1} acknowledges that there is a deficiency in delivery goods condition such as a deficiency in quality, weight, packaging or an adhesion of foreign substance, it may file a claim of deficiency with JSCC within forty-five (45) days^{*2} from and after the landing of the relevant delivery goods at the destination.

(*1 excluding the case of Declared Delivery, and the case of Customized Delivery when the delivery is performed with the delivery goods other than such Good Delivery Material or at the location other than such delivery points designated by the Designated Market Operator

or the case where the responsibilities of the Delivering Rubber Futures Clearing Participant against the delivery goods are different from those prescribed in Paragraph 1 of Article 73-31-30 of the Business Rules)

(*2 including Non-Business Day)

2 When the parties to the delivery agree to withdraw such claim after filing the claim of the preceding Paragraph, the Receiving Rubber Futures Clearing Participant may withdraw such claim by giving notice to JSCC.

(Article 31. Inspection based on Claim of Deficiency) related to TSR)

1 Upon receipt of a claim of deficiency set forth in Paragraph 1 of the preceding Article, JSCC shall conduct the inspection or the weight inspection of the delivery goods in a manner prescribed by JSCC. In this case, JSCC may cause third parties to conduct such inspection or weight inspection when JSCC deems necessary.

2 As a result of the inspection or the weight inspection of the first sentence of the preceding Paragraph, if no deficiency is recognized, JSCC will reject the claim, and if any deficiency is recognized, JSCC shall have the Settlement by Delivery completed in accordance with the provisions of the following Items according to the classification of the cases.

(1) When the deficiency is immaterial and JSCC determines that it would not cause any problem if the delivery were completed based on a price discount:

Discount the amount determined by multiplying the relevant delivery quantity by the price determined by JSCC from the Price for Settlement by Delivery;

(2) When JSCC considers that the deficiency is material and the delivery goods are not considered to be suitable for delivery:

a. When there is an agreement between the parties to the delivery:

JSCC shall cause the Delivering Rubber Futures Clearing Participant to supply substitute delivery goods. In this case, the Delivering Rubber Futures Clearing Participant shall pay the costs required for the supply of the substitute goods to the place designated by the Receiving Rubber Futures Clearing Participant and a sum of the amount that is 1% of the Price for Settlement by Delivery to JSCC, and JSCC shall pay such amount of money to the Receiving Rubber Futures Clearing Participant.

b. When the substitute goods prescribed in a. above are not supplied or when JSCC considers that the deficiency in such substitute goods is material and they are not suitable for delivery: The provisions of Article 73-31-57 of the Business Rules shall apply.

(3) When there is an excess or shortfall in the weight of the delivery goods exceeding the range prescribed by the Designated Market Operator:

Settled by an amount of money obtained by multiplying the Price for Settlement by Delivery by

the difference from 0.5% if the relevant excess or shortfall does not exceed 1% of the delivery weight, or by the entire weight of excess or shortfall if the relevant excess or shortfall exceeds 1%.

3 As a result of the inspection or the weight inspection by an arbitration center provided in the TSR International Contract*¹ pursuant to the provisions of the second sentence of Paragraph 1, if no deficiency has been recognized, the claim of deficiency set forth in the said Paragraph shall be rejected, and if any deficiency in the delivery goods has been recognized, the parties to the delivery shall perform the Settlement by Delivery by following the procedure set by the arbitration center.

(*¹ Referring to the International Contract for Technically Specified Rubber prescribed by the International Rubber Association as a condition for standard transaction of TSR)

4 The parties to the delivery shall perform the Settlement by Delivery in accordance with the determination of the provisions of the preceding two Paragraphs and may not lodge any objection to such determination.

5 The costs of the inspection or the weight inspection of the delivery goods prescribed in Paragraph 1 shall be shared as follows:

- (1) If no deficiency is recognized, the inspection fees and other actual costs incurred for the research shall be borne by the Receiving Rubber Futures Clearing Participant; and
- (2) If any deficiency is recognized, the inspection fees and other actual costs incurred for the research shall be borne by the Delivering Rubber Futures Clearing Participant; provided, however, that in the case of the settlement by the arbitration center prescribed in Paragraph 3, the parties to the delivery shall pay their respective costs according to the decision of the arbitration center.

(Article 32. Delivery Costs related to TSR)

1 Delivery costs in the Settlement by Delivery related to TSR shall be shared as follows:

- (1) Fees for use of container terminals that accrue for shipment and expenses related to shipment work, etc. that accrue up to completion of shipment of the full quantity of the delivery goods shall be borne by the Delivering Rubber Futures Clearing Participant;
- (2) Expenses for arrangement for vessels and containers and expenses that accrue after completion of shipment of the full quantity of the delivery goods shall be borne by the Receiving Rubber Futures Clearing Participant; and
- (3) Sharing of other expenses not prescribed in the Business Rules or other rules shall be decided through mutual consultation between the parties to the delivery in accordance with commercial custom.

2 When the Settlement by Delivery related to TSR is performed through a Declared Delivery or

a Customized Delivery with any goods other than such Good Delivery Material or any location other than such delivery points as designated by the Designated Market Operator, notwithstanding the provisions of the preceding Paragraph, costs shall be shared in a manner decided upon mutual consultation between the parties to the delivery.

(Article 33. Inspection Request by Receiving Agricultural Futures Clearing Participant related to Soybeans)

1 For delivery goods received pursuant to the provisions of Article 73-31-35 and Article 73-31-37 of the Business Rules to ship within thirty days from and after the delivery day^{*1}, the Receiving Agricultural Futures Clearing Participant may request that JSCC inspect^{*2} the delivery goods no later than 2:00 P.M. on the day immediately preceding the date of such shipment.

(*1 including Non-Business Days)

(*2 limited to those related to quality, and approved by JSCC)

2 In case of a request set forth in the preceding Paragraph, the Receiving Agricultural Futures Clearing Participant shall not release the warehouse receipt of the delivery goods subject to such request until their shipment.

(Article 34. Inspection based on Inspection Request related to Soybeans)

1 Upon receipt of a request set forth in the preceding Article, JSCC shall conduct the inspection in a manner prescribed by JSCC. In this case, JSCC may cause third parties to conduct such inspection when JSCC deems necessary.

2 As a result of the inspection of the preceding Paragraph, if no deficiency is recognized, JSCC will reject the claim, and if any deficiency is recognized, the Delivering Agricultural Futures Clearing Participant shall pay the amount of discount determined by JSCC to JSCC by noon on the 3rd day from the date of JSCC's notification of such result, and JSCC shall pay such amount of money to the Receiving Agricultural Futures Clearing Participant. In this case, the parties to the delivery must follow the determination.

3 The costs related to the request set forth in Paragraph 1 of the preceding Article shall be shared, according to the classifications of the cases specified below, as specified in each of the relevant Items:

(1) When JSCC acknowledges no deficiency, the warehouse storage fees for the period from the next term following the term in which the delivery day belongs to the term in which the shipment day belongs and the cost of analysis related to the inspection shall be borne by the Receiving Agricultural Futures Clearing Participant; and

(2) When JSCC acknowledges any deficiency, the warehouse storage fees for the period from

the next term following the term in which the delivery day belongs to the term in which the shipment day belongs shall be borne by the Receiving Agricultural Futures Clearing Participant, and the cost of analysis related to the inspection and other actual costs shall be borne by the Delivering Agricultural Futures Clearing Participant.

(Article 35. Requested Advance Inspection related to Azuki)

- 1 When desires an inspection or a weight inspection with respect Azuki of which the delivery to the warehouse designated by the Designated Market Operator has completed before the determination of the delivery goods as prescribed in Paragraph 1 of Article 73-31-43 of the Business Rules, an Agricultural Futures Clearing Participant shall request such inspection in a manner prescribed by JSCC.
- 2 Upon receipt of a request of the preceding Paragraph, JSCC shall conduct the inspection or the weight inspection in a manner prescribed by JSCC.

(Article 36. Claim of Deficiency by Receiving Agricultural Futures Clearing Participant related to Azuki)

- 1 If, for delivery goods received pursuant to the provisions of Article 73-31-44 and Article 73-31-46 of the Business Rules, it is recognized that quality does not meet requirements, the weight is short, there are problems with packaging, or there are other problems, the Receiving Agricultural Futures Clearing Participant may file a claim of deficiency with JSCC not later than 2:00 P.M. on the 3rd day from the date of delivery, unless the inspection under the provisions of the preceding Article has been conducted.
- 2 When the Receiving Agricultural Futures Clearing Participant filed a claim of the preceding Paragraph, it shall neither dispatch the delivery goods subject to such request nor release the warehouse receipt thereof until JSCC makes decision on the handling of the deficiency.

(Article 37. Inspection based on Claim of Deficiency related to Azuki)

- 1 Upon receipt of a claim of deficiency set forth in the preceding Article, JSCC shall conduct the inspection or the weight inspection in a manner prescribed by JSCC.
- 2 As a result of the inspection or the weight inspection of the preceding Paragraph, if no deficiency is recognized, JSCC will reject the claim, and if any deficiency is recognized, JSCC shall have the Settlement by Delivery completed in accordance with the provisions of the following Items according to the classification of the cases. In this case, the parties to the delivery must follow the determination.

- (1) When the deficiency is immaterial and JSCC determines that it would not cause any problem if the delivery were completed based on a price discount:

Discount the amount determined by JSCC from the Price for Settlement by Delivery;

(2) When JSCC considers that the deficiency is material and the delivery goods are not considered to be suitable for delivery:

- a. JSCC shall cause the Delivering Agricultural Futures Clearing Participant to supply substitute delivery goods only once by 4th day from the date of JSCC's notification of such result, and, as a result of JSCC's inspection of the substitute goods after their supply, if no deficiency is recognized, the delivery shall complete with such substitute goods, and if such substitute goods fall under the provisions of the preceding Item, the delivery shall complete pursuant to the provisions of the said Item.. In this case, the Delivering Agricultural Futures Clearing Participant shall pay JSCC a penalty for late delivery in the amount equivalent to 1% of the Price for Settlement by Delivery for the substitute portion, and, upon receipt of such penalty for late delivery, JSCC shall pay it to the Receiving Agricultural Futures Clearing Participant.
- b. When the substitute goods prescribed in a. above are not supplied or when JSCC considers that the deficiency in such substitute goods is material and they are not suitable for delivery, the provisions of Article 73-31-57 shall apply.

(3) When there is a shortfall, entirely or partially, in the weight of the delivery goods against the weight tolerance prescribed by the Designated Market Operator:

Discount the amount determined by JSCC from the Price for Settlement by Delivery;

3 The Delivering Agricultural Futures Clearing Participant or the Receiving Agricultural Futures Clearing Participant shall pay the amount related to the discount, difference or the like pursuant to the provisions of the preceding Paragraph by noon on the 3rd day from the date of JSCC's notification of the result of the inspection prescribed in Paragraph 1^{*1}, and upon its receipt, JSCC shall pay it to the other party.

(*1 in the case of Item (2) a. of the preceding Paragraph, the date of JSCC's notification of the result of the inspection of the substitute goods)

4 The costs related to the claim of deficiency as prescribed in the preceding Article shall be shared as follows:

- (1) As to a portion of the delivery goods of which JSCC acknowledged no deficiency, the warehouse storage fees for the period from the next term following the term in which the delivery day belongs to the term in which the date of completion of the inspection or the weight inspection belongs and inspection fees shall be borne by the Receiving Agricultural Futures Clearing Participant;
- (2) As to a portion of the delivery goods of which JSCC acknowledged any deficiency^{*1}, the warehouse storage fees up to the term in which the date of completion of the delivery/receipt belongs shall be borne by the Receiving Agricultural Futures Clearing

Participant and the inspection fees shall be borne by the Delivering Agricultural Futures Clearing Participant;

(*1 limited to the case where the delivery/receipt is completed by a price discount)

(3) As to a portion of the delivery goods of which JSCC acknowledged any deficiency*¹, the inspection fees for Azuki for which substitute goods are supplied, and, as to the relevant substitute goods, the warehouse storage fees up to the term in which the date of completion of the delivery/receipt belongs and the inspection fees set forth in Item (2) a. of Paragraph 2 shall be borne by the Delivering Agricultural Futures Clearing Participant;

(*1 limited to the case where the delivery/receipt is completed by supply of substitute goods)

(4) In the case prescribed in Item (2) b. of Paragraph 2, the inspection fees shall be borne by the Delivering Agricultural Futures Clearing Participant.

(Article 38. Adherence to Previous Decisions related to Azuki)

1 While the goods are provided, with respect to the delivery goods subject to the inspection or the weight inspection prescribed in Paragraph 1 of the preceding Article, the result of such inspection or weight inspection shall be adhered to as the precedence. When the warehouse receipt for the delivery goods is provided for delivery, JSCC shall notify the Receiving Agricultural Futures Clearing Participant receiving such warehouse receipt of the precedent.

2 If the Receiving Agricultural Futures Clearing Participant objects to the previous decision prescribed in the preceding Paragraph*¹, it may submit a claim of deficiency. In this case, the provisions of the preceding two Articles shall apply mutatis mutandis to such claim.

(*1 excluding, for each contract month contract, the precedence through requested advance inspection conducted in the month in which the Last Trading Day belongs)

(Article 39. Determination of Stevedoring Method related to Corn)

Upon delivery/receipt of the delivery goods set forth in the main body of Article 73-31-51 and the main body of Article 73-31-52 of the Business Rules, matters necessary to rationally load or unload the vessel, such as stevedoring method, shall be discussed, and such discussion shall be completed by the day that is six (6) days*¹ from and preceding the date of entry of the carrying vessel to the port of delivery related to the Settlement by Delivery of Corn.

(*1 Including Non-Business Days)

(Article 40. Delivery Documents related to Corn)

1 The delivery documents for the delivery goods prescribed in Item (1) B) of Article 73-31-51 of the Business Rules shall be those listed below:

(1) Bill of lading, delivery order, or private delivery order;

- (2) Invoice;
 - (3) Debit note; and
 - (4) Copy of the charter contract, copy of the certificate or proof of insurance policy, and other documents demanded by customs that JSCC deems necessary
- 2 Documents prescribed in the preceding Paragraph must satisfy following conditions:
- (1) An item that includes matters stipulated by international contracts, established business practices, Japanese laws and the like;
 - (2) The bill of lading and policy must include all necessary terms for transfer;
 - (3) The delivery order must be the one that has been initially endorsed by the company specified by the Designated Market Operator; and
 - (4) The private delivery order must be the one issued by the company specified by the Designated Market Operator, and include, based on other documents such as the invoice and bill of lading, region of origin, product name, product grade, delivery quantity, carrying vessel, date of port departure, port of delivery (berth), expected delivery date, importing trading company and flag-bearing trading company, issuer, date of issue, marine insurance company, and other necessary information; and
 - (5) Documents necessary to pass through customs that include information that are necessary for customs procedures.

(Article 41. Treatment of Notice of Completion of Unloading related to Corn)

The notice concerning the completion of unloading of the delivery goods prescribed in Item (1) C) of Article 73-31-51 and Item (1) B) of Article 73-31-52 that is submitted to JSCC after 3:30 P.M. shall be treated as submitted on the next day of the date of submission.

(Article 42. Adjustment Due to Differences in Weight of Delivery Goods related to Corn)

1 The adjustment of Price for Settlement by Delivery and the Like related to Corn prescribed in Paragraph 2 of Article 73-31-53 of the Business Rules shall be made in a manner set forth in the following Items according to the classification listed in such Items:

- (1) In the case of the excess in the amount of 5% or less of the quantity of the delivery goods, the Price for Settlement by Delivery for the excess amount calculated by JSCC using the Price for Settlement by Delivery on the date of notification of the net landing quantity to JSCC*1 shall be paid by the Receiving Agricultural Futures Clearing Participant to JSCC by noon on the 5th day following the relevant day and JSCC shall pay this to the Delivering Agricultural Futures Clearing Participant without delay after its receipt;

(*1 any fraction less than whole kilogram shall be rounded off)

- (2) In the case of the shortfall in the amount of 5% or less of the quantity of the delivery goods,

the Price for Settlement by Delivery for the shortfall calculated by JSCC using the Price for Settlement by Delivery on the date of notification of the net landing quantity to JSCC^{*1} shall be paid by the Delivering Agricultural Futures Clearing Participant to JSCC by noon on the 5th day following the relevant day and JSCC shall pay this to the Receiving Agricultural Futures Clearing Participant without delay after its receipt;

(*1 any fraction less than whole kilogram shall be rounded off)

- (3) In the case of the excess in the amount of more than 5% of the quantity of the delivery goods, the Receiving Agricultural Future Clearing Participant may request that the Delivering Agricultural Futures Clearing Participant conclude a transaction for an amount equivalent to the excess amount; provided, however, that when agreed between the parties to the delivery and obtained JSCC's approval, the adjustment may be made through other method;
 - (4) In the case of a shortfall of more than 5% of the quantity of the delivery goods, the Delivering Agricultural Futures Clearing Participant shall promptly deliver an additional delivery goods equivalent to the quantity in short to the Receiving Agricultural Future Clearing Participant; provided, however, that when agreed between the parties to the delivery and obtained JSCC's approval, the adjustment may be made through other method;
- 2 Upon completion of the adjustment of Item (3) and Item (4) of the preceding Paragraph, the parties to the delivery shall notify JSCC of such effect.

(Article 43. Delivery Costs)

The costs arising from the Settlement by Delivery related to Corn prescribed in Article 73-31-54 of the Business Rules shall be shared, according to the classifications specified below, as specified in each of the relevant items:

- (1) Unloading costs, inspection costs and weight inspection costs shall be borne by the Receiving Agricultural Futures Clearing Participant;
- (2) Port surcharges shall be borne by the Delivering Agricultural Futures Clearing Participant;
- (3) Refunds of the early dispatch fees shall be paid to the Delivering Agricultural Futures Clearing Participant; and
- (4) Demurrage and other special cargo handling fees for nights and holidays shall be borne by the Delivering Agricultural Futures Clearing Participant; provided, however, that if the expenses are attributable to the Receiving Agricultural Futures Clearing Participant, they shall be borne by Receiving Agricultural Futures Clearing Participant

(Article 44. Accident Involving Carrying Vessel and Other Events)

1 Events to be designated by JSCC as set forth in Paragraph 1 of Article 73-31-56 of the

Business Rules shall be as follows:

- (1) When a shipping and carriage cannot be carried out due to a natural disaster, war, riot or the like;
- (2) In the event of an accident to the vessel;
- (3) When the delivery goods are damaged or lost on account of a maritime accident such as the sinking of the vessel;
- (4) When there is a strike related to onboard loading or unloading of cargo at the port of departure, port of call, or port of arrival, strike related to the shore loading or unloading of cargo, vessels are stopped from entering or leaving port by public organizations, or other measures are taken;
- (5) When the ship's captain judges that loading needs to be suspended or halted in order to prevent an accident;
- (6) When performance of the delivery/receipt by the parties to the delivery becomes impossible due to laws, regulations, administrative sanctions or the like; or
- (7) Other events approved by JSCC as being inevitable.

2 Those prescribed by JSCC as set forth in Paragraph 1 of Article 73-31-56 of the Business Rules shall be the delivery/receipt as set forth below:

- (1) TSR: The delivery/receipt for which the delivery tender notice prescribed in Paragraph 1 of Article 28 had been submitted before the occurrence of the event of the preceding Paragraph;
- (2) Corn: The delivery/receipt:
 - a. for which the delivery goods details advice prescribed in Item (1) A) of Article 73-31-51 of the Business Rules had been submitted to JSCC before the occurrence of the event of the preceding Paragraph; or
 - b. which had been agreed to be performed through Early Delivery pursuant to the provisions of Article 73-31-52 of the Business Rules before the occurrence of the event of the preceding Paragraph.

(Article 45. Money to be Collected in case of Completing Physical Settlement Futures Contracts through Cash Settlement)

The amount to be determined by JSCC as set forth in Article 73-31-57 of the Business Rules shall be as prescribed in the following Items, based on the classification referenced in each Item;

- (1) Failure of delivery of delivery goods:

The amount prescribed by JSCC taking into consideration, in respect of the Commodity Futures Clearing Participant receiving the delivery goods, costs required for such receipt,

costs required for procurement of such delivery goods, a lost profit, amount equivalent to late charge and the like;

(2) Failure of receipt of delivery goods:

The amount prescribed by JSCC taking into consideration, in respect of the Commodity Futures Clearing Participant delivering the delivery goods, costs required for such delivery, costs required for sale of such delivery goods, a lost profit, amount equivalent to late charge and the like;

(Article 46 Notification Cutoff Time for Positions relating to Exchange FX Contracts)

1 The notification of the Positions relating to an Exchange FX Contract set forth in Paragraph 1 and Paragraph 2 of Article 73-32 of the Business Rules shall be filed by 10:00 A.M. of the day on which each Trading Day ends*¹.

(*¹ if such day falls on an FX Non-business Day, it shall be the immediately following day which it is not an FX Non-business Day)

2 Notwithstanding the provisions of the preceding Paragraph, JSCC may change the notification cutoff time set forth in the preceding Paragraph on an ad hoc basis when it deems necessary to do so, provided that in such case JSCC shall notify the FX Clearing Participants of such change in advance.

(Article 47 Settlement Price of Exchange FX Contract)

1 The Settlement Price set forth in Article 73-33 of the Business Rules shall be the price obtained as the volume weighted average price during the five (5) minutes prior to the close of the session as set by the Designated Market Operator listed in Item (2) of Article 2; provided, however, that JSCC shall set the Settlement Price on a case-by-case basis in the event that JSCC deems the price obtained in the foregoing manner inappropriate.

2 Notwithstanding the provisions of the preceding Paragraph, in the event that the Settlement Price is found to be incorrect before settlement of the relevant Contract for Clearing relating to an Exchange FX Contract*¹, JSCC may change the Settlement Price to the price which JSCC deems appropriate.

(*¹ referring to the payment/receipt of money set forth in Paragraph 1 of Article 73-41 of the Business Rules; the same applies hereinafter in the following Article)

(Article 48 Swap Point Standard Price of Exchange FX Contract)

1 The swap point standard price set forth in Article 73-33 of the Business Rules shall be the value set by JSCC by reference to the swap rate offered by the Market Maker*¹ to the Designated Market Operator listed in Item (2) of Article 2 in accordance with the manners

prescribed by such Designated Market Operator; provided, however, that JSCC shall set the swap point standard price on a case-by-case basis in the event that JSCC deems the price obtained in the foregoing manner inappropriate.

