

Rules on Margins, etc.



Japan Securities Clearing Corporation

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Rules on Margins, etc.
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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 Article 73-34 of the Business Rules.

(Article 2 Definitions)

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

2 In these Rules, the term, "Option Contract," refers to an Individual Option Contract*¹, an Option Contract on JGB Futures or an Index Option Contract.

(*¹ referring to the contract stipulated in Item (3) of Paragraph 2 of Article 3 of the Business Rules)

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 (3) through Item (7) of Paragraph 2 of Article 3 of the Business Rules.

4 In these Rules, the term, "Trading Participant," refers to a trading participant or a member of 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 in connection with the Settlement by Physical delivery and Payment of Futures Contracts on JGB Futures and the settlement resulting from the exercise of options under Individual Option Contracts, and other obligations to be incurred with respect to Futures and Option Contracts.

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 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 Non-Clearing Participant stipulated in Article 10 of the Business Rules.

11 In these Rules, the term, "Designated Clearing Participant," refers to the Designated

Clearing Participant stipulated in Article 10 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)

Chapter 2 MarginSection 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 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 —the terms used above shall have the meanings set forth in the following Items:

(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.

(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 (c) below with respect to each issue whose buying Position for a Trading Participant's proprietary account exceeds its selling Position:

(a) With respect to Individual Option Contracts, the amount equal to the Net Buying Amount^{*1} for a Trading Participant's proprietary account, multiplied by the Clearing Price^{*2} of the relevant issue on the applicable day, and then further multiplied by the Trading Unit^{*3} 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 Clearing Price stipulated in Article 7; the same applies hereinafter in this Article)

(*3 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 an Individual Option subject to the Individual 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 Clearing 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; and

(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 Clearing Price of the relevant issue on the applicable Trading Day, and then further multiplied by the Base Trading Amount*1 of the relevant issue.

(*1 referring to the base trading amount 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)

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 (c) below with respect to each issue whose selling Position for a Trading Participant's proprietary account exceeds its buying Position:

(a) With respect to Individual Option Contracts, the amount equal to the Net Selling Amount*1 for a Trading Participant's proprietary account, multiplied by the Clearing Price of the relevant issue on the applicable day, 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)

(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 Clearing 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; and

- (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 Clearing Price of the relevant issue on the applicable Trading Day, and then further multiplied by the Base Trading Amount of the relevant issue.

(Article 5 Amount Required for Customer's Margin)

The provisions of the preceding Paragraph shall apply *mutatis mutandis* to the amount required for the customer's Margin. In such case, the phrase, "amount required for the Margin for proprietary account," shall be deemed to be "amount required for the customer's Margin"; 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, "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"; and 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."

(Article 6 SPAN Parameters)

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

(Article 7 Clearing Price Relating to Option Contracts)

On each Trading Day^{*1}, in accordance with the rules prescribed by JSCC, JSCC shall prescribe the Clearing 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 an Individual Option Contract, every day)

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

(Article 8 Securities Deposited in lieu of Cash)

- 1 Matters concerning the securities to be deposited in lieu of cash as the Margin, the Customer Margin or Brokerage Margin shall be prescribed in the *Appendix*.
- 2 In addition to the provisions of the preceding Paragraph, matters concerning the securities to be deposited in lieu of cash as 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 or selling Option 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 prescribed in Article 4. In such event, securities may be deposited in lieu of cash 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.)

Upon the formation of selling/buying Futures Contracts or selling Option 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 25.

(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 and the Marked to Market Value^{*1} of the securities, 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^{*2}. In such event, securities may be deposited in lieu of cash as the relevant Margin.

