

## **Agreement for Setting up Margin Trading Account** (April 1, 2010 Version)

I/We hereby acknowledge that I/we have received and fully understood the explanation provided by your company regarding the margin trading system including its characteristics and mechanisms, and will conduct margin trading on my/our own judgment and responsibility. In setting up a Margin Transaction Account in your company, I/we agree to abide by the matters provided in each of the following articles hereof, as well as the provisions of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as the “Act”) and laws and regulations, any provisions related to the conditions of margin transactions prescribed in the Brokerage Agreement Standards, the Articles of Incorporation, the Business Regulations, other rules and regulations decisions, and practices of the financial instruments exchange which establishes the financial instruments exchange market where transactions pertaining to margin trading are conducted (hereinafter referred to as “said Exchange”).

IN WITNESS WHEREOF, I/we have hereto signed my/our name and delivered this Agreement to your company. The terms used herein shall have the same meaning as the terms defined in the provisions of various rules and regulations of said Exchange.

### **Article 1. Treatment of Trading Activities in a Margin Transaction Account**

With respect to margin transactions to be made between your company and me/us, any money borrowed, securities purchased, securities borrowed, sales proceeds, customer margin, gain and loss on settlement of transactions, interest, and other money payable or receivable shall be handled in this margin transaction account.

### **Article 2. Scope of Securities Deposited in Lieu of Customer Margin**

If I/we deposit securities as customer margin in lieu of money with your company, I/we acknowledge that your company may receive such securities to the extent they are acceptable to your company.

### **Article 3. Treatment of Customer Margin**

1. All customer margins deposited in my/our Margin Transaction Account at your company shall be kept in custody separately from your assets in accordance with the laws and regulations.
2. Notwithstanding the provisions of the preceding paragraph, I/we acknowledge that any securities deposited as customer margin in your company may, upon my/our consent in writing separately, be pledged as collateral or loaned to a third party by

your company.

3. In the case of the preceding paragraph, your company shall keep in custody the amount of money or securities equivalent to the securities which your company has pledged as collateral or lent to a third party separately from your assets in accordance with the laws and regulations.

#### **Article 4. Treatment of Securities Purchased and Sales Proceeds**

I/We acknowledge that your company may, at the discretion of your company, lend the securities I/we have purchased or sales proceeds of my/our securities through my/our Margin Transaction Account to a third party, pledge them as collateral, make use of them for other customers' margin transactions, or exercise any rights pertaining to such securities.

#### **Article 5. Changes to the Conditions for Closing Outstanding Transactions**

In the event that said Exchange makes any changes to the conditions for closing outstanding transactions pertaining to margin trading due to natural disasters, drastic changes in economic conditions, delisting, or other unavoidable reasons, I/we shall comply with such changes.

#### **Article 6. Restriction by Lending Regulations**

With respect to the standardized margin trading in which I/we am/are engaged, I acknowledge that if a securities finance company, which is designated by said Exchange (hereinafter referred to as the "SFC"), takes any actions or imposes any restrictions as prescribed in the following items in accordance with the Lending Regulations for Loan Trading (hereinafter referred to as the "Lending Regulations"), your company shall take the same actions or impose the same restrictions on my/our standardized margin transactions:

- (1) Where a SFC postpones applying for loan repayment in accordance with the Lending Regulations, as a result of the fact that the number of outstanding shares for loaned stocks, etc. for a specific stock pertaining to the loan trading handled by the SFC exceed the number of outstanding shares for loaned money, and it becomes impossible or extremely difficult to procure additional stocks to compensate for such shortfall, etc.;
- (2) Where a SFC urges to make settlements with the exceptional procedures and conditions determined separately in accordance with the Lending Regulations, as a result of the fact that it becomes impossible or extremely difficult to settle loan transactions regarding a part or all of stocks due to natural disasters, wars, civil commotion, drastic changes in overall economic conditions, trading halts or restrictions by said Exchange, shortages in stocks to be loaned, or other

unavoidable reasons; or

- (3) Any other restrictions by the Lending Regulations of the SFC relating to the conditions of the standardized margin trading.