(*¹ referring to the market maker designated by the said Designated Market Operator)

- 2 Notwithstanding the provisions of the preceding Paragraph, in the event that the swap point standard price is found to be incorrect before settlement of the relevant Contract for Clearing relating to an Exchange FX Contract, JSCC may change the swap point standard price to the price which JSCC deems appropriate.

(Article 49 Amount of Difference Relating to Non-Yen Financial Index)

The amount of money equivalent to the difference set forth in Article 73-38 of the Business Rules shall be the price in Yen*¹ obtained by multiplying the difference set forth in Article 73-34, Article 73-35, Article 73-35-2 and Article 73-37 of the Business Rules relating to Non-Yen Financial Index*² by the Settlement Price on the relevant Trading Day of the Yen Financial Index*³ relating to the base currency*⁴.

(*¹ fractional amount less than one Yen shall be rounded down)

(*² referring to the non-Yen financial index prescribed by the Designated Market Operator; the same applies hereinafter)

(*³ referring to the Yen financial index prescribed by the Designated Market Operator; the same applies hereinafter)

(*⁴ referring to the currency that is the base of calculation of Non-Yen Financial Index prescribed by the Designated Market Operator)

(Article 50 Notification and Payment and Receipt of Difference Relating to Exchange FX Contract)

- 1 An FX Clearing Participant shall notify JSCC of the amount of money to be paid and received pursuant to Article 73-34 through Article 73-38 and Article 73-41 of the Business Rules by 10:00 A.M. of the settlement day*¹ for each purpose of deposit*².

(*¹ referring to the settlement day prescribed in Article 73-34 of the Business Rules)

(*² referring to the classification of Margins set forth in Paragraph 1 of Article 19 of the Rules on Margins, etc. for Exchange FX Contracts; the same applies hereinafter)

- 2 When difference arises between the amount of money calculated with respect to the total amount of transactions commissioned by its customers*¹ and the aggregate of the amounts of money calculated for each customer*², each calculated in accordance with the preceding Article for Non-Yen Financial Indexes, an FX Clearing Participant shall notify JSCC of the sum of the difference between the total amount of commissioned transactions

and the aggregate customer amounts and the amount of money relating to the transactions on the proprietary account of the FX Clearing Participant to be notified to JSCC in accordance with the provisions of the preceding Paragraph, as the amount of money relating to the transactions on its the proprietary account.

(*¹ hereinafter referred to as “total amount of commissioned transactions”)

(*² hereinafter referred to as “aggregate customer amounts”)

- 3 Payment and receipt of money pursuant to Article 73-34 through Article 73-38 and Article 73-41 of the Business Rules shall be effected by JSCC adding or subtracting the Margin for each purpose of deposit based on the notified amount stipulated in the preceding two Paragraphs and the amount calculated by JSCC.
- 4 An FX Clearing Participant shall, when the Margin for any purpose of deposit falls below the required amount of Margin as a result of the adding or subtracting set forth in the preceding Paragraph, deposit with JSCC the Margin in the amount equal to or more than the amount of said Margin subtracted from said required amount of Margin, as prescribed in Article 14 through Article 18 of the Rules on Margins, etc. for Exchange FX Contracts.

(Article 51 Cutoff Time for Application Concerning Position Transfer, etc.)

- 1 The cutoff time prescribed by JSCC pursuant to the provisions of Paragraph 2 and Paragraph 5 of Article 73-44 of the Business Rules shall be 2:00 P.M. on the day on which the Position Transfer is to be implemented
- 2 When JSCC deems it impossible or difficult to submit the applications to JSCC which are prescribed in Paragraph 2 and Paragraph 5 of Article 73-44 of the Business Rules due to problems affecting the operation of the systems set up by JSCC or another institution which are necessary for submitting such applications, or due to any other unavoidable cause, the cutoff time prescribed by the preceding two Paragraphs shall be the time prescribed by JSCC on each applicable occasion. In such event, prior notice of such cutoff time shall be provided to the Clearing Participant.

(Article 52 Termination of Settlement Use)

The amount prescribed by JSCC as set forth in Paragraph 3 of Article 75-4 of the Business Rules shall be the amount equivalent to the cost required, in the ordinary course of business, for JSCC to procure the money in the amount of clearing fund related to the settlement use, prorated according to the amount required for clearing fund on the day before the Settlement Use Commencement Date for each of the Clearing Participants on Settlement Use Commencement Date.

(Article 53. Liquidation for Completion of Settlement and Default Settlement Auction related to Default Delivery Position)

1 When holding a Default Settlement Auction in respect of the Default Delivery Position in accordance with the provisions of Paragraph 9 of Article 76 of the Business Rules, JSCC shall decide the Clearing Participants to perform the Settlement by Delivery related to the Physical Settlement Futures Contract with the Default Delivery Position^{*1} and the delivery position of such Clearing Participant^{*2} in a manner set forth below:

(*1 hereinafter referred to as "Counterparty to Default Delivery Position")

(*2 hereinafter referred to as "Offsetting Position to Default Delivery Position")

(1) When the Clearing Participant to be a counterparty to the Settlement by Delivery related to the Physical Settlement Futures Contracts related to the Default Delivery Position has not been decided as of the Determination of Insolvency of the Default Clearing Participant:

A portion of the Default Delivery Position to be allocated to each Clearing Participant holding the offsetting position to the Default Delivery Position shall be determined by prorating Default Delivery Position^{*1} according to the offsetting position held by each Clearing Participant^{*2}. The Counterparty to Default Delivery Position shall be the Clearing Participant received such allocation, and Offsetting Position to Default Delivery Position shall be the offsetting delivery position of the Counterparty to Default Delivery Position equivalent to the quantity so allocated; provided, however, that if there is any fraction less than the delivery unit in the quantity so allocated, it shall be the quantity obtained by rounding such fraction to the nearest delivery unit with 0.5 delivery unit being rounded upwards^{*3}.

(*1 excluding a cross-position^{*1-1})

(*1-1 referring to the quantity for which the quantity of the delivery position related to short position and the quantity of the delivery position related to long position matches)

(*2 including a cross-position)

(*3 if there arises any excess or deficit in the aggregate number of the Offsetting Position to Default Delivery Position due to such rounding, the quantity determined by an adjustment of the Offsetting Position to Default Settlement through JSCC's lottery performed to make the quantity of the Offsetting Position to Default Delivery Position the same as the quantity of the Default Delivery Position)

(2) When the Clearing Participant to be a counterparty to the Settlement by Delivery related to the Physical Settlement Futures Contracts related to the Default Delivery Position has been decided as of the Determination of Insolvency of the Default Clearing Participant:

The Clearing Participant that has decided to be the counterparty shall be the Counterparty to Default Delivery Position and the offsetting position of the relevant Counterparty to Default Delivery Position for which the delivery has been decided shall be the Offsetting Position to

Default Delivery Position.

2 The Default Settlement Auction for the Default Delivery Position set forth in the preceding Paragraph shall be held in a manner set forth below:

- (1) The quantity of Default Delivery Position subject to the Default Settlement Auction shall be the quantity of the Default Delivery Position minus the quantity of the cross-position;
- (2) The unit of the quantity for bid shall be the unit equivalent to the trading unit of the issue related to the Default Delivery Position prescribed by the Designated Market Operator;
- (3) The unit of selling offer price for the quantity for bid shall be the unit equivalent to the delivery unit of the issue related to the Default Delivery Position;
- (4) The price for which Clearing Participants may bid on the Default Settlement Auction shall be floored at the price obtained by subtracting bid acceptable price range^{*1} from the delivery price related to the Default Delivery Position and capped at the price obtained by adding the bid acceptable price range to the delivery price; provided, however, that when JSCC deems it necessary, JSCC may extraordinarily change the price range for which bid can be submitted; and

(*1 it shall be the value obtained by multiplying the delivery price by 10/100; the same applies hereinafter)

(5) In addition to each of the preceding Items, the matters necessary for the Default Settlement Auction related to Default Delivery Position shall be set by JSCC at each applicable occasion.

3 As to the quantity of the cross-position of the Default Delivery Position excluded from the subject of the Default Settlement Auction pursuant to the provisions of the preceding Paragraph, JSCC deems that its Offsetting-Sale or Offsetting-Purchase at the delivery price related to the relevant Default Delivery Position has been executed and its settlement has been completed on the date designated by JSCC.

4 When a Clearing Participant wins the bid for the Default Delivery Position at the Default Settlement Auction for the Default Delivery Position and the relevant Default Settlement Auction has been successfully concluded, JSCC shall have the Settlement by Delivery related to the Physical Settlement Futures Contracts performed between the Default Delivery Position of the Clearing Participant who won the bid and the Offsetting Position to Default Delivery Position of the Counterparty to Default Delivery Position set forth in Paragraph 1 in a manner prescribed by JSCC.

5 No bid on the Default Delivery Position is successful at a Default Settlement Auction for a Default Delivery Position and the Default Settlement Auction is unsuccessful, JSCC deems that an Offsetting-Sale or Offsetting-Purchase has been performed between the relevant Default Delivery Position and the Offsetting Position to Default Delivery Position of the Counterparty to Default Delivery Position set forth in Paragraph 1 at the delivery price and its

settlement has been completed on the date designated by JSCC.

6 When a settlement is deemed to have been completed pursuant to the provisions of the preceding Paragraph, the Counterparty to Default Delivery Position may claim against JSCC an amount of money required for recovery of the benefit which could have been enjoyed by it had such completion of settlement not occurred and the Settlement by Delivery related to the Physical Settlement Future Contracts of the Offsetting Position to Default Delivery Position been performed^{*1}.

(^{*1} hereinafter referred to as "Reestablishment Cost")

7 When the Counterparty to Default Delivery Position claims the Reestablishment Cost against JSCC pursuant to the provisions of the preceding Paragraph, the relevant Counterparty to Default Delivery Position shall submit the document evidencing the Reestablishment Cost to JSCC.

8 Only when JSCC considers the document submitted by the Counterparty to Default Delivery Position pursuant to the provisions of the preceding Paragraph as justifiable, JSCC will pay the Reestablishment Cost to the relevant Counterparty to Default Delivery Position.

9 The Reestablishment Cost to be paid by JSCC pursuant to the provisions of the preceding Paragraph shall be capped at the amount equal to 10 percent of the delivery price related to the Offsetting Position to Default Delivery Position; provided, however, that JSCC may raise such cap only when it deems it specifically necessary.

10 In addition to the matters prescribed in Paragraph 6 through the preceding Paragraph, matters necessary for the claim and payment of the Reestablishment Cost shall be prescribed by JSCC at each applicable occasion.

(Article 54. Details of Measures in case of Settlement Default)

1 Upon consultation under the provisions of Paragraph 1 of Article 76-3 of the Business Rules, the Clearing Participants shall have its Representative of Clearing Participant or any person representing or acting on behalf of the Clearing Participant instead of such person participate in the consultation under Paragraph 1 of the said Article and give consent under Paragraph 2 of the said Article.

2 The consultation set forth in Paragraph 1 of Article 76-3 of the Business Rules shall be held within 24 hours after the bid results of the Default Settlement Auction is identified; provided, however, that if JSCC deems it necessary to do so, JSCC may extend such time period.

3 The early termination set forth in Paragraph 1 of Article 76-4 of the Business Rules shall be implemented, as a result of the Default Settlement Auction, in respect of the position related to the Defaulted Contracts which JSCC deems necessary^{*1}, and such position related to Contracts for Clearing^{*2} of the Clearing Participants other than the Default Clearing Participant

during the Default Settlement Period that are for the method of settlement of loss submitted to the consultation as set forth in Paragraph 1 of Article 76-3 of the Business Rules^{*3} as designated by JSCC, by each account of the Clearing Participant for Default Settlement Period, according to the priority set forth in below Items:

(*1 hereinafter referred to as “Early Termination Position”)

(*2 hereinafter referred to as “Early Termination Allocated Position”)

(*3 hereinafter referred to as “Clearing Participant for Default Settlement Period”)

- (1) By an account of each Clearing Participant for Default Settlement Period, obtain the quantity of net position by issue which is an offsetting position against the Early Termination Position^{*1};
(*1 hereinafter referred to as “Net Quantity per Issue”)
- (2) The quantity obtained by prorating the quantity of the Early Termination Position according to the total Net Quantity by Issue as to all accounts held by each Clearing Participant for Default Settlement Period shall be the quantity allocated to each of the Clearing Participants for Default Settlement Period.
- (3) The position in the quantity allocated by prorating the quantity allocated to each of the Clearing Participants for Default Settlement Period under the preceding Item according to the Net Quantity by Issue for each account of the relevant Clearing Participant for Default Settlement Period shall be the Early Termination Allocated Position.

(Article 55 Method of Using the Margin, Initial Margin or Clearing Fund to Compensate Losses)

1 When using the Margin relating to the Futures and Option Contracts prescribed in Item (3) of Paragraph 1 of Article 78 of the Business Rules to compensate losses incurred by JSCC, for each category of Clearing Qualification, pursuant to the provisions of Paragraph 1 of Article 78 of the Business Rules, such Margin relating to the Futures and Option Contracts shall be so used after it is prorated according to the required amount of the Margin relating to the Futures and Option Contracts of each category of Clearing Qualification^{*1}.

(*1 referring to the required amount of the Margin which is calculated in accordance with the provisions of the Rules on Margins, etc. for Futures and Option Contracts based on the Position for the proprietary account with respect to each category of Clearing Qualification for the relevant Default Clearing Participant^{*1-1}'s Futures and Option Contracts on the day immediately preceding the day of the occurrence of the relevant default^{*1-2})

(*1-1 referring to “Default Clearing Participant” defined in Paragraph 1 of Article 76 of the Business Rules; the same applies hereinafter)

(*1-2 hereinafter referred to as the “Default Day”)

2 The provisions of the preceding Paragraph shall apply *mutatis mutandis* when using the

Margin relating to the Futures and Option Contracts prescribed in Item (4) of Paragraph 1 of Article 78 of the Business Rules to compensate losses. In such event, the phrase, “the Position for the proprietary account” shall be deemed to be “the Position*¹”.

(*¹ excluding any Position for the proprietary account)

- 3 The losses incurred by JSCC shall be compensated for by the initial margin prescribed in Item (5) of Paragraph 1 of Article 78 of the Business Rules, for each category of Clearing Qualification, pursuant to the provisions of Paragraph 1 of Article 78 of the Business Rules.
- 4 The losses incurred by JSCC shall be compensated for by clearing fund prescribed in Item (6) of Paragraph 1 of Article 78 of the Business Rules, for each category of Clearing Qualification, pursuant to the provisions of Paragraph 1 of Article 78 of the Business Rules.
- 5 If any amount of the Margin and the like for proprietary account remains after it is used to compensate losses pursuant to the provisions of the preceding Paragraphs, if the Default Clearing Participant participates in a merger, or if JSCC otherwise deems it necessary, the Margin and the like for proprietary account shall be used to compensate losses incurred by JSCC, after it is prorated based on the rules prescribed by JSCC on all such occasion.

(Article 56 Liquidation Method of Securities in lieu of Cash for Compensation for Loss Caused by Default)

The liquidation of Securities in lieu of Cash set forth in Paragraph 1 of Article 78 of the Business Rules shall be performed, when the Default Clearing Participant becomes, or is threatened to become, insolvent, by such method, at such time, at such price and the like as JSCC considers appropriate.

(Article 57 Accumulation and Use of Securities and Similar Contracts Settlement Guarantee Reserve, etc.)

- 1 JSCC will set aside 20 billion Japanese Yen as Securities and Similar Contracts Settlement Guarantee Reserve.
- 2 In the case where all or part of the Securities and Similar Contracts Settlement Guarantee Reserve is used in accordance with the Business Rules, etc., JSCC will set aside the same amount as the portion so used as the Securities and Similar Contracts Settlement Guarantee Reserve at each occasion. The sum total of the reserve under the provisions of this Paragraph shall not be more than 20 billion Japanese Yen.
- 3 Notwithstanding the provisions of the preceding Paragraph, when the Default Settlement Period set forth in Paragraph 1 of Article 76-2 of the Business Rules has been set and the Securities and Similar Contracts Settlement Guarantee Reserve is used in whole or in part for the default occurred during the said Default Settlement Period, JSCC will set aside the

Securities and Similar Contracts Settlement Guarantee Reserve set forth in the preceding Paragraph at each time when the relevant Default Settlement Period ends.

(Article 58. Accumulation and Use of Commodity Futures Settlement Guarantee Reserve)

- 1 As the Commodity Futures Settlement Guarantee Reserve, JSCC shall set aside the amount of 2,370,000,000 yen.
- 2 When the Commodity Futures Settlement Guarantee Reserve is used in whole or in part in accordance with the provisions of the Business Rules and the Business Rules on Business of Assuming Commodity Transaction Debts, JSCC shall set aside the Commodity Futures Settlement Guarantee Reserve in the same amount as the amount so used. The accumulated amount of the reserve under this Paragraph shall not exceed 2,370,000,000 yen.
- 3 Notwithstanding the provisions of the preceding Paragraph, when the Default Settlement Period set forth in Paragraph 1 of Article 76-2 of the Business Rules or Paragraph 1 of Article 78 of the Business Rules on Business of Assuming Commodity Transaction Debts has been set and the Commodity Futures Settlement Guarantee Reserve is used in whole or in part for the default occurred during the said Default Settlement Period, JSCC will set aside the Commodity Futures Settlement Guarantee Reserve set forth in the preceding Paragraph at each time when the relevant Default Settlement Period ends.

(Article 59 Method of Compensation of Losses from Clearing Funds)

The compensation prescribed in Paragraph 1 and Paragraph 2 of Article 78-2 of the Business Rules shall be made in accordance with the manners set forth in the following Items according to the classification of the loss listed in such Items.

- (1) To compensate for uncompensated loss relating to Securities Clearing Qualification^{*1}:

(^{*1} referring to the uncompensated loss prescribed in Item (1) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Securities Clearing Qualification; the same applies hereinafter)

- A) In the case where the amount of such uncompensated loss is greater than the aggregate required amount of clearing fund relating to Securities Clearing Qualification^{*1}:

(^{*1} referring to the total sum of the required amounts of clearing fund relating to Securities Clearing Qualification with respect to the Clearing Participants on Default Day as of the day immediately preceding the Default Day; the same applies hereinafter)

The entire amount of such aggregate required amount of clearing fund relating to Securities Clearing Qualification shall be applied to the compensation therefor; and

B) In all other cases:

The amount of such uncompensated loss shall be allocated to the Clearing Participants on Default Day on a pro-rata basis in proportion to their respective required amounts of clearing fund relating to Securities Clearing Qualification as of the day immediately preceding the Default Day^{*1*2}, and the amount of clearing fund so allocated shall be used to compensate for such uncompensated loss; provided, however, that, when JSCC holds the auction for default settlement^{*3} related to Securities Clearing Qualification, the compensation for the uncompensated loss shall be performed in the order of clearing fund related to the Securities Clearing Qualification under Item (a) and (b) below, in a manner set forth in the relevant Item:

(*1 hereinafter referred to as "Clearing Participant Contribution Cap")

(*2 or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(a) Clearing fund related to the Securities Clearing Qualification deposited with JSCC by the Clearing Participants on Default Day other than the successful bidder participants^{*1}:

The amount of uncompensated losses related to Securities Clearing Qualification prorated according to the Clearing Participant Contribution Cap for each Clearing Participant on Default Day other than the successful bidder participants^{*2} shall be used to compensate for uncompensated losses related to the Securities Clearing Qualification;

(b) Clearing fund related to the Securities Clearing Qualification deposited with JSCC by the successful bidder participants:

The amount remaining after deducting the total amount set forth in (a) above from the uncompensated losses related to the Securities Clearing Qualification prorated according to the Clearing Participant Contribution Cap for each of the successful bidder participants^{*3} shall be used to compensate for uncompensated losses related to the Securities Clearing Qualification.

(*1 referring to the successful bidder participants set forth in Paragraph 2 of Article 78-2 of the Business Rules; the same applies hereinafter)

(*2 or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(*3 or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

- (2) To compensate for Uncompensated Loss relating to JGB Futures Clearing Qualification^{*1}:

(*¹ referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the JGB Futures Clearing Qualification; the same applies hereinafter)

The provisions of the preceding Item shall apply *mutatis mutandis*. In this case, in the preceding Item, the phrase “Securities Clearing Qualification” shall be deemed to be “JGB Futures Clearing Qualification”; and the phrase “Securities Clearing Participant” shall be deemed to be “JGB Futures Clearing Participant.”

- a. In the case where the amount of the Uncompensated Loss relating to JGB Futures Clearing Qualification is greater than the aggregate required amount of clearing fund relating to the JGB Futures Clearing Qualification^{*1}:

(*¹ referring to the total sum of the required amounts of clearing fund relating to JGB Futures Clearing Qualification with respect to the Clearing Participants for Default Settlement Period as of the day immediately preceding the first day of the Default Settlement Period; the same applies hereinafter)

The entire amount of such aggregate required amount of clearing fund relating to JGB Futures Clearing Qualification shall be applied to the compensation for the Uncompensated Loss relating to JGB Futures Clearing Qualification;

- b. Other than a. above

The amount obtained by prorating the Uncompensated Loss relating to JGB Futures Clearing Qualification according to the required amount of clearing fund relating to the JGB Futures Clearing Qualification for each of the Clearing Participant for Default Settlement Period as of the day immediately preceding the first day of the Default Settlement Period^{*1*2} shall be applied to the compensation for such Uncompensated Loss relating to JGB Futures Clearing Qualification; provided, however, that, when JSCC holds the Default Settlement Auction^{*3} related to the JGB Futures Clearing Qualification, the compensation for the Uncompensated Loss relating to JGB Futures Clearing Qualification shall be performed in the order of clearing fund related to the JGB Futures Clearing Qualification under Item (a) and (b) below, in a manner set forth in the relevant Item:

(*¹ hereinafter referred to as “Clearing Participant Contribution Cap”)

(*² or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(*³ referring to the default settlement auction set forth in Paragraph 8 of Article 76 of the Business Rules; the same applies hereinafter)

- (a) Clearing fund related to the JGB Futures Clearing Qualification deposited with JSCC by the Clearing Participants for Default Settlement Period other than the Successful Bidder Participants*¹:

The amount of Uncompensated Loss relating to JGB Futures Clearing Qualification prorated according to the Clearing Participant Contribution Cap for each Clearing Participant for Default Settlement Period other than the Successful Bidder Participants*² shall be used to compensate for Uncompensated Loss relating to JGB Futures Clearing Qualification;

- (b) Clearing fund related to the JGB Futures Clearing Qualification deposited with JSCC by the Successful Bidder Participants:

The amount remaining after deducting the total amount set forth in (a) above from the Uncompensated Loss relating to JGB Futures Clearing Qualification prorated according to the Clearing Participant Contribution Cap for each of the Successful Bidder Participants*³ shall be used to compensate for the Uncompensated loss relating to JGB Futures Clearing Qualification.