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

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

(*1-2 if such day falls on a holiday, the day shall be the immediately preceding business day; the same applies hereinafter)

(*1-3 in the case where the applicable securities are U.S. Treasury Bonds/Notes/Bills, an

amount equal to their market price, converted to Japanese yen at the telegraphic transfer buying rate per dollar in the Tokyo foreign currency market on the day which is two days before the day on which the Margin is deposited)

(*² excluding holidays; 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, which have been deposited as the Customer Margin by the relevant customer, in accordance with the rules prescribed by JSCC. In such event, securities 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 and the value of the securities valued based on their substituting prices*¹, 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 for the relevant customer set forth in Article 5, 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 may be deposited in lieu of cash as the relevant Margin.

(*¹ 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**¹⁻¹; the same applies hereinafter in Paragraph 4 of Article 13)

(*¹⁻¹ in the case where the applicable securities are U.S. Treasury Bonds/Notes/Bills, an amount equal to their market price, multiplied by the rate set forth in Paragraph 2 of the *Appendix*, and then converted to Japanese yen at the telegraphic transfer buying rate per dollar in the Tokyo foreign currency market on the day which is two days before the day on which the Margin is deposited)

(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, 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 may be deposited in lieu of cash as the relevant Margin.

(*¹ if such day falls on a holiday, 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, 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 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 valued based on their substituting prices, which have been provided to or deposited with the Clearing Participant by a Non-Clearing Participant as the Margin or Margin of the Non-Clearing Participant is less than the amount which such Non-Clearing Participant reported as the amount required for the Margin for the relevant Non-Clearing Participant, in accordance with the rules prescribed by the Designated Market Operator, 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 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 noon 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.

(*¹ in the case of an Individual Option Contract, the day on which a selling Option Contract is formed)

(Article 16 Maintenance of the Margin for Proprietary Account)

In the case where the sum of the amount of money and the value of the securities valued based on their substituting price*¹, 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 noon on the day immediately following the day on which such shortfall occurs. In such event, securities may be deposited in lieu of cash as the relevant Margin.

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

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

(*¹⁻² in the case where the applicable securities are U.S. Treasury Bonds/Notes/Bills, an amount equal to their market price, multiplied by the rate set forth in Paragraph 2 of the *Appendix*, and then converted to Japanese yen at the telegraphic transfer buying rate per dollar in the Tokyo foreign currency 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 valued 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 customers' account and the Margin pertaining to the Brokerage for Clearing of Securities, etc., which is set forth in Paragraph 2 of Article 25, 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 noon on the day immediately following the date on which such shortfall occurs. In such event, securities may be deposited in lieu of cash as the relevant Margin.

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

1 In the case where the sum of the amount of money and the Marked to Market Value^{*1} of the securities, 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, 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 noon on the day immediately following the day on which such shortfall occurs.

(*1 referring to the amount which is valued based on the market price on the day immediately preceding the day on which the calculation is made^{*1-1}; 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 and Article 24)

(*1-1 in the case where the applicable securities are U.S. Treasury Bonds/Notes/Bills, an amount equal to their market price, converted to Japanese yen at the telegraphic transfer buying rate per dollar in the Tokyo foreign currency 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 valued based on their substituting prices, which have been deposited or provided by a customer as the Margin or Customer Margin, is less than the amount required for the Margin for the relevant customer's account set forth in Article 5, 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 noon 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 noon 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 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, 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 noon 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 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 such Non-Clearing Participant reported as the amount required for the Margin for the relevant Non-Clearing Participant in accordance with the rules prescribed by the Designated Market Operator, 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 noon 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};

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

(2) 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)")

(3) 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)")
- (4) 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)")
- (5) 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)")
- (6) 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)")
- (7) 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)")
- (8) 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)")
- (9) 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 21 Deposit of the Intra-Day Margin)

1 In the case where the extent of fluctuations in the prices of the JGB Futures Contracts or Index Futures Contracts exceeds the thresholds prescribed by JSCC in the Morning Session^{*1} or where otherwise deemed necessary by JSCC, if the sum of the amount of money and the value of the securities valuated 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 Intra-Day 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 may be deposited in lieu of cash as the relevant Margin.

