

IBSJ CUSTOMER AGREEMENT FOR IBCFDs

1. Objectives

This is an agreement between an individual or corporate contractor (referred to as “clients” in the agreement) and Interactive Brokers Securities Japan, Inc. ("IBSJ") in accordance with single stock CFDs and index CFDs ("IBCFDs").

2. Principle of self-responsibility

Trading OTC Products such as CFDs is highly risky due to the speculative and volatile markets and the leverage (margin) involved. Client shall represent that Client has reviewed this agreement and the relevant risk disclosures provided separately and understands the content, the trading mechanism, the risks mentioned below and the products' characteristics. Client trades IBCFDs with client's own judgment and responsibility.

1. IBCFD trades may cause a loss, which could not only reduce Client's investment capital but the loss could become more than the amount Client has initially invested as a result of underlying asset's price movement or receipt/payment of interest adjustment and dividend adjustment.
2. As IBCFD trading is an OTC transaction rather than an exchange traded transaction, its trading price, interest adjustment amount and dividend adjustment amount etc may differ from those at other brokers.
3. While Client may be able to obtain significant leverage effect with a small amount of deposit, there is a risk that IBCFD may cause a significant loss.
4. Though risk is limited due to the loss cut rules, depending on the market conditions, IBCFD may cause a significant loss even after loss cut orders have been executed.
5. Regardless of the loss cut rules, the ultimate risk management responsibility is with Client and not with IBSJ.
6. Client may not be able to trade IBCFD due to bankruptcy of cover suppliers or trading halt on the market etc.
7. There are risks involved in IBCFD, which are inherent in internet and computers.
8. Client may not be able to trade IBCFD due to unforeseeable circumstances such as failure of telecommunication equipment etc.
9. Claims against IBSJ arising from Client's IBCFD transactions will be handled in the same way as those of general creditors to the company.
10. The above list of risks involved in IBCFD trading only shows general risks and it is not a comprehensive list.

3. Compliance with laws and regulations

Clients and IBSJ are subject to the Customer Agreement for IBCFDs as well as Financial Instruments and Exchange Act, exchange rules and other regulations (referred to as “laws and regulations” in the agreement below).

4. Definition

In this customer agreement, the following terms have the following meaning.

Service: It means service provided by IBSJ to Client in relation to IBCFD trading based on this customer agreement

Client: It means what is mentioned in the Article 1.

Laws and regulations: It means what is mentioned in the Article 3.

CFD trade date: It means a business day on which underlying asset of IBCFD is traded at the exchange. Trading hours will be in accordance with the relevant exchange's trading hours.

Cover trade: It means a trade which IBSJ places with its cover suppliers for risk hedging purpose. The trade is for the same contract in the same quantity in the opposite direction from the one towards Client.

Interest adjustment amount: It means cost to maintain the trade when positions are carried over after its trade date. IBSJ will calculate the rate based on the level of interest rates and cost for cover trade per currency.

Quote: It means what is mentioned in Paragraph 1 in the article 6.

Dividend equivalent amount: This is an adjustment payment between Client and IBSJ in order to reconcile the difference of theoretical value of IB CFD trading resulting from cases such as being ex-dividend. It occurs when open positions are carried over CFD trading day on the final day with dividend right.

Account: It means what is mentioned in paragraph 1 in the article 5

Abnormal rate: It means what is mentioned in paragraph 2 in the article 6.

Trade margin: It means a general term for required margin and maintenance margin.

Required margin: It means initial margin, which is required in order to open a new position.

Maintenance margin: It means a margin amount which acts as trigger criteria for loss cut transaction. (It means necessary margin in order to maintain open positions without triggering loss cut transaction.)

5. Trading account setting

1. Client shall agree that Client opens a general trading account (referred to as "IBSJ account" below) with IBSJ in order to trade IBCFDs.

2. Client shall agree that Client applies for a trading permission to IBSJ in order to trade IBCFDs in case Client already owns an IBSJ account.