(*¹ referring to the successful bidder participants set forth in Paragraph 2 of Article 78 of the Business Rules; the same applies hereinafter)

(*² or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(*³ or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

- (3) To compensate for Uncompensated Loss relating to Index Futures Clearing Qualification*¹:

(*¹ referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Index Futures Clearing Qualification)

The provisions of the preceding Item shall apply *mutatis mutandis*. In this case, in the said Item, the phrase “JGB Futures Clearing Qualification” shall be deemed to be “Index Futures Clearing Qualification”; and the phrase “JGB Futures Clearing Participant” shall be deemed to be “Index Futures Clearing Participant.”

- (4) To compensate for Uncompensated Loss relating to Precious Metal Futures Clearing Qualification*¹:

(*¹ referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Precious Metal Futures Clearing Qualification)

The provisions of Item (2) shall apply *mutatis mutandis*. In this case, in the said Item, the phrase “JGB Futures Clearing Qualification” shall be deemed to be “Precious

Metal Futures Clearing Qualification”; and the phrase “JGB Futures Clearing Participant” shall be deemed to be “Precious Metal Futures Clearing Participant.

- (5) To compensate for Uncompensated Loss relating to Rubber Futures Clearing Qualification*¹:

(*¹ referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Rubber Futures Clearing Qualification)

The provisions of Item (2) shall apply *mutatis mutandis*. In this case, in the said Item, the phrase “JGB Futures Clearing Qualification” shall be deemed to be “Rubber Futures Clearing Qualification”; and the phrase “JGB Futures Clearing Participant” shall be deemed to be “Rubber Futures Clearing Participant.

- (6) To compensate for Uncompensated Loss relating to Agricultural Futures Clearing Qualification*¹:

(*¹ referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Agricultural Futures Clearing Qualification)

The provisions of Item (2) shall apply *mutatis mutandis*. In this case, in the said Item, the phrase “JGB Futures Clearing Qualification” shall be deemed to be “Agricultural Futures Clearing Qualification”; and the phrase “JGB Futures Clearing Participant” shall be deemed to be “Agricultural Futures Clearing Participant.

- (7) To compensate for Uncompensated Loss relating to Petroleum Futures Clearing Qualification*¹:

(*¹ referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Petroleum Futures Clearing Qualification)

The provisions of Item (2) shall apply *mutatis mutandis*. In this case, in the said Item, the phrase “JGB Futures Clearing Qualification” shall be deemed to be “Petroleum Futures Clearing Qualification”; and the phrase “JGB Futures Clearing Participant” shall be deemed to be “Petroleum Futures Clearing Participant.

- (8) To compensate for uncompensated loss relating to FX Clearing Qualification*¹:

(*¹ referring to the uncompensated loss prescribed in Item (1) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the FX Clearing Qualification; the same applies hereinafter)

The provisions of Item (1) shall apply *mutatis mutandis*. In this case, in Item (1), the phrase “Securities Clearing Qualification” shall be deemed to be “FX Clearing Qualification”; and the phrase “Securities Clearing Participant” shall be deemed to be

“FX Clearing Participant.

(Article 60 Compensation of Losses by Collection of Special Clearing Charge)

- 1 In the event where the excess amount prescribed in Paragraph 2 of Article 79 of the Business Rules is prorated among the Clearing Participants on Default Day for Securities Clearing Qualification and FX Clearing Qualification in accordance with the provisions of the said Paragraph, such excess amount shall be prorated according to the required amount of the clearing fund of each Clearing Participant on the Default Day relating to the relevant Clearing Qualification on the day immediately preceding the Default Day.
- 2 If the Clearing Participant participates in a merger or if JSCC otherwise deems it necessary, the amount of money prescribed by JSCC on all such occasion shall be the required amount of the clearing fund in respect of the relevant Clearing Qualification set forth in the preceding Paragraph.
- 3 In the event where the excess amount prescribed in Paragraph 2 of Article 79-2 of the Business Rules is prorated among the Clearing Participants for Default Settlement Period for 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 in accordance with the provisions of the said Paragraph, such excess amount shall be first prorated according to the amount of uncompensated loss for each category of Clearing Qualification, and then such prorated amount shall be further prorated according to the required amount of the clearing fund of each Clearing Participant for Default Settlement Period relating to the relevant Clearing Qualification on the day immediately preceding the first day of the Default Settlement Period.
- 4 In the event where the excess amount prescribed in Paragraph 4 of Article 79-2 of the Business Rules is prorated among the Clearing Participants for Default Settlement Period for 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 in accordance with the provisions of the said Paragraph, such excess amount shall be first prorated according to the amount of uncompensated loss for each category of Clearing Qualification, and then such prorated amount shall be further prorated, in respect of respective default occurred during the Default Settlement Period, according to the amount of the VM related to Futures Contracts, and Option Premiums related to Option Contracts, and the net option value^{*1} in all accounts of the Clearing Participants for Default Settlement Period during the period from the date of Determination of Insolvency set forth in

Paragraph 5 of Article 76 of the Business Rules through the day on which the settlement related to such Determination of Insolvency completes^{*2}, minus the amount obtained by subtracting the aggregate payables in VM/OP Premium Equivalent from the aggregate receivables in of VM/OP Premium Equivalent JSCC prescribes at each applicable occasion^{*3}.

(*1 referring to the value JSCC prescribes at each applicable occasion with respect to positions held by the Clearing Participants for Default Settlement Period during the Liquidation Period by multiplying the Settlement Price of the option during the relevant Liquidation Period by the position quantity)

(*2 hereinafter referred to as "Liquidation Period")

(*3 only when the relevant value is positive)

(Article 61 Adjustment of Position under Security Option Contract)

1 Adjustments to the Position prescribed in Paragraph 1 of Article 79-4 of the Business Rules shall be made in accordance with each of the following Items:

- (1) In the case of a stock split where one share of the stock, which is the underlying security, is to be split into a number which is equal to one share multiplied by a whole number, the quantity of the Position on the day immediately preceding the ex-right day of the relevant stock split shall be adjusted, as of such ex-right day, to the quantity that is equal to the original quantity, divided by the split ratio pertaining to such stock split;
- (2) In the case of an allotment of stock without compensation, which is the underlying security, where the number of shares of stock of the same class as that of the underlying stock, which is equal to the number of shares of such underlying stock multiplied by a whole number, is issued for each share of such underlying stock, the quantity of the Position on the day immediately preceding the ex-right day of the relevant allotment of stock without compensation shall be adjusted, as of the ex-right day relating to such allotment of stock without compensation, to the quantity that is equal to the original quantity, multiplied by the quantity that is one added to the number of shares allotted through such allotment of stock without compensation;
- (3) In the case of a change in the trading unit of the stock, which is the underlying security, the quantity of the Position on the day immediately preceding the day on which such change is implemented shall be adjusted, as of the day on which such change is implemented, to the quantity that is equal to the original quantity, multiplied by the number which is equal to the trading unit prior to such change divided by the trading unit after such change;
- (4) In the case not stipulated in the preceding three Items, the quantity of the Position shall

be adjusted pursuant to the method prescribed by JSCC on all such occasion.

2 The provisions of the preceding Paragraph*¹ shall be applied *mutatis mutandis* to the adjustment of the Position stipulated in Paragraph 1 of Article 79-4 of the Business Rules which are applied *mutatis mutandis* under Paragraph 2 of Article 79-3 of the Business Rules.

(*¹ excluding Item (2))

(Article 62 Operations Entrusted by JSCC)

1 In accordance with the provisions of Paragraph 1 of Article 85 of the Business Rules, JSCC shall entrust the administrative work such as receiving Close-out Quantity Report relating to the Futures and Option Contracts in the Financial Instruments Market operated by the Designated Market Operators listed in Item (2) of Article 2 to such Designated Market Operators.

Supplementary Provisions

- 1 These Rules shall come into effect on January 14, 2003; provided, however, that the provisions of Article 4 and Article 5 shall come into effect on January 10, 2003.
- 2 The provisions*¹ of Article 5 shall not apply to any entity who is to obtain the Clearing Qualification on January 14, 2003, or any entity who provides notification to JSCC on or before such date in accordance with the rules prescribed by JSCC and which is to obtain the Clearing Qualification on or before the last day of December of 2003.
(*¹ limited to the part relating to the payment of the fee for obtaining the Clearing Qualification)
- 3 With respect to the application of the provisions of Paragraph 3 of Article 11, in the case where the “preceding day” stipulated in Paragraph 1 of Article 11 occurs during the period commencing on the day on which these Rules come into effect*¹ and ending on the last day of July, 2003, the phrase, “during July through December of the preceding year in the case where such preceding day occurs during February through July; or during January through June in the case where such preceding day occurs during August through January of the following year” shall be deemed to be “during June through November of 2002”.
(*¹ hereinafter referred to as the “Effective Date”)
- 4 In the case where any entity who was a trading participant, member or an association member of any of the Designated Market Operators becomes a Non-Clearing Participant on the Effective Date and designates JSCC’s Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant Non-Clearing Participant’s unsettled Contracts Subject to Clearing which were formed before the Effective Date.
(*¹ limited to those relating to the Contracts for Clearing)
- 5 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)*¹ shall be treated as Convertible Bonds or corporate bond with stock acquisition rights that are not Convertible Bonds, respectively, and these Rules shall be applied to them accordingly.
(*¹ referred to as the “Law Amending Commercial Code, Etc.” hereinafter in this Supplementary Provisions)
- 6 The certificate of subscription rights, which is issued in conjunction with the corporate bond with stock acquisition rights set forth in the immediately preceding Paragraph pursuant to Paragraph 1 of Article 341-13 of the Commercial Code as it existed prior to the amendment

made under the Law Amending Commercial Code, Etc., shall be regarded as a certificate of stock acquisition rights, and these Rules shall be applied to it accordingly.

Supplementary Provisions

These revised Rules shall come into effect on January 27, 2003.

Supplementary Provisions

1 These revised Rules shall come into effect on February 2, 2004.

2 The provisions^{*1} of Article 5 shall not apply in the case where any entity, who actually is a Stock Option Clearing Participant, JGB Futures Clearing Participant or Stock Index Futures Clearing Participant of Tokyo Stock Exchange, Inc.^{*2} on the day preceding the day on which these revised Rules come into effect^{*3}, obtains JSCC's Stock Option Clearing Qualification, JGB Futures Clearing Qualification or Stock Index Futures Clearing Qualification, respectively, on the Effective Date.

(*1 limited to the part relating to the payment of the fee for obtaining the Clearing Qualification)

(*2 hereinafter referred to as "TSE")

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

3 In the case where a Stock Option Clearing Participant of TSE becomes a Stock Option Non-Clearing Participant on the Effective Date and designates JSCC's Stock Option Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant Stock Option Non-Clearing Participant's unsettled Contracts for Clearing which were formed before the Effective Date.

4 In the case where a JGB Futures Clearing Participant of TSE becomes a JGB Futures Non-Clearing Participant on the Effective Date and designates JSCC's JGB Futures Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant JGB Futures Non-Clearing Participant's unsettled Contracts for Clearing which were formed before the Effective Date.

5 In the case where a Stock Index Futures Clearing Participant of TSE becomes a Stock Index Futures Non-Clearing Participant on the Effective Date and designates JSCC's Stock Index Futures Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant Stock Index Futures Non-Clearing Participant's unsettled Contracts for Clearing which were formed before the Effective Date.

6 With respect to the application of Paragraph 1 of Article 21 on the Effective Date, the phrase, “the day immediately preceding the Default Day.” shall be deemed to be “the Default Day.”

Supplementary Provisions

These revised Rules shall come into effect on December 18, 2003.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2004.

Supplementary Provisions

These revised Rules shall come into effect on August 9, 2004.

Supplementary Provisions

These revised Rules shall come into effect on August 27, 2004.

Supplementary Provisions

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

2 The Uniform DVP Settlement Price stipulated in Paragraph 1 of Article 11 on the day on which these revised Rules come into effect*¹ for the issue which is registered by the Japan Securities Dealers Association on the day immediately preceding the Effective Date and which is to be listed on the securities market operated by the Designated Market Operator on the Effective Date, shall be the last selling/buying price at 3:00 P.M. in the OTC market on the day immediately preceding the Effective Date; provided, however, that in the case where there is no selling/buying price on the day immediately preceding the Effective Date, such DVP Clearing Price shall be the standard price in the OTC market on the day immediately preceding the Effective Date.

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

3 With respect to the application of the provisions of Paragraph 3 of Article 11 in connection with the issue*¹ which was registered by the Japan Securities Dealers Association on the day immediately preceding the Effective Date, the trading volume of the relevant issue in

the OTC market operated by the Japan Securities Dealers Association shall be deemed to be the trading volume of such issue in JASDAQ Securities Exchange, Inc.

(*1 limited to the issue which is listed in JASDAQ Securities Exchange, Inc. on the Effective Date)

- 4 The market price, in the event the market price before the Effective Date is to be used for the calculation of the substituting price of the securities which were registered by the Japan Securities Dealers Association on the day immediately preceding the Effective Date, shall be, notwithstanding the revised provisions of Paragraph 1 of *Appendix 1*, the last selling/buying price at 3:00 P.M. published by the Japan Securities Dealers Association.

(*Note) The "day prescribed by JSCC" referenced in Paragraph 1 is December 13, 2004.

Supplementary Provisions

- 1 These revised Rules shall come into effect on January 1, 2005.
- 2 The bankruptcy adjudicated on or after January 1, 2005, as a result of the petition for bankruptcy filed on or before December 31, 2004 shall be regarded as a decision to commence bankruptcy procedure.

Supplementary Provisions

These revised Rules shall come into effect on June 10, 2005.

Supplementary Provisions

- 1 These revised Rules shall come into effect on January 10, 2006.
- 2 With respect to the bonds*1 which are actually listed on the Designated Securities Market as at the time these revised Rules come into effect, the revised provisions of Article 14 and Article 15 shall apply from the settlement the settlement day of which is the day, designated by JSCC, for JASDEC to commence its handling of such bonds in its book-entry transfer business.

(*1 excluding Japanese Government Bonds, corporate bond with stock acquisition rights, etc., and Exchangeable Corporate Bond)

- 3 In the case where bond certificates*1 have actually been deposited with JSCC by a Clearing Participant by the time when these revised Rules come into effect, such bond certificates shall be returned to such Clearing Participant by March 31, 2006.

(*1 excluding Japanese Government Bonds, corporate bond with stock acquisition rights,

etc., and Exchangeable Corporate Bond)

Supplementary Provisions

These revised Rules shall come into effect on January 30, 2006.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on February 27, 2006.

Supplementary Provisions

These revised Rules shall come into effect on April 3, 2006.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on October 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 April 2, 2007.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on November 1, 2007.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on March 24, 2008.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2008.

Supplementary Provisions

These revised Rules shall come into effect on April 14, 2008.

Supplementary Provisions

These revised Rules shall come into effect on May 7, 2008.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on July 1, 2008.

Supplementary Provisions

These revised Rules shall come into effect on July 7, 2008.

Supplementary Provisions

These revised Rules shall come into effect on August 5, 2008.

Supplementary Provisions

These revised Rules shall come into effect on August 25, 2008.

Supplementary Provisions

These revised Rules shall come into effect on November 10, 2008.

Supplementary Provisions

These revised Rules shall come into effect on December 26, 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 June 1, 2009.

Supplementary Provisions

These revised Rules shall come into effect on September 24, 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 date 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; provided, however, that the revised provisions of Item (1) (m) of Paragraph 1 of Article 3, Paragraph 2 and Paragraph 3 of Article 20-9 shall come into effect on January 4, 2010.

Supplementary Provisions

1 These revised Rules shall come into effect on April 1, 2010.

2 With respect to the application of the provisions of Paragraph 3 of Article 11 in connection with the issue*¹ which was registered by the Jasdak Securities Exchange, Inc. on the day immediately preceding the day on which these revised Rules come into effect*², the trading volume of the relevant issue in the Financial Instruments market operated by the Jasdak Securities Exchange, Inc. shall be deemed to be the trading volume of such issue in Osaka Securities Exchange Co., Ltd. Inc.

(*¹ limited to the issue which is listed in Osaka Securities Exchange Co., Ltd. on the Effective Date)

(*² hereinafter referred to as the "Effective Date")

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on July 15, 2010.

Supplementary Provisions

These revised Rules shall come into effect on July 16, 2010, and apply to the buying/selling of securities whose settlement day is on July 23, 2010.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on October 12, 2010.

Supplementary Provisions

These revised Rules shall come into effect on October 18, 2010.

Supplementary Provisions

These revised Rules shall come into effect on February 28, 2011; provided, however, that the revised provisions of (*4) of Paragraph 1 of the *Appendix 1* shall come into effect on January 1, 2011.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2011.

Supplementary Provisions

These revised Rules shall come into effect on May 17, 2011.

Supplementary Provisions

1 These revised Rules shall come into effect on July 19, 2011.

2 On the day on which these revised Rules come into effect^{*1}, JSCC shall set aside the

amount obtained as the shareholders' equity^{*2} as of the last day of the fiscal year^{*3} immediately preceding the fiscal year of JSCC in which the Effective Date falls^{*4} deducted by the capital, the capital reserve, and the earned surplus as of the last day of the Preceding Fiscal Year^{*5} and the total amount of monies, etc. that will be delivered in exchange for the acquisition of its own shares^{*6} pursuant to the resolution of the regular general meeting of shareholders pertaining to the Preceding Fiscal Year^{*7} as the Securities and Similar Contracts Settlement Guarantee Reserve.

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

(*² referring to the balance after the disposition of the surplus fund pursuant to the resolution of the regular general meeting of shareholders pertaining to the Preceding Fiscal Year)

(*³ hereinafter referred to as the "Preceding Fiscal Year")

(*⁴ hereinafter referred to as the "Current Fiscal Year")

(*⁵ referring to the balance after the disposition of the surplus fund pursuant to the resolution of the regular general meeting of shareholders pertaining to the Preceding Fiscal Year)

(*⁶ referring to the amount prescribed in Item 2 of Paragraph 1 of Article 156 of the Companies Act)

(*⁷ and deducted further by the amount of uncompensated loss relating to nonperformance under Securities and Similar Contract Clearing Business that has arisen after the last day of the Preceding Fiscal Year and before the Effective Date, if any)

Supplementary Provisions

These revised Rules shall come into effect on September 26, 2011.

Supplementary Provisions

These revised Rules shall come into effect on November 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 March 31, 2012.

Supplementary Provisions

These revised Rules shall come into effect on June 1, 2012.

Supplementary Provisions

These revised Rules shall come into effect on July 1, 2012.

Supplementary Provisions

These revised Rules shall come into effect on December 1, 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

1 These revised Rules shall come into effect on March 31, 2013.

2 During the period from March 31, 2013 to March 30, 2014, in applying B) of Item (7) of Paragraph 1 of Article 8, as amended, the words "2.25 percent" in (a) thereof shall be interpreted to mean "1.75 percent," the words "4.5 percent" in (a) thereof shall be interpreted to mean "3.5 percent", the words "3 percent" in (b) thereof shall be interpreted to mean "2.25 percent" and the words "6 percent" in (b) thereof shall be interpreted to mean "4.5 percent".

3 During the period from March 31, 2014 to March 30, 2015, in applying B) of Item (7) of Paragraph 1 of Article 8, as amended, the words "2.25 percent" in (a) thereof shall be interpreted to mean "2 percent," the words "4.5 percent" in (a) thereof shall be interpreted

to mean “4 percent”, the words “3 percent” in (b) thereof shall be interpreted to mean “2.75 percent” and the words “6 percent” in (b) thereof shall be interpreted to mean “5.5 percent”.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on July 16, 2013.
- 2 The provisions^{*1} of Article 5 shall not apply in the case where any entity, who actually is a Futures and Options clearing participant or FX clearing participant of Osaka Securities Exchange Co., Ltd.^{*2} on the day immediately preceding the day on which these revised Business Rules come into effect^{*3}, obtains JSCC’s Index Futures Clearing Qualification or FX Clearing Qualification, respectively, on the Effective Date.
(*¹ limited to the part relating to the payment of the fee for obtaining the Clearing Qualification)
(*² hereinafter referred to as “OSE”)
(*³ hereinafter referred to as the “Effective Date”)
- 3 In the case where a Futures and Options Clearing Participant of OSE becomes a Non-Clearing Participant with respect to futures and option on the Effective Date and designates JSCC’s Index Futures Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant Non-Clearing Participant’s unsettled Contracts for Clearing which were formed before the Effective Date.
- 4 In the case where an FX clearing participant of OSE becomes an FX Non-Clearing Participant on the Effective Date and designates JSCC’s FX Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant FX Non-Clearing Participant’s unsettled Contracts for Clearing which were formed before the Effective Date.
- 5 With respect to the application of Article 20-12 on the Effective Date, the phrase, “the day immediately preceding the Default Day” shall be deemed to be “the Default Day”
- 6 With respect to the application of Paragraph 1 of Article 21 on the Effective Date, the phrase, “the day immediately preceding the Default Day” shall be deemed to be “the Default Day”

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

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

Note: The date set by JSCC is March 7, 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 March 31, 2014.

Supplementary Provisions

These revised Rules shall come into effect on June 2, 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 October 23, 2014;.provided, however, that the revised provisions of Article 22 shall come into effect on the date set by JSCC*.

*The date set by JSCC is November 29, 2014.

Supplementary Provisions

1 These revised Business Rules shall come into effect on November 25, 2014;.provided, however, that the revised provisions of Article 22 shall come into effect on the date set by JSCC*.