(*1 including the Evening Session^{*1-1} on the immediately preceding day)

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

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

(*2-1 in the case where the applicable securities are U.S. Treasury Bonds/Notes/Bills, an amount equal to their market price, multiplied by the rate set forth in Paragraph 2 of the *Appendix*, and then converted to Japanese yen at the telegraphic transfer buying rate per dollar in the Tokyo foreign currency market on the day which is two days before the applicable day)

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 immediately after the end of the Morning Session on the applicable day.

3 The provisions of Paragraph 2 of the preceding Article shall apply *mutatis mutandis* to the Margin set forth in Paragraph 1.

(Article 22 Amount Required for the Intra-Day Margin)

The amount required for the Intra-Day 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. 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 amount required for the 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" is deemed to be "Trading Participant's proprietary Position at the end of the Morning

Session on the Trading Day^{*1}”; and the term, “Clearing Price,” is deemed to be “Intra-Day Clearing Price.”

(*1 in the case of an Individual Option Contract, the applicable day)

(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) With respect to a contract for proprietary account, a contract pursuant to the commission by a customer or a contract pursuant to the commission of the Brokerage for Clearing of Securities, etc., which is concluded after the commencement of the Evening Session and before the end of the Morning Session on the applicable Trading Day, an amount equal to the difference between its contract price^{*1} and the Intra-Day Clearing Price^{*2}.

(*1 in the case of an Index Futures Contract, its contract price index)

(*2 in the case of an Index Futures Contract, the Intra-Day Clearing Price Index; the same applies hereinafter in this Item)

(b) With respect to a Position for proprietary account, a Position pursuant to the commission by a customer or a Position pursuant to the commission of the Brokerage for Clearing of Securities, etc. on the immediately preceding Trading Day, an amount equal to the difference between the Clearing Price^{*1} on that preceding Trading Day and the Intra-Day Clearing Price.

(*1 in the case of an Index Futures Contract, the Clearing Price Index)

(3) Value Equivalent to Option Contract Price:

An amount equal to the contract price relating to an Option Contract for proprietary account, an Option Contract pursuant to the commission by a customer or an Option Contract pursuant to the commission of the Brokerage for Clearing of Securities, etc., which is concluded after the commencement of the Evening Session and before the end of the Morning Session on the applicable Trading Day^{*1}.

(*1 in the case of an Individual Option Contract, before the end of the Morning Session of that day)

(Article 23 Intra-Day Clearing Price and Intra-Day Clearing Price Index)

In the event that JSCC causes the Margin to be deposited pursuant to the provisions of Paragraph 1 of Article 21, JSCC shall prescribe the Intra-Day Clearing Price and the Intra-Day Clearing Price Index in accordance with the rules prescribed by JSCC.

(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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 by Broker); and 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 or 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 25 Notification of the Amount Required for the Margin for Customers' Account and the Margin Pertaining to the Brokerage for Clearing of Securities, etc.)

1 On each Trading Day*¹ and by the cutoff time prescribed by JSCC, a Clearing Participant shall notify JSCC of the amount required for the Margin for customers' account and the amount required for the Margin pertaining to the Brokerage for Clearing of Securities, etc., which are stipulated in the following Paragraph.

(*¹ in the case of an Individual Option Contract, every day)

2 The amount required for the Margin for customers' account and the amount required for the Margin pertaining to the Brokerage for Clearing of Securities, etc. shall be the sum of the amount required for the Margin for each customer stipulated in Article 5 and the amount reported by the relevant Non-Clearing Participant in accordance with the rules prescribed by the Designated Market Operator as the amount required for such Non-Clearing Participant's Margin.