**Article 7. Treatment of Dividends from Surplus or Stock Acquisition Rights Granted to Securities Purchased at Stock Splits, etc.**

With respect to the standardized margin trading, in the event that I/we receive any rights for dividends from surplus or stock acquisition rights at stock splits for purchased securities that I/we have deposited with your company or securities borrowed from your company, these rights shall be treated in a manner set forth by said Exchange.

**Article 8. Loss of the Benefit of the Term**

1. In the event that I/we become involved in any of the following events, I/we acknowledge that I will lose the benefit of the term regarding any or all obligations I/we owe to your company pertaining to my/our margin transactions and will perform such obligations immediately, without any notice or demand from your company:
  - (1) If I/we suspend a payment or file a petition for a bankruptcy procedure, rehabilitation procedure, corporate reorganization procedure, or special liquidation;
  - (2) If my/our bank transactions are suspended by the clearinghouse;
  - (3) If an order or a notice of provisional attachment, preservative attachment or attachment on any part of receivables against your company pertaining to my/our margin transactions or other receivables is sent;
  - (4) If a procedure for attachment or auction has started for the collaterals, which are pledged as collateral to satisfy my/our obligations I/we owe to your company pertaining to the margin transactions;
  - (5) If I/we fall under any event equivalent or similar to those prescribed in the preceding items pursuant to foreign laws and regulations; or
  - (6) If my/our whereabouts become unknown to your company due to reasons attributable to me/us, such as failure to inform your company of a change of my/our address.
2. In the event that any of the following events arises, I/we acknowledge that I/we shall lose the benefit of the term regarding any or all obligations I/we owe to your company pertaining to my/our margin transactions and shall perform such obligations immediately upon your company's request:
  - (1) If I/we delay performance of all or part of the obligations pertaining to my/our margin transactions with your company or other obligations I/we owe to your

company;

- (2) If a procedure for attachment or auction (including cases where I/we fall under any event equivalent or similar to procedures pursuant to foreign laws and regulations) has started for the collaterals, which are pledged as collateral to satisfy my/our obligations I/we owe to your company (excluding obligations pertaining to my/our margin transactions);
- (3) If I/we fail to comply with any of the provisions prescribed in this agreement or other agreements on any transactions with your company; or
- (4) If any reasonable event which requires the preservation of receivables against your company in addition to those set forth in the preceding Item 3 occur.

#### **Article 9. Treatment of Margin Transactions in Case of Loss of the Term of the Benefit**

1. If I/we fall under any of each item of Paragraph 1 of the preceding article, I/we acknowledge that your company may, at the discretion of your company and for my/our own account, conclude any sale or purchase contract necessary for settlements of any or all margin transactions through my/our Margin Transaction Account at your company.
2. If I/we delay performance of all or part of my/our obligations pertaining to my/our margin transactions enumerated in Paragraph 2, Item 1 of the preceding article, I/we acknowledge that your company may, at the discretion of your company and for my/our own account, conclude any sale or purchase contract necessary for settlements of my/our margin transactions pertaining to such delay in accordance with the rules of said Exchange.
3. If I/we fall under any of each item in Paragraph 2 of the preceding article, I/we shall, upon your company's request, entrust your company any sale or purchase transaction necessary for settlements of any and all margin transactions through my/our Margin Transaction Account at your company by the date and time designated by your company (excluding cases where your company will conclude any sale or purchase contract pursuant to the provisions of the preceding paragraph).
4. If I/we do not entrust your company any sale or purchase transaction by the date and time set forth in the preceding paragraph, I/we acknowledge that your company may, at the discretion of your company and for my/our own account, conclude any sale or purchase contract necessary for such settlements.
5. If any loss is incurred by conducting sale or purchase set forth in each of the preceding paragraphs, I/we shall pay your company the amount of money equivalent to such loss immediately.

#### **Article 10. Disposition of Customer Margin, etc.**

In the event that I/we fail to perform any of the obligations I/we owe to your company regarding my/our margin transactions by the date and time specified by your company, I/we acknowledge that your company may, for my/our own account, dispose securities and assets enumerated in the following items without any notice, demand, or legal procedures by your company. The method, time, place, price and other terms shall be determined at the discretion of your company, and the proceeds from the disposition after deducting expenses shall be applied to satisfy my/our obligations regardless of legal priorities of such obligations. If there are outstanding after the abovementioned offset, I/we shall make a payment for such obligations immediately.