3. In IBCFDs trades, all money exchanged between Client and IBSJ will be processed in IBSJ account.

4. IBSJ decides by its sole discretion whether Clients' account to be opened and whether IBCFDs trading permission to be granted to Client. When an account cannot be opened or trade permission cannot be granted, IBSJ will not disclose the reasons.

5. Client shall agree that IBSJ will not accept an application for opening IBSJ account or for requesting trade permission in relation to IBCFD trading when Client falls under any of the following items. When it has been revealed or when it has been identified by IBSJ based on rational reasons after the account opening or granting trade permission, IBSJ will terminate this agreement by its discretion with prior notice to Client.

- (1) When Client does not reside in Japan or Client is a corporation or other organization that is not registered in Japan.
- (2) When Client is permanently not reachable by telephone and email or Client does not have an email address of Client's own.
- (3) When Client does not have an internet access.
- (4) When Client is a part of anti-social force (Crime syndicate, Crime syndicate member, Crime syndicate associate member, Crime syndicate related company, Racketeer, Political racketeering organization, Special intelligence organized crime syndicate or the equivalent of those) or has a relation with it
- (5) When Client is eligible for one of the following
 1. Those who are recognized to be involved substantially in business operation managed or dominated by anti-social forces
 2. Those who are recognized to be using anti-social force unduly with purposes such as achieving an illicit gain or causing damage to third parties purposefully
 3. Those who are recognized to be providing anti-social force with convenience such as donating funds or giving facilities
 4. Those whose management or person who is substantially involved in business operation has a relationship with anti-social force
- (6) When Client's act of its own or by utilizing a third party falls under one of the following items
 1. Violent act of demand
 2. Unreasonable act of demand beyond IBSJ's legal responsibility
 3. Act with a threatening behavior or violence in relation to trades
 4. Act such as spreading rumors, sing fraudulent means or using power to damage the credit of IBSJ or interfere with the business of IBSJ
 5. Other acts equivalent to the above items from 1 to 4
- (7) When there is a possibility for the trade to be used for transactions suspected of fraud or activities which are illegal or against public policy such as Anti Money Laundering.
- (8) When Client does not have legal capacities
- (9) When judgment or decision for the trade has not been made by Client, its authorized person or the equivalent.
- (10) When money deposited by Client does not belong to Client

6. Quotations

1. IBSJ displays trading prices within the trading system which cover suppliers set (This price is referred to as "Quotations"). Client shall agree that due to failure of the trading system, sudden price movement of the IBCFD's underlying, decrease of liquidity and other matters, indication of the price may be delayed or IBSJ may not be able to display the price or product itself and Client may not be able to trade as Client has intended.
2. Due to malfunction or failure of the system, the abnormality of the price IBSJ receives from market participants and other matters, the price may be displayed which deviates from the trading conditions in the market (referred to as "abnormal rate" below). Client shall agree that IBSJ will take necessary measures for

trades executed with an abnormal price such as cancelling, adjusting or others.

3. Client shall agree with the provisions of the following items about the abnormal rate.

(1) IBSJ will endeavor to prevent the occurrence of an abnormal rate. However it does not guarantee to prevent the occurrence of an abnormal rate.

(2) IBSJ will make all the judgment and decision on whether the abnormal rate and Client will be bound by the decision of IBSJ.

(3) Even if Client suffered the damage as a result of or in relation to the occurrence of the abnormal rate, IBSJ will not take responsibility for the damage.

4. Client shall agree that IBSJ can discontinue to display quotations at its discretion when it has been restricted by laws, regulations and exchanges, when transaction has not been established in the market, when an event has occurred which restricts cover suppliers from trading, or when deemed necessary for other reason.

7. Acceptance of orders

1. Client shall agree that IBSJ only accepts IBCFD orders from the trading screen within the trading tool which IBSJ supplies to its Clients and does not accept orders by telephone, fax, email and other means including cases of system's malfunction unless IBSJ finds it necessary.