(Article 26 Obligation to Report Matters Concerning Futures and Option Contracts pursuant to the Commission by Customers and pursuant to the Non-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 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 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 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 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 conversion into cash by JSCC of the securities 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 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 Insolvency pursuant to the commission by the Insolvent Clearing Participant's customers to be implemented, JSCC may convert some or all of the securities 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 Insolvency, JSCC may convert some or all of the securities 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 converted the securities 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 and the securities, other than the securities 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 conversion, deducting the amount of expenses required for such conversion.
- 2 In the event that JSCC has converted the securities 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 and the securities, other than the securities 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 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 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 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 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) 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;
 - (3) Individual 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; and
 - (4) 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.
- 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 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 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 and the Marked to Market Value^{*1} of the securities 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} 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 are U.S. Treasury Bonds/Notes/Bills, an amount equal to their market price, converted to Japanese yen at the

telegraphic transfer buying rate per dollar in the Tokyo foreign currency 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 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 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 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 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."

Section 4 Miscellaneous Clauses

(Article 37 Handling of Other Matters Relating to Position Transfer in the case of 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 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 January 30, 2012.

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

1 The substituting price of the securities to be 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, 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 in the case of the substituting price of the securities to be 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 holiday, 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		Market Price	The rate by which the market price is to be multiplied
Japanese Government Bonds	Whose Over-The-Counter Trading Reference Prices are published by the Japan Securities Dealers Association	Average of the relevant Over-The-Counter Trading Reference Prices	(1) Interest-bearing government bond and discount government bond (excluding government bond with floating rate and STRIPs) 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 97% d Years to maturity over 10year and less than 20 years 97% e Years to maturity over 20 year and less than 30 years 95% f Years to maturity over 30 years 95%
	Which are listed on a domestic Financial Instruments Exchange, but whose Over-The-Counter Trading Reference Prices are not published	The closing price (* 1) at the Financial Instruments Exchange (* 2)	(2) Government bond with floating rate a Years to maturity of less than 1 year 98% 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 10 year and less than 20 years 96% (3) STRIPs a Years to maturity of less than 1 year 98% 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 93% f Years to maturity over 30 years 92%

Reference Translation

Rules on Margins, etc

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 Over-The-Counter Trading Reference Prices are published by the Japan Securities Dealers Association	Average of the relevant Over-The-Counter Trading Reference Prices	(1) Years to maturity of less than 1 year 98%
	Which are listed on a domestic Financial Instruments Exchange, but whose Over-The-Counter Trading Reference Prices are not published	The closing price (* 1) in the Financial Instruments Exchange (* 2)	(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 96% (4) Years to maturity over 10year and less than 20 years 96% (5) Years to maturity over 20 year and less than 30 years 94% (6) Years to maturity over 30 years 94%
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 85% (2) Years to maturity over 1 year and less than 5 years 85% (3) Years to maturity over 5 year and less than 10 years 8 5% (4) Years to maturity over 10year and less than 20 years 84% (5) Years to maturity over 20 year and less than 30 years 83% (6) Years to maturity over 30 years 8 3%
Municipal bonds (* 3)	Whose Over-The-Counter Trading Reference Prices are published by the Japan Securities Dealers Association	Average of the relevant Over-The-Counter Trading Reference Prices	(1) Years to maturity of less than 1 year 98% (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 96% (4) Years to maturity over 10year and less than 20 years 96% (5) Years to maturity over 20 year and less than 30 years 94% (6) Years to maturity over 30 years 94%
	Which are listed on a domestic Financial Instruments Exchange, but whose Over-The-Counter Trading Reference Prices are not published	The closing price (* 1) in the Financial Instruments Exchange (* 2)	