2 Notwithstanding the provisions of the main text 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 November 25, 2014.

*The date set by JSCC on Paragraph 1 is November 30, 2014.

Supplementary Provisions

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

(*Note) The date set by JSCC is November 29, 2014.

Supplementary Provisions

These revised Rules shall come into effect on December 1, 2014.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on May 29, 2015.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on 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

- 1 These revised Rules shall come into effect on January 8, 2016; provided that the revision to Article 7-2 and Article 20-12 shall come into effect from the next day following the date on which other revisions to these Rules become effective (or next business day, if such day falls on a non-business day).
- 2 Notwithstanding the provisions of the main body 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 January 8, 2016.

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 January 10, 2017.

Supplementary Provisions

These revised Rules shall come into effect on January 30, 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; provided that the revision of Paragraph 1 of Article 6 and Article 7 and the implementation of Paragraph 1 of *Appendix 1* shall become effective on February 9, 2018 by regarding the phrases, “Paragraph 3 of Article 15-2, Paragraph 4 of Article 16, Paragraph 2 of Article 52 and Paragraph 2 of Article 70 of the Business Rules” and “Japanese yen and the currency of the United States of America” in Paragraph 1 of Article 6-4 as “Paragraph 4 of Article 16,” and “Japanese yen,” respectively; the phrase “Paragraph 4 through Paragraph 6 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 3 through Paragraph 5 of Article 52, and

Paragraph 3 through Paragraph 5 of Article 70 of the Business Rules” in Article 7 as “Paragraph 3 through Paragraph 5 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 2 through Paragraph 4 of Article 52, and Paragraph 2 through Paragraph 4 of Article 70 of the Business Rules”; and the phrase “Paragraph 4 and Paragraph 5 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 3 and Paragraph 4 of Article 52, and Paragraph 3 and Paragraph 4 of Article 70 of the Business Rules” in Paragraph 1 of *Appendix 1* as “Paragraph 3 and Paragraph 4 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 2 and Paragraph 3 of Article 52, and Paragraph 2 and Paragraph 3 of Article 70 of the Business Rules.”

2 Notwithstanding the provisions of the preceding Paragraph, other than the revised provisions of Paragraph 1 of Article 6-4, Article 7, Article 9-3, Article 20-9-2, Article 20-10-2, Article 20-12 and Paragraph 1 of *Appendix 1*, 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.

3 However, when JSCC deems it inappropriate to implement the revised provisions set forth in the preceding Paragraph, during the period from February 14, 2018 through the date prescribed by JSCC, the revised provisions of Paragraph 1 of Article 6-4 shall apply by regarding the phrase “Paragraph 3 of Article 15-2, Paragraph 4 of Article 16, Paragraph 2 of Article 52 and Paragraph 2 of Article 70 of the Business Rules” and “Japanese yen and the currency of the United States of America” in Paragraph 1 of Article 6-4 as “Paragraph 4 of Article 16,” and “Japanese yen,” respectively; the revised provisions of Article 7 shall apply by regarding the phrase “Paragraph 4 through Paragraph 6 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 3 through Paragraph 5 of Article 52, and Paragraph 3 through Paragraph 5 of Article 70 of the Business Rules” as “Paragraph 3 through Paragraph 5 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 2 through Paragraph 4 of Article 52, and Paragraph 2 through Paragraph 4 of Article 70 of the Business Rules”; and Paragraph 1*¹ of *Appendix 1* shall apply by regarding “Paragraph 4 and Paragraph 5 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 3 and Paragraph 4 of Article 52, and Paragraph 3 and Paragraph 4 of Article 70 of the Business Rules” in Paragraph 1 of *Appendix 1* as “Paragraph 3 and Paragraph 4 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 2 and Paragraph 3 of Article 52, and Paragraph 2 and Paragraph 3 of Article 70 of the Business Rules.”

(*¹ except for the table in Paragraph 1)

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

These revised Rules shall come into effect on June 18, 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

- 1 These revised Rules shall come into effect on July 16, 2019.
- 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 July 16, 2019.

Supplementary Provisions

These revised Rules shall come into effect on August 23, 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 April 1, 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 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 July 27, 2020.
- 3 The provisions of Article 5^{*1} shall not apply to an entity acquiring the Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification or Agricultural Futures Clearing Qualification on the day on which these revised Rules come into effect^{*2}.
(*¹ limited to the portion related to a payment of the fee for obtaining the Clearing Qualification)
(*² hereinafter referred to as the "Effective Date")
- 4 As to the Capital-to-Risk Ratio or consolidated Capital-to-Risk Ratio under Item (7) A) of Paragraph 1 of Article 8, in respect of a Financial Instrument Business Operator to which Article 4 of the Supplementary Provisions of the Cabinet Office Ordinance on Financial Instruments Business, etc., (Cabinet Office Ordinance No. 11 of 2014), it shall be if it became less than 160 percent.

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

- 1 These revised Rules shall come into effect on January 18, 2021.
- 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 January 18, 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 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 Rules shall come into effect on the day set by JSCC which is not earlier than September 21, 2021.
- 3 For the time being after the date on which these revised Rules come into effect, the provisions of Article 5^{*1} shall not apply in the case where a Clearing Participant holding other Futures Clearing Qualification obtains Petroleum Futures Clearing Qualification.
(*1 only those related to the payment of the fee for obtaining the Clearing Qualification)

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

- 1 These revised Rules shall come into effect on January 11, 2022.
- 2 Notwithstanding the provisions of the preceding Paragraph, if JSCC considers it inappropriate to apply amended rules due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing Participants in relation to Cleared Contracts, these amendments shall come into force as of the date designated by JSCC which is on or after January 11, 2022.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on April 4, 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 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 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 June 27, 2022.
- 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 Rules shall come into effect on the day set by JSCC which is not earlier than June 27, 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 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 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 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 Rules shall come into effect on the day set by JSCC which is not earlier than May 29, 2023.

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

1 The types of securities deemed appropriate by JSCC, their market prices and rates prescribed by JSCC pursuant to the provisions of Paragraph 4 and Paragraph 5 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 3 and Paragraph 4 of Article 52, and Paragraph 3 and Paragraph 4 of Article 70 of the Business Rules shall be as follows:

Type of Securities		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 Japanese government bond and discount government bond (excluding government bond with floating rate, Inflation-Indexed Bonds and STRIPs) <ul style="list-style-type: none"> 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) in the Financial Instruments Exchange (*2)	(2) Government bond with floating rate <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 96% d Years to maturity over 10year and less than 20 years 96% e Years to maturity over 20 year and less than 30 years 96% f Years to maturity over 30 years 96% (4) STRIPs <ul style="list-style-type: none"> 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 (*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 98% (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%
	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	(1) Years to maturity of less than 1 year 94% (2) Years to maturity over 1 year and less than 5 years 93% (3) Years to maturity over 5 year and less than 10 years 91% (4) Years to maturity over 10 year and less than 20 years 89% (5) Years to maturity over 20 year and less than 30 years 88% (6) Years to maturity over 30 years 88%

	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	(1) Years to maturity of less than 1 year 90% (2) Years to maturity over 1 year and less than 5 years 88% (3) Years to maturity over 5 year and less than 10 years 86% (4) Years to maturity over 10 year and less than 20 years 83% (5) Years to maturity over 20 year and less than 30 years 79% (6) Years to maturity over 30 years 77%
	EUR denominated bonds issued by Federal Republic of Germany	The last quote in the Frankfurt market on the immediately preceding day	(1) Years to maturity of less than 1 year 93% (2) Years to maturity over 1 year and less than 5 years 91% (3) Years to maturity over 5 year and less than 10 years 89% (4) Years to maturity over 10 year and less than 20 years 87% (5) Years to maturity over 20 year and less than 30 years 84% (6) Years to maturity over 30 years 85%
	EUR denominated bonds issued by French Republic	The last quote in the Paris market on the immediately preceding day	(1) Years to maturity of less than 1 year 93% (2) Years to maturity over 1 year and less than 5 years 91% (3) Years to maturity over 5 year and less than 10 years 89% (4) Years to maturity over 10 year and less than 20 years 86% (5) Years to maturity over 20 year and less than 30 years 83% (6) Years to maturity over 30 years 80%
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 99% (3) Years to maturity over 5 year and less than 10 years 97% (4) Years to maturity over 10 year and less than 20 years 94% (5) Years to maturity over 20 year and less than 30 years 92% (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)	

<p>Special bonds (excluding bonds guaranteed by the Japanese Government) (*4)</p> <p>Corporate Bonds (excluding bonds with stock acquisition rights) (*3) (*4)</p>	<p>Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association</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>Average of the relevant Reference Statistical Prices for OTC Bond Transactions</p> <p>The closing price (*1) in the Financial Instruments Exchange (*2)</p>	<p>(1) Years to maturity of less than 1 year 99%</p> <p>(2) Years to maturity over 1 year and less than 5 years 99%</p> <p>(3) Years to maturity over 5 year and less than 10 years 97%</p> <p>(4) Years to maturity over 10year and less than 20 years 94%</p> <p>(5) Years to maturity over 20 year and less than 30 years 92%</p> <p>(6) Years to maturity over 30 years 90%</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 (*3) (*4)</p>	<p>Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association</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>Average of the relevant Reference Statistical Prices for OTC Bond Transactions</p> <p>The closing price (*1) at the Financial Instruments Exchange (*2)</p>	<p>(1) Years to maturity of less than 1 year 99%</p> <p>(2) Years to maturity over 1 year and less than 5 years 99%</p> <p>(3) Years to maturity over 5 year and less than 10 years 97%</p> <p>(4) Years to maturity over 10year and less than 20 years 97%</p> <p>(5) Years to maturity over 20 year and less than 30 years 97%</p> <p>(6) Years to maturity over 30 years 97%</p>
<p>Stocks</p> <p>Preferred equity capital contribution securities</p> <p>Depository receipts for foreign stocks</p> <p>Depository receipts for</p>	<p>Which are listed on a domestic Financial Instruments Exchange</p>	<p>The closing price (*1) in the Financial Instruments Exchange (*2)</p>	<p>70/100</p>

foreign stocks			
Beneficiary securities of foreign investment trusts			
Foreign investment securities			
Beneficiary securities of beneficiary securities issuing trust			
Beneficiary securities of foreign beneficiary securities issuing trust			
Beneficiary securities of investment trusts	Which are listed on a domestic Financial Instruments Exchange	The closing price (*1) in the Financial Instruments Exchange (*2)	
Investment securities			

(*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)

(*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 (Cabinet Order No. 321 of 1965))

(*4 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).)

2 The provisions of Paragraph 3 of Article 11 shall apply *mutatis mutandis* to the selection of a Financial Instruments Exchange in accordance

with the order of priority prescribed by JSCC pursuant to the provisions of the preceding Paragraph. In such event, the phrase, “such preceding day,” in Paragraph 3 of such Article shall be deemed to be “the day which is two days before the day of deposit or the settlement day”.

3 Deposits of Japanese Government Bonds shall be made by way of book-entry transfers to the accounts held in the name of JSCC at the Bank of Japan.

4 Deposits of the securities set forth in the following Items shall be made by way of book-entry transfers to the accounts held in the name of JSCC at 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
(*¹excluding Japanese Government Bonds and bonds with stock acquisition rights)

(2) Investment securities that are listed on any of the domestic Financial Instruments Exchanges.

6 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.

7 Notwithstanding the provisions of Paragraph 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, 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 in this Paragraph)

(*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 domestic Financial Instruments Exchange.

8 The provisions of the preceding Paragraph shall apply *mutatis mutandis* to bonds where the obligations relating to the bonds of the issuer of such bonds become immediately due and payable.

<Appendix 2> Table Concerning Calculation of Theoretical Prices, etc. relating to Settlement Price for Index Futures Contracts

$$\text{Theoretical price} = Se^{(r-\delta)\tau}$$

Note 1. Symbols used in the formula above shall have the meanings set forth below:

S : value JSCC designates from among the values related to the underlying index on the day on which the Trading Day ends

e : base of natural logarithm

r : interest rate designated by JSCC

δ : expected dividend yield

τ : number of days in the period commencing on the day immediately following the relevant Trading Day and ending on the day immediately following the day on which the Last Trading Day of the relevant contract month contract ends*¹ / 365 (*¹ if such day falls on a Non-business Day, it shall be the immediately following business day)

Note 2. The expected dividend yield shall be designated by JSCC among expected dividend yields relating to the underlying index.

=End=

<Exhibit Form 1>: Form of Document concerning Guarantee

Guarantee

Date:

To [], President & CEO of Japan Securities Clearing Corporation

Address:

Trade Name or Company Name:

Name of Representative: (Seal)

[] (hereinafter referred to as the "Company") confirms and accepts the details of the Business Rules and other rules in advance and submits this Guarantee (hereinafter referred to as this "Guarantee") to JSCC through [] (hereinafter referred to as the "Clearing Participant") in accordance with the provisions of Article [] of the Business Rules.

The terms used in this Guarantee shall have the meanings prescribed in the Business Rules unless otherwise provided in this Guarantee.

1. The Company is a Parent of the Clearing Participant.
2. The Company shall guarantee jointly and severally with the Clearing Participant to JSCC all current and future obligations borne by the Clearing Participant against JSCC in connection with the JSCC's Clearing Business relating to [] Clearing Qualification (including but not limited to the obligations relating to the Contracts for Clearing to which the Clearing Participant is a party and the indemnity obligation in the case of an acknowledgment of a default and the like of the Clearing Participant by JSCC).
3. The Company shall cooperate with the report or submission of documents by the Clearing Participant or the audit by JSCC when JSCC requests the Clearing Participant to report or submit documents to JSCC or conducts an audit in respect of the matters concerning the Company pursuant to the provisions of Article 21 of the Business Rules (in the case the said Article is amended in accordance with the Business Rules, the provisions as amended).
4. This Guarantee shall be governed by and construed in accordance with the laws of Japan.

5. The Company agrees to the exclusive jurisdiction of the Tokyo District Court of Japan for the first instance if any lawsuit arises between JSCC and the Company in relation to this Guarantee.

End of Document

<Exhibit: Form 2>

Contract for Commissioning Clearance Relating to Cash Securities

_____ (hereinafter referred to as "Party A") and _____ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the buying/selling securities, Money/Securities Loan Transaction, Securities Lending Transaction or transfer of the Collateral, etc. for the Money/Securities Loan Transaction or the Securities Lending Transaction). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1: Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the buying/selling securities at the Designated Financial Instruments Market Money/Securities Loan Transaction, Securities Lending Transaction and/or transfer of the Collateral, etc. for the Money/Securities Loan Transaction or the Securities Lending Transaction, out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The buying/selling the underlying securities which are formed through the exercise of options relating to the Security Option Contracts (limited to the contracts at the Financial Instruments Exchange Market operated by the Designated Market Operator, with respect to which Party B has its trading qualification or membership) shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2: Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3: Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall

take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.

- 2 In the case where Party B has lost its Securities Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4: Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.
- 2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Securities Clearing Qualification, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5: Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator or the Designated Securities Finance Company, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6: Clearance Brokerage Accounts)

The price of the buying/selling, the securities sold/bought, the Margin and any and all other securities and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7: Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Article 2, Paragraph 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under foreign laws and regulations.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations (excluding obligations to deliver securities sold) owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the

(Article 8: Handling in Cases Involving Suspension of Payment, etc.)

- 1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, buy or sell the securities (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 In the event that Item (1) of Paragraph 2 of the preceding Article applies to Party B, Party A may, in its discretion, buy or sell the securities (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 3 In the event that any of the Items under Paragraph 2 of the preceding Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the buying or selling securities, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the buying or selling securities by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, buy or sell the securities (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the buying/selling the securities (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the buying/selling the securities in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 9: Offsetting Calculation)

- 1 If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, and if Party B is required to perform its obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, Party A may set off such obligations against any and all receivables including receivables held by Party B against Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, Party A may also receive a refund of any and all types of deposits on behalf of Party B and appropriate them to the performance of obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest of the receivable and obligations, delay penalty, etc. shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivable and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10: Disposition of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities provided or deposited by Party B as the Margin for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11: Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities, etc. in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12: Order of Appropriation in Debt Repayment, etc.)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13: Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14: Prohibition against Assignment of Receivables, etc.)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15: Termination of Contract)

- 1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.
- 2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than ___ month(s) prior to the intended date of termination.
- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a

Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.

- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the buying/selling the securities (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; when the buying/selling the securities (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8; and including buying/selling the underlying securities resulting from an exercise of options relating to the Security Option Contracts which are formed prior to the termination of this Contract).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2: Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.
- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the contracts described in the following Items), which are formed prior to the Special Termination; provided, however, that with respect to the contracts described in Item 2, this Contract shall apply by the date ___ month(s) after the date of the Special Termination or the date on which Party B changes designations of its Designated Clearing Participant to Clearing Participant other than

Party A, whichever comes first.

- (1) Pre-matched buying/selling in respect of When-Issued Transaction
- (2) Contracts necessary for settling the unsettled account with respect to Margin/Loan Trading and pertaining return of the lent object under the Money/Securities Loan Transaction, and delivery/receipt of the Collateral, etc. resulting from the relevant return of the lent object under the Money/Securities Loan Transaction
- (3) Buying/selling the underlying securities resulting from an exercise of options relating to the Security Option Contracts which are formed prior to the termination of the Special Termination

4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.

5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 16: Reports)

1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17: Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 18: Notice of Changes Concerning Reported Matters)

Reference Translation

Handling of Business Rules

Contract for Commissioning Clearance Relating to Cash Securities

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 19: Release of Liability)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving reports or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 20: Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 21: Reports, etc. Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (other than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 18, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, Party B shall be deemed to have provided such reports or notification in writing.

(Article 22: Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 23: Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or _____ branch

Reference Translation

Handling of Business Rules

Contract for Commissioning Clearance Relating to Cash Securities

is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (Securities Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

Party B (Securities Non-Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “___ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B, and the same number of month(s) shall be inserted in the blank space in “___ month(s)” appearing in Paragraph 3 of Article 15-2.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 15-2, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

=End=

<Exhibit: Form 3>

Contract for Commissioning Clearance Relating to JGB Futures, Etc.

_____ (hereinafter referred to as “Party A”) and _____ (hereinafter referred to as “Party B”) agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the JGB Futures Contracts, ~~and/or~~ Option Contracts on JGB Futures, and/or Interest Rate Futures Contracts). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as “JSCC”).

(Article 1: Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the “Subject Contracts”) shall be the JGB Futures Contracts, ~~and~~ the Option Contracts on JGB Futures, and the Interest Rate Futures Contracts, out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The JGB Futures Contracts which are formed through the exercise of options relating to the Option Contracts on JGB Futures pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The JGB Futures Contracts, ~~and~~ the Option Contracts on JGB Futures, and the Interest Rate Futures Contract which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2: Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the “Designated Clearing Participant”).

(Article 3: Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its

Designated Clearing Participant, if [Party B] changes such designation to [Party A], [Party A] shall take over the unsettled contracts pertaining to [Party B]'s Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.

- 2 In the case where [Party B] has lost its JGB Futures Clearing Qualification, if [Party B] designates [Party A] as its Designated Clearing Participant, [Party A] shall take over [Party B]'s unsettled Contracts for Clearing.

(Article 4: Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where [Party B] has designated [Party A] as its Designated Clearing Participant, if [Party B] changes such designation to another Clearing Participant, [Party A] shall transfer the unsettled contracts pertaining to [Party B]'s Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by [Party B] as its Designated Clearing Participant.
- 2 In the case where [Party B] has designated [Party A] as its Designated Clearing Participant, if [Party B] obtains JSCC's JGB Futures Clearing Qualification, [Party A] shall transfer to [Party B] the unsettled Contracts for Clearing pertaining to [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5: Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where [Party A] is designated by [Party B] as its Designated Clearing Participant, shall be executed by [Party B] on behalf of [Party A].
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, [Party B] shall be deemed to have submitted to [Party A] an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and [Party A] shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6: Clearance Brokerage Accounts)

The value of Japanese Government Bonds bought/sold, the Japanese Government Bonds bought/sold, the Margin, the Margin of the Non-Clearing Participant, money to be paid/received for the marking to the market relating to a JGB Futures Contract or an Interest Rate Futures Contract (referring to the money in an amount equal to the difference between the contract price

and the clearing price, and the difference between the clearing price on the Trading Day and the clearing price on the immediately preceding Trading Day), the contract price for the sale or purchase relating to an Option Contract on JGB Futures, and any and all other securities and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 6-2: Cross Margining Request)

- 1 When Party B is a Cross Margining User set forth in Interest Rate Swap Clearing Business Rules, Party B may make application to Party A related to Cross Margining Request in connection with the Position in the JGB Futures Contracts on its account.
- 2 When its customer is a Cross Margining User and Party B has received an application related to Cross Margining Request from such customer, Party B shall confirm that the Position quantity subject to such application is not more than the Position quantity in JGB Futures Contracts on the account of such customer, and then may make such application related to Cross Margining Request to Party A on behalf of the customer.
- 3 When Party B makes application related to Cross Margining Request for itself or on behalf of its customer in accordance with the provisions of Paragraph 1, Party A shall make Cross Margining Request to JSCC.
- 4 Notwithstanding the provisions of Paragraphs 1 and 2, if Party A cannot make Cross Margining Request as prescribed by JSCC, Party B may make application related to Cross Margining Request to Party A neither for itself nor on behalf of its customer.