- (1) Securities I/we have deposited in lieu of money as customer margin with your company.
- (2) With respect to other securities transactions, my/our securities or movable assets that are possessed by your company or registered in the account in accordance with the Act on Transfer of Corporate Bonds, Securities, etc. (Act No. 75 of 2001).

#### **Article 11. Offset Calculation**

1. In the event that I/we am/are obliged to perform all my/our obligations to your company due to certain circumstances including maturity of due period and loss of the benefit of term, I/we acknowledge that your company may offset such obligations with any and all of my/our receivables against your company pertaining to my/our margin transactions and other receivables at any time regardless of the remaining term of such receivables.
2. If the offset specified in the preceding paragraph is available, I/we acknowledge that your company may receive the return of my/our deposits on my/our behalf, and apply it to pay off my/our obligations I/we owe to your company, without giving me/us any prior notice and without following the prescribed procedures.
3. In the event that obligations are to be offset in accordance with the provisions of the preceding two paragraphs, calculation of interest on my/our obligations and receivables, delinquency charges, etc. shall be performed under the following conditions:
  - (a) The end of the calculation period shall be the day when such a calculation is performed;
  - (b) The interest rate for the obligations and receivables shall be determined by your company;
  - (c) The rate of delinquency charges for the obligations to your company pertaining to my/our margin transactions shall be determined by said Exchange; and
  - (d) The rate of delinquency charges against other obligations to your company shall

be determined by your company.

**Article 12. Priority Order of Application for Payments, etc.**

In the event that the payments made by me/us or the offset specified in the preceding article made by your company are insufficient to discharge all of my/our obligations, I/we acknowledge that your company may apply such payments or offsets to my/our obligations according to the priority order your company deems appropriate.

**Article 13. Payment of Delinquency Charges**

In the event that I/we fail to perform any of the obligations I/we owe to your company relating to my/our margin transactions, I/we shall, upon your company's request, pay for the delinquency charges calculated at the rate determined by said Exchange for the period from the day immediately following the due date to the date of actual performance.

**Article 14. Treatment in Case Your Company Falls under the Category of the Notifying Financial Instruments Firm, etc.**

1. In the event that any of the following events arises, I/we acknowledge that, unless otherwise received a special notice from your company or the Investor Protection Fund of which your company is a member (hereinafter referred to as the "Fund"), I/we shall lose the benefit of the term for any and all obligations I/we owe to your company pertaining to all of my/our margin transactions through my/our Margin Transaction Account at your company (hereinafter referred to as the "said margin transaction"), and will become unable to conduct any sale or purchase transaction for settlement.
  - (1) If your company falls under the category of the Notifying Financial Instruments Firm defined in the Financial Instruments and Exchange Act, and when the Fund exercises its beneficiary right to the trust to which the money is separately deposited for each customer;
  - (2) If your company falls under the category of the Recognized Financial Instruments Business Operator defined in the Financial Instruments and Exchange Act, and when the Fund gives a public notice;
2. In the case of the preceding paragraph, I/we acknowledge that all receivables (excluding a right to claim return of customer margin) and obligations pertaining to my/our said margin transaction with your company shall be settled by delivering and receiving money equivalent to the amount of difference between the amounts prescribed in the following Items 1 and 2. In this regard, if I/we have to make a payment of money equivalent to the amount of difference, such amount of difference shall be secured by my/our margin

deposited with your company.

- (1) Total amount of (i) receivables pertaining to the sales proceeds from said margin transaction, (ii) the amount determined by said Exchange as the amount equivalent to the securities purchased through said margin transaction, and (iii) all other receivables regarding said margin transaction (excluding a right to claim delivery of purchased securities as well as a right to claim return of customer margin pertaining to said margin transaction).
- (2) Total amount of (i) obligations pertaining to the purchase money through said margin transaction, (ii) the amount determined by said Exchange as the amount equivalent to the securities sold through said margin transaction, and (iii) all other obligations regarding said margin transaction (excluding a delivery obligation for the securities sold pertaining to said margin transaction).