Reference Translation

Rules on Margins, etc

<p>Special bonds (excluding bonds guaranteed by the Japanese Government)(* 4)</p>	<p>Whose Over-The-Counter Trading Reference Prices are published by the Japan Securities Dealers Association</p>	<p>Average of the relevant Over-The-Counter Trading Reference Prices</p>	<p>(1) Years to maturity of less than 1 year 97%</p> <p>(2) Years to maturity over 1 year and less than 5 years 97%</p> <p>(3) Years to maturity over 5 year and less than 10 years 95%</p>
<p>Corporate Bonds (excluding bonds with stock acquisition rights and Exchangeable Corporate Bonds) (* 3) (* 4)</p>	<p>Which are listed on a domestic Financial Instruments Exchange, but whose Over-The-Counter Trading Reference Prices are not published</p>	<p>The closing price (* 1) in the Financial Instruments Exchange (* 2)</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 93%</p>
<p>Yen-denominated bonds issued by foreign juridical persons (<i>SAMURAI Bonds</i>) (excluding Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act, Convertible Bonds and Exchangeable Corporate Bonds (* 3) (* 4)</p>	<p>Whose Over-The-Counter Trading Reference Prices are published by the Japan Securities Dealers Association</p>	<p>Average of the relevant Over-The-Counter Trading Reference Prices</p>	<p>(1) Years to maturity of less than 1 year 83%</p> <p>(2) Years to maturity over 1 year and less than 5 years 83%</p> <p>(3) Years to maturity over 5 year and less than 10 years 81%</p>
	<p>Which are listed on a domestic Financial Instruments Exchange, but whose Over-The-Counter Trading Reference Prices are not published</p>	<p>The closing price (* 1) in the Financial Instruments Exchange (* 2)</p>	<p>(4) Years to maturity over 10year and less than 20 years 81%</p> <p>(5) Years to maturity over 20 year and less than 30 years 79%</p> <p>(6) Years to maturity over 30 years 79%</p>
<p>Beneficiary securities of public and corporate bond investment trusts</p>	<p>Whose market prices on the preceding day are published by the Investment Trusts Association Japan</p>	<p>Applicable market price</p>	<p>85/100</p>

Reference Translation

Rules on Margins, etc

<p>Convertible Bonds (* 3) (* 5) Exchangeable Corporate Bonds (* 3)</p>	<p>Which are listed on a domestic Financial Instruments Exchange</p>	<p>The closing price (* 1) in the Financial Instruments Exchange (* 2)</p>	<p>80/100</p>
<p>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</p>	<p>Which are listed on a domestic Financial Instruments Exchange</p>	<p>The closing price (* 1) in the Financial Instruments Exchange (* 2)</p>	<p>70/100</p>
<p>Beneficiary securities of investment trusts (excluding beneficiary securities of public and corporate bond investment trusts) Investment securities</p>	<p>Which are listed on a domestic Financial Instruments Exchange Whose market prices on the preceding day are published by the Investment Trusts Association Japan</p>	<p>The closing price (* 1) in the Financial Instruments Exchange (* 2) Applicable market price</p>	

(* 1) With respect to an issue that is listed on multiple Financial Instruments Exchanges, referring to the Financial Instruments Exchange selected in accordance with the

order of priority prescribed by JSCC.

(*2) In the case where a final quote is posted in the applicable Financial Instruments Exchange, the closing price refers to such final quote.

(*3) Limited to those with respect to which an underwriting contract is executed by a Financial Instruments Business Operator in connection with their issuance.

(*4) With respect to Special bonds^{*1}, Corporate Bonds^{*2} and Yen-denominated bonds issued by foreign juridical persons (*SAMURAI Bonds*)^{*3}, limited to those deemed appropriate by JSCC taking the issuing company's creditworthiness and other circumstances into account (e.g. all ratings obtained from Eligible Rating Agencies^{*4} are A or above, etc.).

(*¹ excluding bonds guaranteed by the Japanese Government)

(*² excluding bonds with stock acquisition rights and Exchangeable Corporate Bonds)

(*³ excluding Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act, Convertible Bonds and Exchangeable Corporate Bonds)

(*⁴ referring to the Credit Rating Agencies stipulated in Paragraph 36 of Article 2 of the Act and the Specified Related Corporations stipulated in Paragraph 2 of Article 116-3 of the Ordinance of Cabinet Office Concerning Financial Instruments Business, etc. (Ordinance of Cabinet Office No. 52 of 2007).)

(*5) With respect to Convertible Bonds, limited to those issued by the corporations whose stocks are listed on domestic Financial Instruments Exchanges.

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=