(Article 7: Acceleration of Performance of Obligations)

- 1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:
 - (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
 - (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Article 2, Paragraph 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party

[B]'s transactions;

- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by [Party B] against [Party A], is issued;
 - (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for [Party B]'s obligations owed to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.;
 - (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under foreign laws and regulations;
 - (6) If [Party B] is a Cross Margining User and Default of [Party B] is determined by JSCC pursuant to the provisions of the Interest Rate Swap Clearing Business Rules of JSCC; or
 - (7) If [Party B] is a Cross Margining User and the Clearing Brokerage Contracts under the Interest Rate Swap Clearing Brokerage Agreement executed pursuant to the provisions of the Interest Rate Swap Clearing Business Rules prescribed by JSCC terminate on an Early Termination Date pursuant to the provisions of the said Interest Rate Swap Clearing Brokerage Agreement.
- 2 Upon the occurrence of any of the events described in the following Items with respect to [Party B], upon [Party A]'s request therefor, the obligations which [Party B] owes to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and [Party B] shall perform such obligations immediately:
- (1) If [Party B] delays the performance of any of the obligations (excluding obligations to deliver Japanese Government Bonds sold) owed by [Party B] to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from [Party B]'s failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
 - (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for [Party B]'s obligations owed to [Party A] (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 7-2: Rights and Obligations related to Cross Margined JGB Futures Cleared Contracts Cease to Exist)

- 1 When Party B is a Cross Margining User, at the time when the claims and obligations related to the Cross Margined JGB Futures Cleared Contracts between Party A and JSCC cease to exist pursuant to the provisions of Paragraph 1 of Article 73-15-4 of the Business Rules of JSCC, the rights and obligations between Party A and Party B related the commission of the Brokerage for Clearing of Securities, etc. related to Party B's Cross Margined JGB Futures Cleared Contracts and arising under the said claims and obligations shall cease to exist and have no future effect.
- 2 Notwithstanding the provisions of the immediately preceding Paragraph, the rights and obligations between Party A and Party B arising under the claims and obligations related to the Cross Margined JGB Futures Cleared Contracts between Party A and JSCC which have already become due as set forth in Paragraph 4 of Article 73-15-4 of the Business Rules of JSCC shall remain in existence.

(Article 8: Handling in Cases Involving Suspension of Payment, etc.)

- 1 In the event that any of the Items under Paragraph 1 of Article 7 applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contracts on JGB Futures (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts (other than those related to Cross Margined JGB Futures Cleared Contracts) pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 In the event that Item (1) of Paragraph 2 of Article 7 applies to Party B, Party A may, in its discretion, buy or sell Japanese Government Bonds, execute an Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contracts on JGB Futures (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 3 In the event that any of the Items under Paragraph 2 of Article 7 applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the buying/selling Japanese Government Bonds, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest

Rate Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Option Contract on JGB Futures, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the buying/selling Japanese Government Bonds, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Option Contract on JGB Futures, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, buy or sell the Japanese Government Bonds, execute the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Option Contract on JGB Futures (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the buying/selling the Japanese Government Bonds, the execution of the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contract on JGB Futures (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the buying/selling the Japanese Government Bonds, the execution of the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contract on JGB Futures (including the commission thereof) in accordance with the provisions prescribed by JSCC

and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, [Party B] shall immediately pay to [Party A] an amount equal to such loss.

- 7 Notwithstanding the provisions of Paragraph 1 or 5, when [Party B] is a Cross Margining User and the rights and obligations related to the commission of the Brokerage for Clearing of Securities, etc. of [Party B]'s JGB Futures Contracts related to Cross Margined JGB Futures Cleared Contracts cease to exist pursuant to the provisions of the immediately preceding Article, [Party A] and [Party B] shall settle JGB Futures Contracts related to such Cleared Contracts pursuant to the provisions of the Business Rules of JSCC.

(Article 8-2: Handling in Cases Where Measures to Increase the Collateral, etc., are Taken with respect to [Party A])

In the event that [Party A] takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to [Party B] in connection with [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., [Party B] shall comply with the relevant measures.

(Article 8-3: Offsetting-Sale, Offsetting-Purchase, etc. in the event of Issuance to [Party A] of Instructions for Improvement on Position Holding)

- 1 In the event that [Party A] receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to [Party B]'s failure to comply with the measure set forth in the preceding Article without a justifiable reason, [Party A] may request [Party B] to settle the unsettled Contracts for Clearing pertaining to [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If [Party A] is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if [Party B] fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of [Party A]'s issuance of such request in advance providing a reasonable grace period, [Party A] may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on [Party B]'s account, relating to [Party B]'s Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by [Party B] to [Party A] of the Brokerage for Clearing of Securities, etc.
- 3 Even if [Party B] incurs damages as a result of [Party A]'s execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in,

and pursuant to, the provisions of the preceding Paragraph, [Party B] shall not demand any compensation for such damages from [Party A] or JSCC; provided, however, that in the event that [Party A] or JSCC is deemed to have committed intentional misconduct or gross negligence, the foregoing shall not apply to any demand made against the person who committed such intentional misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

- 1 In the case where the [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76 of the Business Rules of JSCC, [Party A] may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on [Party B]'s account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by [Party B] to [Party A].
- 2 Even if [Party B] incurs damages as a result of [Party A]'s execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, [Party B] shall not demand any compensation for such damages from [Party A] or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of [Party A] or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9: Offsetting Calculation)

- 1 If [Party B]'s obligations become immediately due and payable pursuant to the provisions of Article 7, and if [Party B] is required to perform its obligations owed to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, [Party A] may set off such obligations against any and all receivables including receivables held by [Party B] against [Party A] relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, [Party A] may also receive a refund of any and all types of deposits on behalf of [Party B] and appropriate them to the performance of obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest of the receivable and obligations, delay penalty, etc. shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such

receivable and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10: Disposition of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities provided or deposited by Party B as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11: Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities, etc. in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12: Order of Appropriation in Debt Repayment, etc.)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13: Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14: Prohibition against Assignment of Receivables, etc.)

[Party B] shall not assign or pledge any of the receivables which [Party B] has against [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15: Termination of Contract)

- 1 [Party A] and [Party B] may, upon mutual consultation, terminate this Contract by mutual agreement.
- 2 In addition to the provisions of the preceding Paragraph, each of [Party A] and [Party B] shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than ___ month(s) prior to the intended date of termination.
- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to [Party B], [Party A] may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, [Party A] shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after [Party A]'s issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the buying/selling the Japanese Government Bonds, the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contract on JGB Futures (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; and including when the buying/selling the Japanese Government Bonds, the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contract on JGB Futures (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the

Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).

6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2: Special Termination)

1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.

2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended effective date of such Special Termination.

3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.

4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.

5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 16: Reports)

1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or

usage of the Cross Margining.

2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17: Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18: Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19: Notice of Changes Concerning Reported Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20: Release of Liability)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident

involving reports or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21: Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22: Reports, etc. Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (other than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, Party B shall be deemed to have provided such reports or notification in writing.

(Article 23: Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24: Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or _____ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (JGB Futures Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

Address:

Party B (JGB Futures Non-Clearing Participant)

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “___ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 15-2, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

=End=

<Exhibit: Form 4>

Contract for Commissioning Clearance Relating to Index Futures, Etc.

_____ (hereinafter referred to as “Party A”) and _____ (hereinafter referred to as “Party B”) agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Security Option Contracts, Index Futures Contracts and/or the Index Option Contracts). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as “JSCC”).

(Article 1: Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the “Subject Contracts”) shall be the Security Option Contracts (excluding the buying/selling of the underlying securities resulting from an exercise of options under the Security Option Contracts; the same shall apply hereinafter in this Article), the Index Futures Contracts (excluding those related to index related to Commodity (referring to commodities stipulated in Item (3)-3 of Paragraph 24 of Article 2 of the Act); the same applies hereinafter) and the Index Option Contracts, out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The contracts which are formed through the exercise of options relating to the Index Option Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The Security Option Contracts, the Index Futures Contracts and/or the Index Option Contracts which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2: Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the “Designated Clearing Participant”).

(Article 3: Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.
- 2 In the case where Party B has lost its Index Futures Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4: Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.
- 2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Index Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5: Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6: Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the contract price for the sale or

purchase relating to an Security Option Contract, money to be paid/received for the marking to the market relating to an Index Futures Contract (referring to the money in an amount equal to the difference between the contract price index and the clearing price index, and the difference between the clearing price index on the Trading Day and the clearing price index on the immediately preceding Trading Day), money to be paid/received for the final settlement relating to an Index Futures Contract, the contract price for the sale or purchase relating to an Index Option Contract, money to be paid/received for the settlement resulting from the exercise of an option relating to an Index Option Contract, and any and all other securities and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7: Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Article 2, Paragraph 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under foreign laws and regulations.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8: Handling in Cases Involving Suspension of Payment, etc.)

1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Security Option Contracts, execute an Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Index Option Contracts (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 In the event that Item (1) of Paragraph 2 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Security Option Contracts, execute an Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Index Option Contracts (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.

3 In the event that any of the Items under Paragraph 2 of the preceding Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or

Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Security Option Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Index Option Contracts, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Security Option Contracts, fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Index Option Contracts, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options relating to the Security Option Contracts, execute the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Index Option Contracts (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Security Option Contracts, the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Index Option Contracts (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Security Option Contracts, the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts,

or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Index Option Contracts (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, [Party B] shall immediately pay to [Party A] an amount equal to such loss.

(Article 8-2: Handling in Cases Where Measures to Increase the Collateral, etc., are Taken with respect to [Party A])

In the event that [Party A] takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to [Party B] in connection with [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., [Party B] shall comply with the relevant measures.

(Article 8-3: Offsetting-Sale, Offsetting-Purchase, etc. in the event of Issuance to [Party A] of Instructions for Improvement on Position Holding)

- 1 In the event that [Party A] receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to [Party B]'s failure to comply with the measure set forth in the preceding Article without a justifiable reason, [Party A] may request [Party B] to settle the unsettled Contracts for Clearing pertaining to [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If [Party A] is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if [Party B] fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of [Party A]'s issuance of such request in advance providing a reasonable grace period, [Party A] may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on [Party B]'s account, relating to [Party B]'s Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by [Party B] to [Party A] of the Brokerage for Clearing of Securities, etc.
- 3 Even if [Party B] incurs damages as a result of [Party A]'s execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, [Party B] shall not demand any compensation for such damages from [Party A] or JSCC; provided, however, that in the event that [Party A] or JSCC is deemed to have committed intentional misconduct or gross negligence,

the foregoing shall not apply to any demand made against the person who committed such intentional misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

1 In the case where the Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on Party B's account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by Party B to Party A.

2 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9: Offsetting Calculation)

1 If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, and if Party B is required to perform its obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, Party A may set off such obligations against any and all receivables including receivables held by Party B against Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.

2 When the setoff set forth in the preceding Paragraph is available, Party A may also receive a refund of any and all types of deposits on behalf of Party B and appropriate them to the performance of obligations without prior notice and without following prescribed procedures.

3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest of the receivable and obligations, delay penalty, etc. shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivable and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10: Disposition of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities provided or deposited by Party B as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11: Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities, etc. in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12: Order of Appropriation in Debt Repayment, etc.)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13: Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14: Prohibition against Assignment of Receivables, etc.)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in

connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15: Termination of Contract)

- 1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.
- 2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than ___ month(s) prior to the intended date of termination.
- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Security Option Contracts, the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Index Option Contracts (including the commission thereof) is executed pursuant to the provisions of Paragraphs 1 through Paragraph 4 of Article 8; and including when the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Security Option Contracts, the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Index Option Contracts (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this

Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2: Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.
- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 16: Reports)

- 1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend

or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17: Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18: Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19: Notice of Changes Concerning Reported Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20: Release of Liability)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving reports or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21: Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22: Reports, etc. Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (other than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, Party B shall be deemed to have provided such reports or notification in writing.

(Article 23: Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24: Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or _____ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (Index Futures Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

Party B (Index Futures Non-Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “___ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 15-2, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

=End=

<Exhibit Form 5>

Contract for Commissioning Clearance Relating to Precious Metal Futures, Etc.

_____ (hereinafter referred to as "Party A") and _____ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Commodity Futures Contracts and/or Option Contracts on Commodity Futures). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1. Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the Commodity Futures Contracts and the Option Contracts on Commodity Futures (limited to those related to gold, silver, platinum and palladium; the same applies hereinafter), out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The contracts which are formed through the exercise of the Option Contracts on Commodity Futures pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The Commodity Futures Contracts and the Option Contracts on Commodity Futures which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2. Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3. Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its

Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.

2 In the case where Party B has lost its Precious Metal Futures Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4. Transfer of Unsettled Contracts upon Change of Designation, etc.)

1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.

2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Precious Metal Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5. Execution of Buying/Selling Contracts, etc.)

1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.

2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6. Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the contract price for the sale or purchase relating to an Option Contracts on Commodity Futures, money to be paid/received for the marking to the market relating to a Commodity Futures Contract (referring to the money in an amount equal to the difference between the contract price and the settlement price, and the

difference between the settlement price on the Trading Day and the settlement price on the immediately preceding Trading Day), money to be paid/received for the settlement relating to warehouse receipt (including the documents other than warehouse receipt to be delivered for the Settlement by Deliver; the same applies hereinafter in this Article), articles and money, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the settlement resulting from the exercise of an option relating to an Index Option Contract, and any and all other securities, warehouse receipts, articles and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7. Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Paragraph 2 of Article 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under laws and regulations of a foreign country.

2 Upon the occurrence of any of the events described in the following Items with respect to

[Party B], upon [Party A]'s request therefor, the obligations which [Party B] owes to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and [Party B] shall perform such obligations immediately:

- (1) If [Party B] delays the performance of any of the obligations owed by [Party B] to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from [Party B]'s failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for [Party B]'s obligations owed to [Party A] (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8. Handling in Cases Involving Suspension of Payment)

- 1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to [Party B], [Party A] may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on [Party B]'s account, which are necessary for settlement of all of the contracts pertaining to [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 In the event that Item (1) of Paragraph 2 of Article applies to [Party B], [Party A] may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on [Party B]'s account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 3 In the event that any of the Items under Paragraph 2 of Article applies to [Party B], [Party B] shall, upon [Party A]'s request therefor and by the date and time designated by [Party A], commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Option Contracts on Commodity Futures,

which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Option Contracts on Commodity Futures, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Option Contracts on Commodity Futures (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.

6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 8-2. Handling in Cases Where Measures to Increase the Collateral are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall

comply with the relevant measures.

(Article 8-3. Offsetting-Sale, Offsetting-Purchase and the Like in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

- 1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on Party B's account, relating to Party B's Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.
- 3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

- 1 In the case where the Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on Party B's account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by Party B to Party A.

2 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9. Offsetting Calculation)

- 1 If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, and if Party B is required to perform its obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, Party A may set off such obligations against any and all receivables including receivables held by Party B against Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, Party A may also receive a refund of any and all types of deposits on behalf of Party B and appropriate them to the performance of the obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest on the receivables and obligations, delay penalty and the like shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivables and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10. Liquidation of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities or warehouse receipts provided or deposited by Party B as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom

related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11. Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities and the like in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12. Order of Appropriation in Debt Repayment)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13. Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14. Prohibition against Assignment of Receivables)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15. Termination of Contract)

1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.

2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than ___ month(s) prior to the intended date of termination.

- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; and including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2. Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of

termination.

- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party the written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-Business Day, the immediately preceding Business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 15-3. Special Provision for Settlement of Positions in Current Contract Month)

- 1 Party A and Party B shall provide for special provisions about the matters listed in the following Items from viewpoint of certainty of performance of obligations pertaining to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.:
 - (1) To report to Party A, without delay by the date and time designated by Party A, the necessary matters, such as whether or not there is a settlement by delivery relating to the position in the latest contract month contracts held by Party B, status of procurement of the delivery goods;
 - (2) Warehouse receipts (including the documents other than warehouse receipts to be delivered for the Settlement by Delivery) to the sale to be settled by delivery or the date and time of payment of the aggregate trading value relating to purchase; and
 - (3) Cap on the quantity related to the commission of the Brokerage for Clearing of Securities, etc.
- 2 Notwithstanding the provision of the preceding Paragraph, Party A and Party B may provide for special provisions about non-delivery with respect to the position in the latest contract month contracts held by Party B or settlement of positions held by Party B through Offsetting-Sale or Offsetting-Purchase by a certain date specified in advance.
- 3 When Party B breaches any of the special provisions under the preceding two Paragraphs,

Party A may, in order to settle any unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. dispose of positions pertaining to the said unsettled Contracts for Clearing at Party A's discretion and on the account of Party B through Offsetting-Sale or Offsetting-Purchase.

4 The provisions of Paragraph 6 of Article 8 shall apply mutatis mutandis to the case set forth in the preceding Paragraph.

(Article 16. Reports)

1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17. Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18. Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19. Notice of Changes Concerning Notified Matters)

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Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20. Disclaimer)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving notifications or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21. Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22. Reports and the Like Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, Party B shall be deemed to have provided such reports or notification in writing.

(Article 23. Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24. Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or _____ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to

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the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Address:

Party A (Precious Metal Futures Clearing Participant) Trade Name or Name:

Representative: (Seal)

Address:

Party B (Precious Metal Futures Non-Clearing Participant) Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “___ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 19, upon the satisfaction of which this Contract may be terminated, from viewpoint of certainty of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

<Exhibit Form 6>

Contract for Commissioning Clearance Relating to Rubber Futures, Etc.

_____ (hereinafter referred to as "Party A") and _____ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Commodity Futures Contracts and/or Option Contracts on Commodity Futures). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1. Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the Commodity Futures Contracts and the Option Contracts on Commodity Futures (limited to those related to Ribbed Smoked Sheet and Technically Specified Rubber; the same applies hereinafter), out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The contracts which are formed through the exercise of the Option Contracts on Commodity Futures pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The Commodity Futures Contracts and the Option Contracts on Commodity Futures which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2. Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3. Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.
- 2 In the case where Party B has lost its Rubber Futures Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4. Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.
- 2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Rubber Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5. Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6. Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the marking to the market relating to a Commodity Futures Contract (referring to the money in

an amount equal to the difference between the contract price and the settlement price, and the difference between the settlement price on the Trading Day and the settlement price on the immediately preceding Trading Day), money to be paid/received for the settlement relating to warehouse receipt (including the documents other than warehouse receipt to be delivered for the Settlement by Deliver; the same applies hereinafter in this Article), articles and money, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the settlement resulting from the exercise of an option relating to an Index Option Contract, and any and all other securities, warehouse receipts, articles and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7. Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Paragraph 2 of Article 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under laws and regulations of a foreign country.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8. Handling in Cases Involving Suspension of Payment)

1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 In the event that Item (1) of Paragraph 2 of Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc. 3 In the event that any of the Items under Paragraph 2 of Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Option Contracts

on Commodity Futures, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Option Contracts on Commodity Futures, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Option Contracts on Commodity Futures (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.

6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 8-2. Handling in Cases Where Measures to Increase the Collateral are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts

pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall comply with the relevant measures.

(Article 8-3. Offsetting-Sale, Offsetting-Purchase and the Like in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.

2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on Party B's account, relating to Party B's Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.

3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

1 In the case where the Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on Party B's account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for

Clearing of Securities, etc. by [Party B] to [Party A].

2 Even if [Party B] incurs damages as a result of [Party A]'s execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, [Party B] shall not demand any compensation for such damages from [Party A] or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of [Party A] or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9. Offsetting Calculation)

- 1 If [Party B]'s obligations become immediately due and payable pursuant to the provisions of Article 7, and if [Party B] is required to perform its obligations owed to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, [Party A] may set off such obligations against any and all receivables including receivables held by [Party B] against [Party A] relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, [Party A] may also receive a refund of any and all types of deposits on behalf of [Party B] and appropriate them to the performance of the obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest on the receivables and obligations, delay penalty and the like shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivables and obligations and the delay penalty rate applicable to the obligations owed to [Party A] shall be the rates prescribed by [Party A].

(Article 10. Liquidation of Securities Deposited in lieu of Cash)

If [Party B]'s obligations become immediately due and payable pursuant to the provisions of Article 7, [Party A] may, on [Party B]'s account, dispose of the securities or warehouse receipts provided or deposited by [Party B] as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by [Party A] in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom

related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11. Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities and the like in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12. Order of Appropriation in Debt Repayment)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13. Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14. Prohibition against Assignment of Receivables)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15. Termination of Contract)

1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.

2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than ___ month(s) prior to the intended date of termination.

- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; and including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2. Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding

such day which is not a Non-business Day) immediately preceding the intended date of termination.

- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party the written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-Business Day, the immediately preceding Business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 15-3. Special Provision for Settlement of Positions in Current Contract Month)

- 1 Party A and Party B shall provide for special provisions about the matters listed in the following Items from viewpoint of certainty of performance of obligations pertaining to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.:
 - (1) To report to Party A, without delay by the date and time designated by Party A, the necessary matters, such as whether or not there is a settlement by delivery relating to the position in the latest contract month contracts held by Party B, status of procurement of the delivery goods;
 - (2) Warehouse receipts (including the documents other than warehouse receipts to be delivered for the Settlement by Delivery) to the sale to be settled by delivery or the date and time of payment of the aggregate trading value relating to purchase; and
 - (3) Cap on the quantity related to the commission of the Brokerage for Clearing of Securities, etc.
- 2 Notwithstanding the provision of the preceding Paragraph, Party A and Party B may provide for special provisions about non-delivery with respect to the position in the latest contract month contracts held by Party B or settlement of positions held by Party B through Offsetting-Sale or Offsetting-Purchase by a certain date specified in advance.

- 3 When Party B breaches any of the special provisions under the preceding two Paragraphs, Party A may, in order to settle any unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. dispose of positions pertaining to the said unsettled Contracts for Clearing at Party A's discretion and on the account of Party B through Offsetting-Sale or Offsetting-Purchase.
- 4 The provisions of Paragraph 6 of Article 8 shall apply mutatis mutandis to the case set forth in the preceding Paragraph.

(Article 16. Reports)

- 1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17. Obligations of Party B)

- Party B shall provide Party A with notice concerning the matters set forth in the following Items:
- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18. Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19. Notice of Changes Concerning Notified Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20. Disclaimer)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving notifications or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21. Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22. Reports and the Like Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In this case, Party B shall be deemed to have provided such information by a written report or notification.

(Article 23. Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24. Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or _____

Reference Translation

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branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (Rubber Futures Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

Party B (Rubber Futures Non-Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “___ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 19, upon the satisfaction of which this Contract may be terminated, from viewpoint of certainty of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

<Exhibit Form 7>

Contract for Commissioning Clearance Relating to Agricultural Futures, etc.

_____ (hereinafter referred to as "Party A") and _____ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Commodity Futures Contracts and/or Option Contracts on Commodity Futures). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1. Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the Commodity Futures Contracts and the Option Contracts on Commodity Futures (limited to those related to Soybeans, Azuki and Corn; the same applies hereinafter), out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The contracts which are formed through the exercise of the Option Contracts on Commodity Futures pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The Commodity Futures Contracts and the Option Contracts on Commodity Futures which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2. Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3. Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall

take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.

2 In the case where Party B has lost its Agricultural Futures Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4. Transfer of Unsettled Contracts upon Change of Designation, etc.)

1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.

2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Agricultural Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5. Execution of Buying/Selling Contracts, etc.)