**Article 15. Claim for Treatments in Conjunction with Recognition, etc.**

In the event that your company falls under the category of the Notifying Financial Instruments Firm or Recognized Financial Instruments Firm, and if I/we incur any damages resulting from any of treatments specified in the preceding article and in accordance with other rules set forth by said Exchange, I/we shall not make any claim for damages against said Exchange.

**Article 16. Prohibiting Transfer of Receivables, etc.**

I/We shall not transfer or pledge any of my/our receivables against your company as collateral to a third party.

**Article 17. Interest on Customer Margin or Other Consideration**

No interest or other consideration shall accrue on the money or securities in lieu of money which I/we have deposited in your company as customer margin with respect to my/our margin transactions.

**Article 18. Reporting**

In the event that any of the events set forth in each item of Article 8, Paragraph 1 and Paragraph 2 occurs, I/we shall immediately report that fact to your company in writing.

**Article 19. Notice of Changes in Reported Matters**

I/We shall immediately give notice to your company in writing whenever any change occurs to my/our name, trade name, seal, signature seal (*shome-kan*), address, office location, or any other matters which I/we have registered with your company.

**Article 20. Preparation and Submission of Reports, etc.**

1. I/We acknowledge that your company shall, upon being requested under the laws and regulations, etc. of Japan, report the details of my/our margin transactions and other matters to the governmental authorities of Japan, etc. In such a case, I/we shall cooperate with your company to prepare such reports and other documents under the direction of your company.
2. Your company shall not be liable for any damages caused in relation to the preparation or submission of the reports and other documents conducted in accordance with the provision of the preceding paragraph.

**Article 21. Disclaimer**

1. Your company shall not be liable for any damages caused by any delays in returning customer margin, etc. upon my/our request, due to force majeure such as natural disasters and other justifiable reasons.
2. Your company shall not be liable for any damages such as loss and extinguishment to customer margin, etc. due to the reasons set forth in the preceding paragraph.
3. Your company shall not be liable for any damages caused by forgery, alteration or other accidents concerning reports or other documents, provided that your company has confirmed the seal or signature used thereon to be genuine by collating with the registered seal impression or signature with due diligence.

**Article 22. Effect of Notice**

In the event that any notice with respect to my/our margin transactions sent by your company, addressing to my/our reported address or office location, is delayed or does not arrive due to reasons attributable to me/us such as address change or absence, such notice shall be deemed to have arrived at the time when it should have arrived normally.

**Article 23. Applicable Law**

This Agreement shall be governed by and construed in accordance with the laws of Japan.

**Article 24. Agreed Jurisdiction**

With respect to any legal action over my/our margin transactions with your company, your company may designate a court with jurisdiction over such legal action among from courts with jurisdiction over the territory where the head office or \_\_\_\_\_ branch of your company is located.

**Article 25. Submission and Receipt of Documents by Electromagnetic Means**

1. Your company may obtain my/our approval or receive my/our reports or notices by

using an electromagnetic means (see Note1 below), instead of using the method set forth in Article 3, Paragraph 2, Articles 18 and 19 hereof (see Note2 below), if your company has, after furnishing me/us with information on the type and particulars of the electromagnetic means to be used, obtained an agreement from me/us either in writing or through the electromagnetic means. In this instance, your company shall be considered to have obtained my/our approval or received my/our reports or notices instead of in writing.

(Note1) The term "electromagnetic means" shall refer to means using an electronic information processing system and other information communications technology and similar means as prescribed in Article 57-3 of the Cabinet Office Ordinance on Financial Instruments Business, etc.; the same shall apply hereinafter.

(Note2) This excludes cases where there is any change in seal or signature.

2. Having obtained my/our approval as prescribed in the preceding paragraph, if your company receives an instruction from me/us either in writing or through the electromagnetic means regarding my/our intention not to approve, report, or notify through the electromagnetic means, your company may not receive my/our approval, reports or notices through the electromagnetic means, which were deemed appropriate to replace written approval; provided, however, that this shall not apply in case that I/we give approval as prescribed in the preceding paragraph again.

## **Article 26. Securities**

In this agreement, the term "securities" refers to the securities as prescribed in Article 2, Paragraph 1 of the Act as well as the rights deemed as securities as prescribed in Paragraph 2 of the same article.