1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.

2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6. Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the marking to the market relating to a Commodity Futures Contract (referring to the money in an amount equal to the difference between the contract price and the settlement price, and the difference between the settlement price on the Trading Day and the settlement price on the

immediately preceding Trading Day), money to be paid/received for the settlement relating to warehouse receipt (including the documents other than warehouse receipt to be delivered for the Settlement by Deliver; the same applies hereinafter in this Article), articles and money, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the settlement resulting from the exercise of an option relating to an Index Option Contract, and any and all other securities, warehouse receipts, articles and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7. Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Paragraph 2 of Article 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under laws and regulations of a foreign country.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in

connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8. Handling in Cases Involving Suspension of Payment)

1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 In the event that Item (1) of Paragraph 2 of Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.

3 In the event that any of the Items under Paragraph 2 of Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Option Contracts on Commodity Futures, which are necessary for settlement of all of the contracts pertaining to Party B's Subject

Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Option Contracts on Commodity Futures, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Option Contracts on Commodity Futures (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 8-2. Handling in Cases Where Measures to Increase the Collateral are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall comply with the relevant measures.

(Article 8-3. Offsetting-Sale, Offsetting-Purchase and the Like in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

- 1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on Party B's account, relating to Party B's Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.
- 3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

- 1 In the case where the Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on Party B's account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by Party B to Party A.
- 2 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or

Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9. Offsetting Calculation)

- 1 If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, and if Party B is required to perform its obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, Party A may set off such obligations against any and all receivables including receivables held by Party B against Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, Party A may also receive a refund of any and all types of deposits on behalf of Party B and appropriate them to the performance of the obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest on the receivables and obligations, delay penalty and the like shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivables and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10. Liquidation of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities or warehouse receipts provided or deposited by Party B as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation

of the proceeds, Party B shall immediately perform such obligation.

(Article 11. Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities and the like in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12. Order of Appropriation in Debt Repayment)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13. Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14. Prohibition against Assignment of Receivables)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15. Termination of Contract)

1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.

2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than ___ month(s) prior to the intended date of termination.

3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A

may terminate this Contract.

4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.

5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; and including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).

6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2. Special Termination)

1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.

- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party the written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-Business Day, the immediately preceding Business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 15-3. Special Provision for Settlement of Positions in Current Contract Month)

- 1 Party A and Party B shall provide for special provisions about the matters listed in the following Items from viewpoint of certainty of performance of obligations pertaining to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.:
 - (1) To report to Party A, without delay by the date and time designated by Party A, the necessary matters, such as whether or not there is a settlement by delivery relating to the position in the latest contract month contracts held by Party B, status of procurement of the delivery goods;
 - (2) Warehouse receipts (including the documents other than warehouse receipts to be delivered for the Settlement by Delivery) to the sale to be settled by delivery or the date and time of payment of the aggregate trading value relating to purchase; and
 - (3) Cap on the quantity related to the commission of the Brokerage for Clearing of Securities, etc.
- 2 Notwithstanding the provision of the preceding Paragraph, Party A and Party B may provide for special provisions about non-delivery with respect to the position in the latest contract month contracts held by Party B or settlement of positions held by Party B through Offsetting-Sale or Offsetting-Purchase by a certain date specified in advance.
- 3 When Party B breaches any of the special provisions under the preceding two Paragraphs, Party A may, in order to settle any unsettled Contracts for Clearing pertaining to Party B's

Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. dispose of positions pertaining to the said unsettled Contracts for Clearing at Party A's discretion and on the account of Party B through Offsetting-Sale or Offsetting-Purchase.

4 The provisions of Paragraph 6 of Article 8 shall apply mutatis mutandis to the case set forth in the preceding Paragraph.

(Article 16. Reports)

1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17. Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18. Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19. Notice of Changes Concerning Notified Matters)

Whenever any change is made to Party B's trade name or name, representative, seal

impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20. Disclaimer)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving notifications or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21. Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22. Reports and the Like Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In this case, Party B shall be deemed to have provided such information by a written report or notification.

(Article 23. Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24. Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or _____ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities,

Reference Translation

Handling of Business Rules
Contract for Commissioning Clearance Relating to Agricultural Futures, etc.

etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Address:

Party A (Agricultural Futures Clearing Participant)

Trade Name or Name:

Representative: (Seal)

Address:

Party B (Agricultural Futures Non-Clearing Participant)

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “___ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 19, upon the satisfaction of which this Contract may be terminated, from viewpoint of certainty of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

<Exhibit: Form 8>

Contract for Commissioning Clearance Relating to Petroleum Futures, Etc.

_____ (hereinafter referred to as "Party A") and _____ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Index Futures Contracts). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1: Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the Index Futures Contracts (limited to those related to index related to Commodity (referring to commodities stipulated in Item (3)-3 of Paragraph 24 of Article 2 of the Act); the same applies hereinafter) (limited to those related to Gasoline, Gas Oil and Crude Oil), out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The Subject Contracts which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2: Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3: Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.
- 2 In the case where Party B has lost its Petroleum Futures Clearing Qualification, if Party B

designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4: Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.
- 2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Petroleum Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5: Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6: Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the money to be paid/received for the marking to the market relating to a Subject Contract (referring to the money in an amount equal to the difference between the contract price index and the clearing price index, and the difference between the clearing price index on the Trading Day and the clearing price index on the immediately preceding Trading Day), money to be paid/received for the final settlement relating to a Subject Contract, and any and all other securities and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7: Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Article 2, Paragraph 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under foreign laws and regulations.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which

is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8: Handling in Cases Involving Suspension of Payment, etc.)

- 1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 In the event that Item (1) of Paragraph 2 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 3 In the event that any of the Items under Paragraph 2 of the preceding Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.

6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 8-2: Handling in Cases Where Measures to Increase the Collateral, etc., are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall comply with the relevant measures.

(Article 8-3: Offsetting-Sale, Offsetting-Purchase, etc. in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.

2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts (including the commission thereof) on Party B's account, in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.

3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that Party A or JSCC is deemed to have committed intentional misconduct or gross negligence, the foregoing shall

not apply to any demand made against the person who committed such intentional misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

1 In the case where the [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76-4 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale or Offsetting-Purchase (including the commission thereof) relating to the Subject Contracts on [Party B]'s account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by [Party B] to [Party A].

2 Even if Party B incurs damages as a result of [Party A]'s execution of the Offsetting-Sale or Offsetting-Purchase (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, [Party B] shall not demand any compensation for such damages from [Party A] or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of [Party A] or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9. Offsetting Calculation)

1 If [Party B]'s obligations become immediately due and payable pursuant to the provisions of Article 7, and if [Party B] is required to perform its obligations owed to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, [Party A] may set off such obligations against any and all receivables including receivables held by [Party B] against [Party A] relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.

2 When the setoff set forth in the preceding Paragraph is available, [Party A] may also receive a refund of any and all types of deposits on behalf of [Party B] and appropriate them to the performance of obligations without prior notice and without following prescribed procedures.

3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest of the receivable and obligations, delay penalty, etc. shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivable and obligations and the delay penalty rate applicable to the obligations owed to [Party A] shall be the rates prescribed by [Party A].

(Article 10: Disposition of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities provided or deposited by Party B as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11: Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities, etc. in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12: Order of Appropriation in Debt Repayment, etc.)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13: Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14: Prohibition against Assignment of Receivables, etc.)

[Party B] shall not assign or pledge any of the receivables which [Party B] has against [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15: Termination of Contract)

- 1 [Party A] and [Party B] may, upon mutual consultation, terminate this Contract by mutual agreement.
- 2 In addition to the provisions of the preceding Paragraph, each of [Party A] and [Party B] shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than ___ month(s) prior to the intended date of termination.
- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to [Party B], [Party A] may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, [Party A] shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after [Party A]'s issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts when the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts is executed).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if [Party A] fails to provide the notice set forth in Paragraph 4.

(Article 15-2: Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that [Party A] and [Party B] have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage

for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.

- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale or Offsetting-Purchase relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 16: Reports)

- 1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17: Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit

agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and

- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18: Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19: Notice of Changes Concerning Reported Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20: Release of Liability)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving reports or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21: Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22: Reports, etc. Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (other than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, Party B shall be deemed to have provided such reports or notification in writing.

(Article 23: Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24: Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or _____ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (Petroleum Futures Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

Address:

Party B (Petroleum Futures Non-Clearing Participant)

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “___ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 15-2, upon the

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satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

=End=

<Exhibit: Form 9>

Contract for Commissioning FX Clearance

_____ (hereinafter referred to as "Party A") and _____ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Exchange FX Contracts). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1: Contracts Subject to Brokerage for Clearing of Securities, etc.)

The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the Exchange FX Contracts, out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.

(Article 2: Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3: Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.
- 2 In the case where Party B has lost its FX Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4: Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities,

etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.

- 2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the FX Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5: Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6: Clearance Brokerage Accounts)

The Margin (limited to those relating to the Exchange FX Contracts), the Margin of the FX Non-Clearing Participant, and any and all other securities and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7: Acceleration of Performance of Obligations)

- 1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:
 - (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
 - (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an

Electronic Monetary Claim Recording Institution defined in Article 2, Paragraph 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;

- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under foreign laws and regulations.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8: Handling in Cases Involving Suspension of Payment, etc.)

1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or an Offsetting-Purchase relating to the Exchange FX Contracts (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 In the event that Item (1) of Paragraph 2 of the preceding Article applies to Party B, Party A

may, in its discretion, execute an Offsetting-Sale or an Offsetting-Purchase relating to the Exchange FX Contracts (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.

- 3 In the event that any of the Items under Paragraph 2 of the preceding Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Exchange FX Contracts, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Exchange FX Contracts, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase relating to the Exchange FX Contracts (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Exchange FX Contracts (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Exchange FX Contracts (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 8-2: Handling in Cases Where Measures to Increase the Collateral, etc., are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the

Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall comply with the relevant measures.

(Article 8-3: Offsetting-Sale, Offsetting-Purchase, etc. in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

- 1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase (including the commission thereof) on Party B's account, relating to Party B's Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.
- 3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that Party A or JSCC is deemed to have committed intentional misconduct or gross negligence, the foregoing shall not apply to any demand made against the person who committed such intentional misconduct or gross negligence.

(Article 9: Offsetting Calculation)

- 1 If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, and if Party B is required to perform its obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, Party A may set off such obligations against any and all receivables including receivables held by Party B against Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, Party A may also receive a refund of any and all types of deposits on behalf of Party B and appropriate them to the performance of obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest of the receivable and obligations, delay penalty, etc. shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivable and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10: Disposition of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities provided or deposited by Party B as the Margin or Margin of the FX Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11: Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities, etc. in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12: Order of Appropriation in Debt Repayment, etc.)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13: Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14: Prohibition against Assignment of Receivables, etc.)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15: Termination of Contract)

- 1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.
- 2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than ___ month(s) prior to the intended date of termination.
- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.

- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the Offsetting-Sale or Offsetting-Purchase relating to the Exchange FX Contracts (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; and including when the Offsetting-Sale or Offsetting-Purchase relating to the Exchange FX Contracts (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2: Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.
- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale or Offsetting-Purchase relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 16: Reports)

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- 1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17: Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18: Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19: Notice of Changes Concerning Reported Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20: Release of Liability)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.

Reference Translation

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3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving reports or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21: Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22: Reports, etc. Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (other than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, Party B shall be deemed to have provided such reports or notification in writing.

(Article 23: Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24: Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or _____ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (FX Clearing Participant)

Address:

Trade Name or Name:

Reference Translation

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Representative: (Seal)

Address:

Party B (FX Non-Clearing Participant)

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “___ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 15-2, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

(Article 1 Purpose)

These Rules set forth necessary matters concerning the fees JSCC collects in accordance with the provisions of Article 15 and Article 84 of the Business Rules.

(Article 2 Clearing Fees)

- 1 A Clearing Participant shall pay clearing fees to JSCC.
- 2 The clearing fees (monthly fees) stipulated in the preceding Paragraph shall be as stipulated in the Appendix attached hereto.
- 3 Notwithstanding the provisions of the preceding Paragraph, so long as the measures to avoid reduction in JSCC's profit are taken, JSCC may change the clearing fee rates and the like stipulated in the Appendix or offer rebate of the clearing fees for a certain period of time as separately prescribed by JSCC. In this case, notification to that effect must be given to Clearing Participants.

(Article 2-2 Fixed Fee)

- 1 A Clearing Participant, etc. shall pay a fixed fee to JSCC.
- 2 The fixed fee (monthly fees) set forth in the preceding Paragraph shall be the amount stipulated in the applicable Item [below](#) with [respect to](#) the types of Clearing [Participants](#), etc. [prescribed in the following Items](#):

- (1) Clearing Participant with Securities Clearing Qualification;
130,000 yen*¹
(*¹ Provided, however, obligation is assumed pursuant to the provisions of Item (4) or Item (5) of Paragraph 1 of Article 46 of the Business Rules in the same month, 50,000 yen is added.)
- (2) Clearing Participant with JGB Futures Clearing Qualification;
100,000 yen
- (3) Clearing Participant with Index Futures Clearing Qualification; and
120,000 yen
- (4) Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification:
50,000 yen regardless the number of Clearing Qualifications under this Item held by the relevant Clearing Participant
- (5) Clearing Participant with ETF Special Clearing Qualification
50,000 yen
- (6) Registered ETF Trust Bank
50,000 yen

(Article 3 Fees for Settlement)

1 A Clearing Participant^{*1} shall pay to JSCC the amount equivalent to the fee that JSCC pays JASDEC for the settlement of the Contracts for Clearing in JSCC for the Securities Eligible for DVP Settlements^{*2}.

(*¹ excluding ETF Special Clearing Participant)

(*² hereinafter referred to as “Fees for Settlement”)

2 A Registered ETF Trust Bank shall pay to JSCC the amount equivalent to the fee that JSCC pays JASDEC as the Fees for Settlement for the ETF Special Clearing Participant's settlement of the Contracts for Clearing pursuant to Paragraph 3 of Article 56 of the Business Rules.

3. Fees for Settlement shall be the amount determined by JASDEC, which is calculated by JASDEC for each of its participants or Registered ETF Trust Banks as a Book-Entry Transfer Fee relating to the settlement of JSCC.

(Article 3-2 Fees for Position Transfer)

1 In the case where Position Transfer is completed pursuant to the provisions of Paragraph 1 of Article 73-44 of the Business Rules, a Clearing Participant to whom such Position is transferred^{*1} shall pay the amount obtained by multiplying the amount of Position pertaining to such Position Transfer by 5 yen to JSCC.

(*¹ in the case where it is a Non-Clearing Participant, referring to the Designated Clearing Participant of such Non-Clearing Participant)

2 In the case where an Agency Clearing Participant obtains an approval from JSCC concerning a Position Transfer pursuant to the provisions of Paragraph 5 of Article 73-44^{*1}, such Agency Clearing Participant shall pay to JSCC the amount obtained by multiplying the amount of Position pertaining to such Position Transfer by 5 yen.

(*¹ excluding the case where Position Transfer is completed pursuant to the provisions of Paragraph 1 of the same Article)

(Article 3-3. Inspection Fees and Weight Inspection Fees related to RSS)

1 When JSCC conducted an inspection or a weight inspection related to RSS pursuant to the provisions of Paragraph 1 of Article 27 of the Handling of Business Rules, the Delivering Rubber Futures Clearing Participant^{*1} shall pay to JSCC the inspection fees or the weight inspection fees set forth below and actual costs required; provided, however, that if JSCC conducted the inspection or the weight inspection on the inspection day prescribed by JSCC that is before the Last Trading

Day of each contract month contract, the inspection fees or the weight inspection fees shall be half of the amount set forth in below Items, and if JSCC conducted the inspection or the weight inspection on an ad hoc basis upon a Clearing Participant's request on a day other than the inspection day prescribed by JSCC, the inspection fees or the weight inspection fees shall be 1.5 times of the amount prescribed in each of the below Items:

(*1 excluding the case prescribed in the following Paragraph)

(1) Inspection Fees

a. In case of the first inspection:

Where the delivery lot subject to inspection is up to 24 delivery units: 18,000 yen

Where the delivery lot subject to inspection exceeds 24 delivery units: plus 4,000 yen per additional 12 delivery units

b. In case of re-inspection:

10,000 yen per delivery lot subject to inspection

(2) Weight Inspection Fee: 10,000 per delivery lot subject to inspection

2 With respect to the payment of the fees set forth in the preceding Paragraph, when JSCC conducted a weight inspection for the claim of deficiency by the Receiving Rubber Futures Clearing Participant set forth in Paragraph 2 of Article 26 of the Handling of Business Rules, if it recognized no deficiency and rejected the claim, the Receiving Rubber Futures Clearing Participant shall pay to JSCC the weight inspection fees and the actual costs required.

(Article 3-4. Inspection Fees related to Azuki)

1 When JSCC conducted an advance requested inspection related to Azuki pursuant to the provisions of Article 35 of the Handling of Business Rules, the Agricultural Futures Clearing Participant requested such inspection shall pay the advance requested inspection fees of 1,200 yen per delivery unit respectively for the inspection of quality, weight and packaging.

2 Notwithstanding the provisions of Paragraph 2 of Article 36 of the Handling of Business Rules, when the Receiving Agricultural Futures Clearing Participant released the delivery goods or performed collection on the instrument, the claim of deficiency shall be void and the inspection fees in the amount of 1,200 yen per delivery unit respectively for the inspection of quality, weight and packaging shall be borne by the Receiving Agricultural Futures Clearing Participant.

3 When JSCC conducted the inspection of the delivery goods related to Azuki pursuant to the provisions of Paragraph 1 of Article 37 of the Handling of Business

Rules, either the Delivering Agricultural Futures Clearing Participant or the Receiving Agricultural Futures Clearing Participant, as applicable pursuant to the provisions of Paragraph 4 of the said Article, shall pay to JSCC the inspection fees in the amount of 1,200 yen per delivery unit respectively for the inspection of quality, weight and packaging.

(Article 4 Issue Management Fees)

1 A Designated Market Operator shall pay issue management fees to JSCC.

2 The issue management fees (monthly fees) set forth in the preceding Paragraph which are to be paid by a Designated Market Operator operating Financial Instruments Exchange Market shall be the total amount of each Items below, with respect to the type of contracts prescribed in the following Items:

(1) Contracts prescribed in Item (1) of Paragraph 2 of Article 3 of the Business Rules; and With respect to the issues prescribed in A) and B) below, the total amount of said A) and B):

A) Issues relating to domestic stocks, domestic Convertible Bonds or Japanese Government Bonds; and^{*1}

(*¹ excluding issues relating to When-Issued Transaction)

The amount obtained by multiplying the total sum of the number of listed descriptions pertaining to the relevant issues of each Designated Market Operator^{*1}, as of the end of the month^{*2} for all Designated Market Operators, by 4,500 yen, and then prorating the resulting product by the price of the buying/selling of those issues^{*3} in the Financial Instruments Exchange Market operated by each Designated Market Operator for either the six months preceding the end of June immediately preceding the relevant month, or for the six months preceding the end of December immediately preceding the relevant month; provided, however, that if such amount is less than 50,000 yen, the fee shall be 50,000 yen.

(*¹ referring to the number of descriptions of listed securities that is subject to the obligation assumption of JSCC; the same shall apply hereinafter in B) below)

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

(*³ excluding the prices of the buying/selling relating to those of underlying securities resulting from an exercise of the option under Security Option Contract at the relevant Financial Instruments Exchange Market)

B) Issues other than those set forth in the preceding A).

The amount obtained by multiplying the number of listed descriptions pertaining to the relevant issues of each Designated Market Operator as of the end of the month by

4,500 yen.

- (2) Contracts [prescribed in Item \(2\)](#) through Item (6)-3 and Item (11) of Paragraph 2 of Article 3 of the Business Rules.

With respect to the issues [prescribed](#) in A) through H) below, [the](#) total [amount of said](#) A) through E):

- A) Issues relating to contracts [prescribed](#) in Item (2) of Paragraph 2 of Article 3 of the Business Rules;

The amount obtained by multiplying the number of issues of the underlying securities*¹ pertaining to the relevant contracts of each Designated Market Operator as of the end of the month by 60,000 yen.

(*¹ excluding issues for which the contract month contract is not set)

- B) Issues relating to contracts [prescribed](#) in Item (3) of Paragraph 2 of Article 3 of the Business Rules;

The amount obtained by multiplying the number of standardized instruments and the prices of such standardized instruments*¹ pertaining to the relevant contracts of each Designated Market Operator as of the end of the month by 60,000 yen.

(*¹ excluding those for which the contract month contract is not set)

- C) Issues relating to contracts [prescribed](#) in Item (4) of Paragraph 2 of Article 3 of the Business Rules;

The amount obtained by multiplying the number of standardized instruments of the underlying JGB Futures Contract*¹ pertaining to the relevant contracts of each Designated Market Operator as of the end of the month by 60,000 yen.

(*¹ excluding those for which the contract month contract is not set)

- D) Issues relating to contracts [prescribed](#) in Item (4)-2 of Paragraph 2 of Article 3 of the Business Rules

The amount obtained by multiplying the number of the financial indicator*¹ pertaining to the relevant contracts of each Designated Market Operator as of the end of the month by 60,000 yen.

(*¹ excluding those for which the contract month contract is not set)

- E) Issues relating to contracts [prescribed](#) in Item (5) of Paragraph 2 of Article 3 of the Business Rules; [and](#)

The amount obtained by multiplying the number of the underlying index*¹*² pertaining to the relevant contracts of each Designated Market Operator as of the end of the month by 60,000 yen.

(*¹ with respect to an underlying index for which multiple Trading [Units are](#) set, the number of the types of Trading Unit set)

(*² excluding those for which the contract month contract is not set)

- F) Issues relating to contracts [prescribed](#) in Item (6) of Paragraph 2 of Article 3 of the

Business Rules.

The amount obtained by multiplying the number of underlying index^{*1,2} pertaining to the relevant contracts of each Designated Market Operator as of the end of the month by 60,000 yen.

(*1 with respect to an underlying index for which multiple Trading Units are set, the number of the types of Trading Unit set)

(*2 excluding those for which the contract month contract is not set)

G) Issues relating contracts prescribed in Item (6)-2 of Paragraph 2 of Article 3 of the Business Rules.

The amount obtained by multiplying the number of the underlying commodities^{*1} pertaining to the relevant contracts of each Designated Market Operator as of the end of the month by 60,000 yen.

(*1 excluding those for which the contract month contract is not set)

H) Issues relating contracts prescribed in Item (6)-3 of Paragraph 2 of Article 3 of the Business Rules.

The amount obtained by multiplying the number of the underlying commodities^{*1} pertaining to the relevant contracts of each Designated Market Operator as of the end of the month by 60,000 yen.

(*1 excluding those for which the contract month contract is not set)

3 The issue management fees (monthly fees) set forth in Paragraph 1 to be paid by a Designated Market Operator other than those operating Financial Instruments Exchange Market shall be the total amount of each Item below:

- (1) 50,000 yen; and
- (2) The amount obtained by multiplying the number prescribed in A) below by 0.001, and then multiplying the resulting product^{*1} by the amount prescribed in B) below:
 - (*1 any fractional amount less than 1 shall be rounded down)
 - A) The number obtained by subtracting 1 from the number of issues in the Proprietary Trading System operation of each Designated Market Operator as of the end of month; and
 - B) 100,000 yen.

(Article 5 Fee for Handling New Instruments)

A Designated Market Operator shall pay to JSCC a fee for handling new instruments in the amount equivalent to the expense that JSCC temporarily bears for the addition of Contract Subject to Clearing and/or other system changes due to a request of the relevant Designated Market Operator; provided, however, that with respect to the fee for handling new instruments, in the event that same system changes, etc. are to be made within one year from the relevant system changes, etc., JSCC shall set the fee on a case-by-case basis.

(Article 6 Payment Date, etc. of Fees)

1 The payment date of the fees to JSCC stipulated in Article 2 through Article 4 shall be the twentieth*¹ day of each month, and the fees for the immediately preceding month shall be paid together with the corresponding consumption tax and local consumption tax.

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

2 The payment date of the fee for adopting new products prescribed in the preceding Article shall be set by JSCC on a case-by-case basis, and the fee shall be paid together with the corresponding consumption tax and local consumption tax.

Supplementary Provisions

- 1 These Rules shall come into effect on January 14, 2003.
- 2 With respect to the application of the provisions of Paragraph 2 of Article 3 to the issue management fees for January 2003, the phrase “by 4,500 yen” shall be deemed to be “by 4,500 yen, and then multiplying the resulting product by the ratio of the number of business days on and after January 14, [2003, relative to](#) the [total](#) number of whole business days in the same month”.
- 3 With respect to the application of the provisions of Paragraph 2 of Article 4 to the clearing fees for January 2003, the words “every month” in the same Paragraph shall be deemed to be “formed from January 14, [2003](#), to the end of January of the same year in the Designated Securities Market.” In such case, with respect to the price of buying/selling prescribed in Item (1) of the same Paragraph pertaining to When-Issued [Transactions](#), the contracts [that are](#) subject to the obligation assumption of JSCC and have been formed by the end of January 2003 shall be treated as the price of the buying/selling, and the price of the buying/selling pertaining to those which had been formed on or before January 10, [2003](#), in the Designated Securities Market and is to be subject to the obligation assumption of JSCC on or after January 14, [2003](#), shall be included.
- 4 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)*¹ 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.
(¹ [hereinafter](#) referred to as the “Law Amending Commercial Code, Etc.” in this Supplementary Provisions)
- 5 The certificate of subscription right, which is issued in conjunction with the [corporate bonds](#) with stock acquisition rights set forth in the immediately preceding Paragraph pursuant to Paragraph 1 of Article 341-13 of the Commercial Code as it existed prior to the amendment made under the Law Amending Commercial Code, Etc., shall be regarded as a [certificate of stock acquisition rights](#), and these Rules shall be applied to it accordingly.

Supplementary Provisions

These revised Rules shall come into effect on January 27, 2003.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2003.

Supplementary Provisions

These revised Rules shall come into effect on November 4, 2003.

Supplementary Provisions

1 These revised Rules shall come into effect on February 2, 2004.

2 With respect to the application of the provisions of Item (2) through Item (6) of Paragraph 2 of Article 2 to the clearing fees for February 2004, the obligations that are assumed pursuant to the provisions of Paragraph 6 of the Supplementary Provisions February 2, [2004](#), of the Business Rules shall not be included.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2004.

Supplementary Provisions

1 These revised Rules shall come into effect on August 1, 2004 and shall apply to the fees for settlement on or after April 1 in the same year; [provided](#), however, that with respect to settlement conducted from April 1 in the same year to the day prescribed by JSCC, a Clearing Participant shall pay to JSCC the amount equivalent to the fees for settlement that is stipulated in Paragraph 2 of Article 3 of these Rules as it existed prior to this revision.

2 In the event that the amount equivalent to the fees for settlement that is paid to JSCC by a Clearing Participant pursuant to the provisions of the proviso of the preceding Paragraph exceeds the amount of the fees for settlement prescribed in revised Paragraph 2 of Article 3, JSCC shall [return such excess amount](#) to a Clearing Participant in accordance with the rules prescribed by JSCC.

Supplementary Provisions

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

2 With respect to the application of the provisions of A) of Item (1) of Paragraph 2 of Article 4 to the issue management fees for December 2004 through June 2005, the price of

selling/buying the relevant issue in the OTC market operated by the Japan Securities Dealers Association shall be deemed to constitute the price of selling/buying the relevant issue in Jasadq Securities Exchange, Inc.

*The date set by JSCC is December 13, 2004.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2005.

Supplementary Provisions

These revised Rules shall come into effect on January 10, 2006.

Supplementary Provisions

These revised Rules shall come into effect on January 30, 2006.

Supplementary Provisions

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

Supplementary Provisions

1 These revised Rules shall come into effect on October 1, [2006](#).

2 With respect to the provisions of Item (1) and Item (7) of Paragraph 2 of Article 2 and the provisions of Paragraph 2 of Article 2-2, the rate "[0.000004](#)," "2.95 yen" and "0.004 yen" in Item (1) of Paragraph 2 of Article 2 shall be deemed to be "[0.0000052](#)," "1 yen" and "0.0052 yen" respectively; the rate "0.00000135" and "2.95 yen" in Item (7) of the same Paragraph shall be deemed to be "0.00000145" and "1 yen" respectively, and the rate "130,000 yen" in Paragraph 2 of Article 2-2 shall be deemed to be "50,000 yen" for the period from the day on which these revised Rules come into effect to September 30, 2007; and the rate "[0.000004](#)," "2.95 yen" and "0.004 yen" in Item (1) of Paragraph 2 of Article 2 shall be deemed to be "[0.0000046](#)," "2 yen" and "0.0046 yen" respectively; the rate "0.00000135" and "2.95 yen" in Item (7) of the same Paragraph shall be deemed to be "0.0000014" and "2 yen" respectively, and the rate "130,000 yen" in Paragraph 2 of Article 2-2 shall be deemed to be as "90,000 yen" for the period from October 1, 2007 to September 30, 2008.

3 The provisions of Item (1) of Paragraph 2 of Article 2-2 shall, [for the time being](#), not apply

to a Clearing Participant whose total amount of clearing fees calculated in accordance with the provisions of Item (1) and Item (7) of Paragraph 2 of Article 2 is not more than 260,000 yen.

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

- 1 These revised Rules shall come into effect on the day set by JSCC*.
- 2 For the period from the day on which these revised Rules come into effect to September 30, 2010, upon a calculation of clearing fees (monthly fee) for the contracts listed in revised A) of Item (5) of Paragraph 2 of Article 2, the amount obtained by multiplying the quantity of the contracts, which is subject to the obligation assumption of JSCC in the relevant month, by 2 yen per Trading Unit shall be subtracted from the amount prescribed in revised A) (a) of the same Item, and the amount obtained by multiplying the quantity pertaining to the final settlement on the relevant month by 6 yen per Trading Unit shall be subtracted from the amount prescribed in revised A) (b) of the same Item.
- 3 With respect to the provisions of Item (2) of Paragraph 2 of Article 2-2, the rate “100,000 yen” in the same Item shall be deemed to be “30,000 yen” for the period from the day on which these revised Rules come into effect to September 30, 2010, and shall be deemed

to be “60,000 yen” for the period from October 1, 2010 to September 30, 2011.

4 The provisions of Item (2) of Paragraph 2 of Article 2-2 shall, for the time being, not apply to a Clearing Participant whose total amount of clearing fees calculated in accordance with the provisions of Item (2) through Item (6) of Paragraph 2 of Article 2 is not more than 200,000 yen.

*The date set by JSCC is November 1, 2009.

Supplementary Provisions

These revised Rules shall come into effect on July 16, 2010.

Supplementary Provisions

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

Supplementary Provisions

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

2 With respect to the application of the provisions of Article 2 to the clearing fees for July 2013, the obligations that are assumed pursuant to the provisions of Paragraph 8 of the Supplementary Provisions July 16, 2013 of the Business Rules shall not be included.

3 Notwithstanding the provisions of the preceding paragraph, among the contracts executed on a Trading Day ending on July 16, 2013 on Osaka Securities Exchange Co., Ltd., those executed before July 16 shall be deemed to be executed on July 16 and the provisions as revised shall be applied to such contracts.

4 Among the Exchange FX Contracts executed on a Trading Day ending on July 16, 2013 on Osaka Securities Exchange Co., Ltd., the Clearing Fees set forth in Paragraph 3 of the Schedule shall not be applied to those executed on July 16.

5 Notwithstanding the provisions of Paragraph 2 of Article 2-2 as revised, the fixed fee for July 2013 for the Clearing Participants other than the Securities Clearing Participants shall be as prescribed in each Item below:

(1) Clearing Participant holding either Security Option Clearing Qualification, JGB Futures Clearing Qualification or Index Futures Clearing Qualification during the period from July 1, 2013 to July 15, 2013

48,387 yen^{*1}

(^{*1} In the case where the aggregate amount of clearing fees^{*1-1} for the Contracts Subject to Clearing set forth in Item (2) through Item (6) of Paragraph 2 of Article 3 of the Business Rules in July 2013 is not more than 200,000 yen, 0 yen)

(^{*1-1} limited to those concerning the securities in the Financial Instruments Market

operated by the Designated Market Operator set forth in Paragraph 1 of Article 2 of the Handling of Business Rules)

(2) Clearing Participant holding JFB Futures Clearing Qualification during the period from July 16, 2013 to July 31, 2013

51,612 yen^{*1}

(*1 In the case where the aggregate amount of clearing fees^{*1-1} for the Contracts Subject to Clearing set forth in Item (3) and Item (4) of Paragraph 2 of Article 3 of the Business Rules in July 2013 is not more than 100,000 yen, 0 yen)

(3) Clearing Participant holding Index Futures Clearing Qualification during the period from July 16, 2013 to July 31, 2013

61,935 yen^{*1}

(*1 In the case where the aggregate amount of clearing fees^{*1-1} for the Contracts Subject to Clearing set forth in Item (2), Item (5) and Item (6) of Paragraph 2 of Article 3 of the Business Rules in July 2013 is not more than 100,000 yen, 0 yen)

(4) Clearing Participant holding FX Clearing Qualification during the period from July 16, 2013 to July 31, 2013

10,323 yen

6 The provisions of Item (2) of Paragraph 2 of Article 2-2 as revised shall not be applied to the Clearing Participants whose aggregate amount of clearing fees for the Contracts Subject to Clearing set forth in Item (3) and Item (4) of Paragraph 2 of Article 3 of the Business Rules calculated in accordance with the Appendix attached hereto is not more than 100,000 yen for August 2013 and thereafter for the time being.

7 The provisions of Item (3) of Paragraph 2 of Article 2-2 as revised shall not be applied to the Clearing Participants whose aggregate amount of clearing fees for the Contracts Subject to Clearing set forth in Item (2), Item (5) and Item (6) of Paragraph 2 of Article 3 of the Business Rules calculated in accordance with the Appendix attached hereto is not more than 100,000 yen for August 2013 and thereafter for the time being.

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

- 1 These revised Business Rules shall come into effect on the date set by JSCC*.
- 2 Notwithstanding the provisions of Paragraph 2 of Article 2-2 as revised, the fixed fee for October 2014 for the Clearing Participants holding FX Clearing Qualification shall be 17,419 yen.

*The date set by JSCC on Paragraph 1 is November 21, 2014.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on November 25, 2014; provided, however, the revised provisions of Article 6 shall come into effect on the date set by JSCC*.
- 2 Notwithstanding the provisions of the main text 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 November 25, 2014.

*The date set by JSCC on Paragraph 1 is November 30, 2014.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on May 25, 2015.
- 2 Notwithstanding the provisions of the main text 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 May 25, 2015.

Supplementary Provisions

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

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2016.

Supplementary Provisions

- 1 These revised 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 set by JSCC which is not earlier than July 19, 2016.

Supplementary Provisions

These revised Rules shall come into effect on February 28, 2017 in respect to the revisions in Item 1 of Appendix and on March 1, 2017 in respect of the revisions in Item 2 of Appendix.

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 October 1, 2018.

Supplementary Provisions

- 1 These revised Rules shall come into effect on July 27, 2020; provided, however, that the revision of Paragraph 2 of Article 4 shall come into effect on August 1, 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 Item (4) of Paragraph 2 of Article 2-2, as revised, the Fixed Fee for July 2020 related to the Precious Metal Futures Clearing Qualification, the Rubber Futures Clearing Qualification or the Agricultural Futures Clearing Qualification shall be 8,064 yen^{*1}.

(*1 if the sum of the clearing fees related to the Contracts Subject to Clearing listed in Item (6)-2 and Item (6)-3 of Paragraph 2 of Article 3 of the Business Rules and the clearing fees related to the contracts subject to clearing listed in Item (1) and Item (2) of Article 2 of the Business Rules on Business of Assuming Commodity Transaction Debts for July 2020 is equal to or less than 100,000 yen, 0 yen)

4 The provisions of Item (4) of Paragraph 2 of Article 2-2, as revised, shall not apply, for the time being for the fees after August 2020, to the Clearing Participant with respect to which the sum of the clearing fees related to the Contracts Subject to Clearing listed in Item (6)-2 and Item (6)-3 of Paragraph 2 of Article 3 of the Business Rules to be calculated pursuant to Appendix and the clearing fees related to the contracts subject to clearing listed in Item (1) and Item (2) of Article 2 of the Business Rules on Business of Assuming Commodity Transaction Debts to be calculated pursuant to the Appendix to the Rules on Fees related to the Business of Assuming Commodity Transaction Debts is equal to or less than 100,000 yen.

Supplementary Provisions

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

- 3 The provisions of Item (4) of Paragraph 2 of Article 2-2, as revised, shall not apply, for the time being for the fees after September 2021, to the Clearing Participant with respect to which the sum of the clearing fees related to the Contracts Subject to Clearing listed in Item (5), Item (6)-2 and Item (6)-3 of Paragraph 2 of Article 3 of the Business Rules^{*1} to be calculated pursuant to Appendix and the clearing fees related to the contracts subject to clearing listed in Item (1) and Item (2) of Article 2 of the Business Rules on Business of Assuming Commodity Transaction Debts to be calculated pursuant to the Appendix to the Rules on Fees related to the Business of Assuming Commodity Transaction Debts is equal to or less than 100,000 yen.

(*1 with respect to the Contracts Subject to Clearing listed in Item (5), limited to those related to Commodity Index)

Supplementary Provisions

These revised Rules shall come into effect on October 1, 2021.

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 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.
- 3 The provisions of Item (2) of Paragraph 2 of Article 2-2, as revised, shall not apply to the

Clearing Participant with respect to which the sum of the clearing fees related to the Contracts Subject to Clearing listed in Items (3) to (4)-2 of Paragraph 2 of Article 3 of the Business Rules to be calculated pursuant to Appendix is equal to or less than 100,000 yen.

Appendix

Basis for Calculation of Clearing Fees and Clearing Fee Rates

1 The basis for calculation of clearing fees and clearing fee rates for the contracts set forth in Item (1) , Items (7) through (10), Item (12) and Item (13) of Paragraph 2 of Article 3 of the Handling of Business Rules and the buying/selling of the underlying securities resulting from the exercise of the option under Security Option Contract set forth in Item (2) shall be as follows.

Category of Contracts Subject to Clearing		Basis for Calculation	Clearing Fee Rate
Contracts prescribed in Item (1), Item (10), Item (12) and Item (13) of Paragraph 2 of Article 3 of the Business Rules and the buying/selling of the underlying securities resulting from an exercise of the option under the Security Option Contract prescribed in Item (2) of the same Paragraph	Securities other than bonds (excluding corporate bonds with stock acquisition rights and Exchangeable Corporate Bonds)	Value of the obligations assumed	<p>A). Sum of the amounts set forth in (a) and (b) below:</p> <p>(a) Contracts listed in Item (1) and Item (10) of Paragraph 2 of Article 3 of the Business Rules and buying and selling of the subject securities resulting from exercise of Security Option Contract listed in Item (2) of the said Paragraph.</p> <p>The amount obtained by multiplying the value of the obligations^{*1} assumed by JSCC in the relevant month^{*2} and the price of the buying/selling of the underlying securities resulting from an exercise/assignment of the option under the Security Option Contract prescribed in Item (2) of Paragraph 2 of Article 3 of the Business Rules in the relevant month^{*3} by 0.000004</p> <p>(*¹ referring to the value obtained by multiplying the quantity of the securities pertaining to the relevant contract by its contract price)</p> <p>(*² including after 5:30 P.M. on the last day^{*2-1} of the month immediately preceding the relevant month, and excluding after 5:30 P.M. on the last day of the relevant month, or, in the case of the trades executed at the market that opens at or after 4:30 P.M. on Proprietary Trading System, including after 4:30 P.M. on the last day of the month immediately preceding the relevant month, and excluding after 4:30 P.M. on the last day of the relevant month; the same applies hereinafter in this Item)</p> <p>(*²⁻¹ if such last day falls on a Non-business Day, it shall be the</p>

		<p>immediately preceding business day; the same applies hereinafter in this Item) ⁽³ hereinafter referred to as the "Value of the Obligations, etc. Assumed in the Relevant Month" in this Item)</p> <p>(b) Clearing Contracts conducted by Securities Clearing Participants listed in Item (12) and Item (13) of Paragraph 2 of Article 3 of the Business Rules</p> <p>The amount obtained by multiplying the aggregate value of the obligations listed in (i) through (iv) below which JSCC assumed in a month pursuant to the provisions of Item (4) and Item (5) of Paragraph 1 of Article 46 of the Business Rules^{*1} by 0.000004. ⁽¹hereinafter referred to as "Monthly Value of Assumed ETF Obligations " in this Paragraph)</p> <p>(i) Payment obligation of money set forth in Item (1), sub-item (a). of Paragraph 2 of Article 45-3 of the Business Rules.</p> <p>(ii) Delivery obligation of exchange traded fund beneficiary certificate set forth in Item (1) sub-item (b). of Paragraph 2 of Article 45-3^{*1}, Item (2) sub-item (a) and Item (3) a of the said Paragraph of the Business Rules. ⁽¹ excluding those related to creation of securities investment trust for which a Beneficiary Certificate Applicant owes money payment obligation only.)</p> <p>(iii) Delivery obligations of exchange traded fund component stocks set forth in Item (1) a. of Paragraph 2 of Article 45-3 and Item (3), sub-item (b) of said Paragraph of the Business Rules</p> <p>(iv) Delivery obligations of exchange traded fund beneficiary certificate of Residual Number of ETF Shares to be Returned set forth in Item (3), sub-item (c). of Paragraph 2 of Article 45-3 of the Business Rules.</p> <p>B) Notwithstanding the provisions set forth in A) above, in the case where the sum of the Value of the Obligations, etc. Assumed in the Relevant Month and Monthly Value of Assumed ETF</p>
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			<p>Obligations of all Clearing Participants exceeds 40 trillion yen, the total amount of (i) through (iii) below;</p> <p>(i) The amount obtained by multiplying the portion that is less than or equal to 1 trillion yen of the aggregate Value of the Obligations, etc. Assumed in the Relevant Month and Monthly Value of Assumed ETF Obligations by 0.000004;</p> <p>(ii) The amount obtained by multiplying the portion that is over 1 trillion yen and less than or equal to 3 trillion yen of the aggregate Value of the Obligations, etc. Assumed in the Relevant Month and Monthly Value of Assumed ETF Obligations by 0.000004, and then multiplying the resulting product by 0.97; and</p> <p>(iii) The amount obtained by multiplying the portion that is over 3 trillion yen of the aggregate Value of the Obligations, etc. Assumed in the Relevant Month and Monthly Value of Assumed ETF Obligations by 0.000004, and then multiplying the resulting product by 0.95.</p>
		<p>Number of the obligations assumed</p>	<p>A) Sum of the amounts set forth in (i) and (ii) below:</p> <p>(a) Contracts listed in Item (1) and Item (10) of Paragraph 2 of Article 3 of the Business Rules and buying and selling of the subject securities resulting from exercise of Security Option Contract listed in Item (2) of the said Paragraph.</p> <p>The amount obtained by multiplying the number of the obligations assumed by JSCC in the relevant month and the number of the buying/selling of the underlying securities resulting from an exercise/assignment of the option under the Security Option Contract prescribed in Item (2) of Paragraph 2 of Article 3 of the Business Rules in the relevant month*₁ by 2.80 yen (*₁ hereinafter referred to as the “Number of the Obligations, etc. Assumed in the Relevant Month” in this Item)</p> <p>(b) Clearing Contracts conducted by Securities Clearing Participants listed in Item (12) and Item (13) of</p>

		<p>Paragraph 2 of Article 3 of the Business Rules</p> <p>The amount obtained by multiplying the number of the obligations listed in (i) through (iv) below which JSCC assumed in a month pursuant to the provisions of Item (4) and Item (5) of Paragraph 1 of Article 46 of the Business Rules *¹by 2.80 yen. (*¹ hereinafter referred to as "Monthly Number of Assumed ETF Obligations" in this Paragraph)</p> <p>(i) Payment obligation of money set forth in Item (1) a. of Paragraph 2 of Article 45-3 of the Business Rules. (ii) Delivery obligation of exchange traded fund beneficiary certificate set forth in Item (1) sub-Item b. of Paragraph 2 of Article 45-3, Item (2) a and Item (3) a of the said Paragraph of the Business Rules*¹. (*¹excluding those related to creation of securities investment trust for which a beneficiary certificate applicant owes money payment obligation only) (iii) Delivery obligations of exchange traded fund beneficiary certificate component stock set forth in Item (2) a and Item (3) a of the said Paragraph. (iv) Delivery obligations of exchange traded fund beneficiary certificate of Residual Number of ETF Shares to be Returned set forth in Item (3), sub-item (c). of Paragraph 2 of Article 45-3 of the Business Rules.</p> <p>B) Notwithstanding the provisions set forth in A) above, in the case where the sum of the Value of the Obligations, etc. Assumed in the Relevant Month <u>and Monthly Value of Assumed ETF Obligations</u> of all Clearing Participants exceeds 40 trillion yen, the total amount of (i) through (x) below (i) <u>The amount obtained by multiplying the portion that is less than or equal to 500,000 of the aggregate Number of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen;</u> (ii) <u>The amount obtained by multiplying the portion that is over 500,000 and less than or equal to 2,000,000 of the aggregate Number</u></p>
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			<p><u>of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen, and then multiplying the resulting product by 0.95;</u></p> <p><u>(iii) The amount obtained by multiplying the portion that is over 2,000,000 and less than or equal to 4,000,000 of the aggregate Number of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen, and then multiplying the resulting product by 0.9;</u></p> <p><u>(iv) The amount obtained by multiplying the portion that is over 4,000,000 and less than or equal to 6,000,000 of the aggregate Number of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen, and then multiplying the resulting product by 0.8;</u></p> <p><u>(v) The amount obtained by multiplying the portion that is over 6,000,000 and less than or equal to 9,000,000 of the aggregate Number of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen, and then multiplying the resulting product by 0.7;</u></p> <p><u>(vi) The amount obtained by multiplying the portion that is over 9,000,000 and less than or equal to 12,000,000 of the aggregate Number of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen, and then multiplying the resulting product by 0.6;</u></p> <p><u>(vii) The amount obtained by multiplying the portion that is over 12,000,000 and less than or equal to 32,000,000 of the aggregate Number of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen, and then multiplying the resulting product by 0.5;</u></p> <p><u>(viii) The amount obtained by multiplying the portion that is over</u></p>
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			<p><u>32,000,000 and less than or equal to 52,000,000 of the aggregate Number of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen, and then multiplying the resulting product by 0.35;</u></p> <p><u>(ix) The amount obtained by multiplying the portion that is over 52,000,000 and less than or equal to 72,000,000 of the aggregate Number of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen, and then multiplying the resulting product by 0.2; and</u></p> <p><u>(x) The amount obtained by multiplying the portion that is over 72,000,000 of the aggregate Number of the Obligations, etc. Assumed in the Relevant Month and Monthly Number of Assumed ETF Obligations by 2.80 yen, and then multiplying the resulting product by 0.05.</u></p>
	Bonds (excluding corporate bonds with stock acquisition rights and Exchangeable Corporate Bonds)	Value of the obligations assumed	With respect to the obligations JSCC assumed in the relevant month, the amount obtained by multiplying the total amount of the face value* ¹ of the bonds pertaining to the relevant contracts by 0.0004 yen per face value of 100 yen (* ¹ in the case of foreign currency denominated foreign bonds, the total amount of face value bought/sold shall be converted to Japanese yen at a foreign exchange rate designated by the Designated Market Operator)
		Number of the obligations assumed	The amount obtained by multiplying the number of the obligations assumed by JSCC in the relevant month by 2.95 yen
Contracts <u>prescribed</u> in Item (7) through Item (9) of Paragraph 2 of Article 3 of the Business Rules (applicable only to a Clearing Participant who is a Designated Securities Finance Company)		Value of the obligations assumed	The amount obtained by multiplying the value of the obligations JSCC assumed in the relevant month* ¹ by 0.00000135; <u>and</u> (* ¹ with respect to the obligations to deliver securities, the amount obtained by multiplying the quantity of the securities to be delivered by the

		lending/borrowing prices designated by a Designated Securities Finance Company)
	Number of the obligations assumed	<p>The amount obtained by multiplying the number of the obligations JSCC assumed in the relevant month by 2.80 yen <u>provided</u>, however, that in the case where the total Value of the Obligations, etc. Assumed in the Relevant Month of all Clearing Participants exceeds 40 trillion yen, <u>the total amounts of</u> (i) through (x) below:</p> <p>(i) <u>The amount obtained by multiplying the portion that is less than or equal to 500,000 of the number of the obligations JSCC assumed in the relevant month by 2.80 yen;</u></p> <p>(ii) <u>The amount obtained by multiplying the portion that is over 500,000 and less than or equal to 2,000,000 of the number of the obligations JSCC assumed in the relevant month by 2.80 yen, and then multiplying the resulting product by 0.95;</u></p> <p>(iii) <u>The amount obtained by multiplying the portion that is over 2,000,000 and less than or equal to 4,000,000 of the number of the obligations JSCC assumed in the relevant month by 2.80 yen, and then multiplying the resulting product by 0.9;</u></p> <p>(iv) <u>The amount obtained by multiplying the portion that is over 4,000,000 and less than or equal to 6,000,000 of the number of the obligations JSCC assumed in the relevant month by 2.80 yen, and then multiplying the resulting product by 0.8;</u></p> <p>(v) <u>The amount obtained by multiplying the portion that is over 6,000,000 and less than or equal to 9,000,000 of the number of the obligations JSCC assumed in the relevant month by 2.80 yen, and then multiplying the resulting product by 0.7;</u></p> <p>(vi) <u>The amount obtained by multiplying the portion that is over 9,000,000 and less than or equal to 12,000,000 of the number of the obligations JSCC assumed in the</u></p>

		<u>relevant month by 2.80 yen, and then multiplying the resulting product by 0.6;</u> <u>(vii) The amount obtained by multiplying the portion that is over 12,000,000 and less than or equal to 32,000,000 of the number of the obligations JSCC assumed in the relevant month by 2.80 yen, and then multiplying the resulting product by 0.5;</u> <u>(viii) The amount obtained by multiplying the portion that is over 32,000,000 and less than or equal to 52,000,000 of the number of the obligations JSCC assumed in the relevant month by 2.80 yen, and then multiplying the resulting product by 0.35;</u> <u>(ix) The amount obtained by multiplying the portion that is over 52,000,000 and less than or equal to 72,000,000 of the number of the obligations JSCC assumed in the relevant month by 2.80 yen, and then multiplying the resulting product by 0.2; and</u> <u>(iii) The amount obtained by multiplying the portion that is over 72,000,000 of the number of the obligations JSCC assumed in the relevant month by 2.80 yen, and then multiplying the resulting product by 0.05</u>
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(Note) The number of obligation of assumptions for the Exchange Traded Fund Component Stocks related to Contracts listed in Items (12) through (6)-3 of Paragraph 2 of Article 3 of the Business Rules shall be calculated based on the numbers of stocks of Exchange Traded Fund Component Stocks.

2 The basis for calculation of clearing fees and clearing fee rates for the contracts set forth in Items (2) through (6)-3 of Paragraph 2 of Article 3 of the Business Rules shall be as follows.

Category of Contracts Subject to Clearing	Basis for Calculation	Clearing Fee Rate
Security Option Contract prescribed in Item (2) of Paragraph 2 of Article 3 of the Business Rules (Note 1)	Notional value (Note2)	0.00002 of the notional value for the obligations assumed by JSCC in the relevant month (Note 3)

		Buying/selling notional value (Note2) of the underlying securities pertaining to an exercise/assignment of option	0.00002 of the notional value for an exercise/assignment of option by a Clearing Participant in the relevant month
JGB Futures Contract prescribed in Item (3) of Paragraph 2 of Article 3 of the Business Rules	Physically-delivered futures contract in respect of JGB Futures Contract (Note 1)	Contract quantity	49 yen* (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3) and the contracts resulting from an exercise/assignment of the option under the Option Contracts on JGB Futures prescribed in Item (4) of Paragraph 2 of Article 3 of the Business Rules in the relevant month (* 5 yen for trades related to 20-year JGB Futures)
		Quantity of Settlement by Physical Delivery and Payment	132 yen* per Trading Unit for the total sum of the quantity of Settlement by Physical Delivery and Payment pertaining to the Short/Long Position for which Offsetting-Purchase/ Offsetting-Sale have not been made by the Last Trading Day of contract month contracts in the relevant month (* 15 yen for trades related to 20-year JGB Futures)
	Cash-settled futures contract in respect of JGB Futures Contract (Note 1)	Contract quantity	5 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to the final settlement	15 yen per Trading Unit for the quantity pertaining to the final settlement in the relevant month
Option Contracts on JGB Futures prescribed in Item (4) of Paragraph 2 of Article 3 of the Business Rules (Note 1)		Contract quantity	10 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to an exercise/assignment of option	10 yen per Trading Unit for the quantity pertaining to an exercise/assignment of option by a Clearing Participant in the relevant month

Interest Rate Futures Contracts prescribed in Item (4)-2 of Paragraph 2 of Article 3 of the Business Rules (Note 1)		Contract quantity	17.5 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to the final settlement	87.5 yen per Trading Unit for the quantity pertaining to the final settlement in the relevant month
Index Futures Contract prescribed in Item (5) of Paragraph 2 of Article 3 of the Business Rules	Nikkei Stock Average Futures Contract (Large-sized Contract) (Note 1)	Contract quantity	20 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to the final settlement	130 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
	Nikkei Stock Average Futures Contract (Mini-sized Contract) and JPX-Nikkei Index 400 Futures (Note 1)	Contract quantity	2 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to the final settlement	13 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
	Nikkei Stock Average Futures Contract (Micro-sized Contract) (Note 1)	Contract quantity	0.2 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to the final settlement	1.3 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
	Large-sized TOPIX Futures Contract and TOPIX Banks Index Futures Contract (Note 1)	Contract quantity	20 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to the final settlement	57 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month

Mini-sized TOPIX Futures Contract, TSE Mothers Index Futures Contract, TOPIX Core30 Futures Contract and Tokyo Stock Exchange REIT Index Futures Contract (Note 1)	Contract quantity	2 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
	Quantity pertaining to the final settlement	6 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
RNP Index Futures Contract (Note 1)	Contract quantity	16 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
	Quantity pertaining to the final settlement	45 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
NY Dow Futures Contract, TAIEX Futures Contract and FTSE China 50 Index Futures Contract (Note 1)	Contract quantity	5 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
	Quantity pertaining to the final settlement	45 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
Nikkei Stock Average VI Futures Contract (Note 1)	Contract quantity	20 (Note 4) yen per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
	Quantity pertaining to the final settlement	100 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
Nikkei Stock Average Dividend Point Index Futures Contract (Note 1)	Contract quantity	10 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)

		Quantity pertaining to the final settlement	30 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
	Nikkei 225 Total Return Index Futures Contract (Note 1)	Contract quantity	20 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to the final settlement	130 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
	S&P/JPX 500 ESG Score Tilted Index Futures Contract, FTSE JPX Net Zero 500 Index (0.5) Futures Contract, and the Nikkei 225 Climate Change Index Futures Contract (Note 1)	Contract quantity	20 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to the final settlement	130 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
	CME Petroleum Index Futures Contract (Note 1)	Contract quantity	4 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to the final settlement	24 yen per Trading Unit for the quantity pertaining to the final settlement on the relevant month
Index Option Contract prescribed in Item (6) of Paragraph 2 of Article 3 of the Business Rules	Nikkei Stock Average Large-sized Option Contract (Note 1)	Contract price	0.00005 of the contract price for the obligations assumed by JSCC in the relevant month (Note 4) (Note 5)
		Amount of money to be paid/received pertaining to an exercise/assignment of option	0.00055 of the total sum of the amount of money to be paid/received resulting from an exercise/assignment of the option in the relevant month (Note 5)

	Nikkei Stock Average Mini-sized Option Contract) (Note 1)	Contract quantity	1 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to an exercise/assignment of option	13 yen per Trading Unit for the quantity pertaining to an exercise/assignment of option by a Clearing Participant in the relevant month
	TOPIX Option Contract, JPX Nikkei Index 400 Option Contract and TOPIX Banks Index Option Contract (Note1)	Contract quantity	10 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to an exercise/assignment of option	10 yen per Trading Unit for the quantity pertaining to an exercise/assignment of option by a Clearing Participant in the relevant month
	Tokyo Stock Exchange REIT Index Option Contract	Contract quantity	2 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to an exercise/assignment of option	2 yen per Trading Unit for the quantity pertaining to an exercise/assignment of option by a Clearing Participant in the relevant month
Commodity Futures Contracts prescribed in Item (6)-2 of Paragraph 2 of Article 3 of the Business Rules	Physical Settlement Futures Contracts	Contract quantity	9 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to Settlement by Delivery	145 yen per delivery unit for the total sum of the quantity of the Settlement by Delivery pertaining to the Short/Long Position for which Offsetting-Purchase/ Offsetting-Sale have not been made by the Last Trading Day of contract month contracts in the relevant month
	Cash-settled Monthly Futures Contracts	Contract quantity	2 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to Final Settlement	14 yen per Trading Unit for the quantity pertaining to the final

			settlement on the relevant month
	Cash-settled Daily Futures Contracts (Note 6)	Contract quantity	9 yen (Note 4) per unit for the obligations assumed by JSCC in the relevant month (Note 3)
Option Contracts on Commodity Futures listed in Item (6)-3 of Paragraph 2 of Article 3 of the Business Rules		Contract quantity	2 yen (Note 4) per Trading Unit for the obligations assumed by JSCC in the relevant month (Note 3)
		Quantity pertaining to an exercise/assignment of option	22 yen per Trading Unit for the quantity pertaining to an exercise/assignment of option by a Clearing Participant in the relevant month

(Note 1) The terms shall have the meanings prescribed by the relevant Designated Market Operator.

(Note 2) Notional value of Security Option Contract means the amount obtained by multiplying the base price for calculating a price limit range of the underlying security at the designated market prescribed by the Designated Market Operator on the day of the conclusion of the trading contract^{*2} or “the price prescribed by the Designated Market Operator as the price equivalent thereto” by the quantity of an underlying security for one trading unit of the Security Option Contract.

(*2 for Flexible Contract Months prescribed by the Designated Market Operator, the trading day^{*2-1} on which the trading contract is concluded)

(*2-1 referring to the trading day prescribed as to the Flexible Contract Months by the Designated Market Operator)

(Note 3) In the case where Give-up is completed in accordance with the rules of the Designated Market Operator, excluding obligations that are extinguished pursuant to the provision of Article 46-2 of the Business Rules for a Clearing Participant that is also a Trading Participant Executing Trade^{*3-1} and including obligations that are newly incurred pursuant to the provision of the same Article for a Clearing Participant that is also a Trading Participant Executing Clearance^{*3-2})

(*3-1 in the case where such Trading Participant Executing Trade is a Non-Clearing Participant, referring to its Designated Clearing Participant)

(*3-2 in the case where such Trading Participant Executing Clearance is a Non-Clearing Participant, referring to its Designated Clearing Participant)

(Note 4) Total sum of the aggregate contract quantity or the contract prices means the total sum of the aggregate contract quantity or the contract prices from the Trading Day that ends on the 1st day^{*4-1} of each month through the Trading Day that ends on the last day^{*4-2} of the month.

(*4-1 if such day falls on a Non-business Day, it shall be [the immediately following business](#)

day.)

(*4-2 if such day falls on a Non-business Day, it shall be the immediately preceding business day.)

(Note 5) In respect of the Large-sized Nikkei Stock Average Option Contract, if the clearing fee per Trading Unit for a sale or purchase relating to the obligations assumed by JSCC exceeds 35 yen, it shall be 35 yen, and if the clearing fee per Trading Unit for an exercise/assignment of the option exceeds 385 yen, it shall be 385 yen.

(Note 6) When the Settlement by Delivery is performed due to Delivery on Request of Cash-settled Daily Futures Contracts, it shall be 145 yen per delivery unit of the total quantity of Short Position and Long Position subject to the Delivery on 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 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 “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 1-3. 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 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")

(*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.

(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 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 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 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)

43 The Intraday Settlement Price related to the Index Futures Contracts, that is to be determined by JSCC 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 JSCC considers that the method set forth in below Items is inappropriate, JSCC 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 JSCC 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 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 32 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 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 32 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)

54 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.*” 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 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)

~~43~~ The Emergency Settlement Price related to Index Futures Contracts that is to be determined by JSSC 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 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:

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, 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 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.

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 set by JSCC which is not earlier than July 19, 2016.

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 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.

<<Appendix 1>>

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 obtained according to the below calculation formula by each of the JGB Futures/Option Commodity Group^{*1}, Index Futures/Option Commodity Group^{*2}, Gold Futures/Option Commodity Group^{*3} and Platinum Futures Commodity Group^{*4}. 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 and Option Contracts on JGB Futures Contracts designated by JSCC; the same applies hereinafter.)

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

(*3 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.)

(*4 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

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:

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

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.)

(*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

- 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 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, 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, 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.

(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

= $\sqrt{\text{Liquidity Base Holding Period Multiplier}} - 1$

(Note 2-1) "Liquidity Base Holding Period Multiplier" means the number of days obtained according to the below calculation formula:

Liquidity Base Holding Period Multiplier

= Risk Amount set forth in Appendix 1, 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 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:

Expected Excess Loss based on Concentration Criteria

= Risk Amount set forth in Appendix 1, 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 JSCC.

(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

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

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

Concentration Base Holding Period Multiplier

= Risk Amount set forth in Appendix 1, 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

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
<p>Japanese Government Bonds (For Inflation-Indexed Bonds, only those eligible for Clearing under OTC JGB Clearing Service)</p>	<p>(1) Interest-bearing government bond and discount government bond (excluding government bond with floating rate, Inflation-Indexed Bonds and STRIPs)</p> <p>a Years to maturity of less than 1 year 99%</p> <p>b Years to maturity over 1 year and less than 5 years 98%</p> <p>c Years to maturity over 5 year and less than 10 years 98%</p> <p>d Years to maturity over 10year and less than 20 years 96%</p> <p>e Years to maturity over 20 year and less than 30 years 94%</p> <p>f Years to maturity over 30 years 92%</p> <p>(2) Government bond with floating rate</p> <p>a Years to maturity of less than 1 year 99%</p> <p>b Years to maturity over 1 year and less than 5 years 99%</p> <p>c Years to maturity over 5 year and less than 10 years 99%</p> <p>d Years to maturity over 10 year and less than 20 years 99%</p> <p>(3) Inflation-Indexed Bonds</p> <p>a Years to maturity of less than 1 year 99%</p> <p>b Years to maturity over 1 year and less than 5 years 98%</p> <p>c Years to maturity over 5 year and less than 10 years 96%</p> <p>d Years to maturity over 10year and less than 20 years 96%</p> <p>e Years to maturity over 20 year and less than 30 years 96%</p> <p>f Years to maturity over 30 years 96%</p> <p>(4) STRIPs</p> <p>a Years to maturity of less than 1 year 99%</p> <p>b Years to maturity over 1 year and less than 5 years 98%</p> <p>c Years to maturity over 5 year and less than 10 years 97%</p> <p>d Years to maturity over 10year and less than 20 years 96%</p> <p>e Years to maturity over 20 year and less than 30 years 93%</p> <p>f Years to maturity over 30 years 91%</p>
<p>Bonds guaranteed by the Japanese Government</p> <p>Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act*</p>	<p>(1) Years to maturity of less than 1 year 99%</p> <p>(2) Years to maturity over 1 year and less than 5 years 98%</p> <p>(3) Years to maturity over 5 year and less than 10 years 98%</p> <p>(4) Years to maturity over 10year and less than 20 years 95%</p> <p>(5) Years to maturity over 20 year and less than 30 years 93%</p> <p>(6) Years to maturity over 30 years 91%</p>

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 94% (2) Years to maturity over 1 year and less than 5 years 93% (3) Years to maturity over 5 year and less than 10 years 91% (4) Years to maturity over 10 year and less than 20 years 89% (5) Years to maturity over 20 year and less than 30 years 88% (6) Years to maturity over 30 years 88%
	GBP denominated bonds issued by the United Kingdom of Great Britain and Northern Ireland	(1) Years to maturity of less than 1 year 90% (2) Years to maturity over 1 year and less than 5 years 88% (3) Years to maturity over 5 year and less than 10 years 86% (4) Years to maturity over 10 year and less than 20 years 83% (5) Years to maturity over 20 year and less than 30 years 79% (6) Years to maturity over 30 years 77%
	EUR denominated bonds issued by Federal Republic of Germany	(1) Years to maturity of less than 1 year 93% (2) Years to maturity over 1 year and less than 5 years 91% (3) Years to maturity over 5 year and less than 10 years 89% (4) Years to maturity over 10 year and less than 20 years 87% (5) Years to maturity over 20 year and less than 30 years 84% (6) Years to maturity over 30 years 85%
	EUR denominated bonds issued by French Republic	(1) Years to maturity of less than 1 year 93% (2) Years to maturity over 1 year and less than 5 years 91% (3) Years to maturity over 5 year and less than 10 years 89% (4) Years to maturity over 10 year and less than 20 years 86% (5) Years to maturity over 20 year and less than 30 years 83% (6) Years to maturity over 30 years 80%
Municipal bonds	(1) Years to maturity of less than 1 year 99% (2) Years to maturity over 1 year and less than 5 years 99% (3) Years to maturity over 5 year and less than 10 years 97% (4) Years to maturity over 10year and less than 20 years 94% (5) Years to maturity over 20 year and less than 30 years 92% (6) Years to maturity over 30 years 92%	
Special bonds (excluding bonds guaranteed by the Japanese Government) Corporate Bonds (excluding bonds with stock acquisition rights and Exchangeable Corporate Bonds)	(1) Years to maturity of less than 1 year 99% (2) Years to maturity over 1 year and less than 5 years 99% (3) Years to maturity over 5 year and less than 10 years 97% (4) Years to maturity over 10year and less than 20 years 94% (5) Years to maturity over 20 year and less than 30 years 92% (6) Years to maturity over 30 years 90%	

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

<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 style="width: 100%; border-collapse: collapse;"> <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;">99%</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;">97%</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;">97%</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;">97%</td> </tr> <tr> <td style="padding-left: 20px;">(6) Years to maturity over 30 years</td> <td style="text-align: right;">97%</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	99%	(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	99%												
(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%												