2. Client shall agree that the acceptance of Client's orders is when IBSJ has received it.

3. Client shall agree that in principle Client's order should be sent to IBSJ during trading hours set by IBSJ.

4. Client shall agree that Client's order to IBSJ may not be accepted or executed when cover suppliers cannot continue cover trades with IBSJ.

8. Orders

1. Orders to sell (buy) an OTC product when you have a long (short) position will be construed as orders to close out the long (short) position in the amount of the sell (buy) order, and if the size of the sell (buy) order exceeds the long (short) position, will be construed to close the entire position and open a short (long) position in the remaining amount of the order.

2. Client shall agree that IBSJ shall have no responsibility for any orders or instructions that were entered by Client or its Authorized Users in error.

9. Order cancellation / modification

1. Client agrees that the original order may get executed before the process based on its cancellation or modification order is performed and that Client is responsible for those executions notwithstanding a cancel/modify request.

2. Client shall agree that Client cannot cancel or modify the content of IBCFD orders which have been already executed.

3. Client agrees that IBSJ may cancel or modify Client order at the discretion of IBSJ due to the sudden change of rate or when otherwise identified by IBSJ to be deemed necessary.

10. Non execution of orders

When a Client's IBCFD order is eligible for one of the following items, IBSJ will not execute such orders unless identified by IBSJ to be necessary.

1. When cash deposited by Client in the account is not sufficient as margin
2. When identified by IBSJ that the content of Client's orders violates rules set by laws and regulations, this customer agreement or risk disclosures

11. Establishment of trade

1. In case of limit order, trade will be established when the quote has met the price condition of the limit order.
2. In case of market order, trade will be established when the quote has met the price condition of the market order. Market order will be converted to limit order with best bid or ask price indicated by exchanges or PTS which IBSJ's cover suppliers select as limit price. Trade will be established when the quote has met the price condition of the limit order.
3. The execution date of IBCFD trade will be the date when IBSJ has confirmed the establishment of the IBCFD trade.
4. As long as the order is processed without delay by IBSJ, the trade will be processed as a normal trade even when the date and time of the order are different from those of Client due to internet situation, time difference, trading hours and other reasons.
5. Client acknowledges that the quote continuously changes and as a result Client shall agree that the price at the time of order and the one at the time of execution may be different. Accordingly Client shall agree that especially for market orders, Client may receive an execution price which is more unfavorable than the quote at the time of placing order.
6. Similarly Client shall agree that execution price of orders such as stop orders and stop limit orders may differ from the price specified by Client due to market condition.
7. Similarly Client shall agree in relation to limit orders that even when the quote has met the price condition of the limit order specified by Client, it may not get executed partially or fully.

12. Change of trading terms and conditions

1. Client shall agree that IBSJ may change trading terms and conditions such as available contracts, trading hours, margin requirement, order types, maximum order size, maximum position size, adjustments arising from corporate actions and other matters relating to IBCFD trade.
2. Client shall agree that Client is subject to the change of trading terms and conditions set in the preceding paragraph.
3. Client shall agree that information on the change of trading terms and conditions set in the preceding paragraph will be provided through our website &/or email.

4. IBSJ will implement the change of trading terms and conditions after a predetermined period of time from the notice mentioned in the preceding paragraph. However Client shall agree that IBSJ have a privilege to change the trading terms and conditions immediately after notification if unavoidable.

13. Rollover

In IBCFD trading, the settlement of open positions will be in principle rolled over after 15:00 JST of the trading date. At the time of the rollover, interest adjustment, dividend equivalent and borrowing interest will be calculated.

14. Settlement of IBCFD trade - Net settlement

1. The settlement of IBCFD trade will be by transfer of money and it will not be by delivering the underlying asset.

2. The settlement method of IBCFD trade will be as follows.

(1) Settlement by offsetting order

When an offsetting order is placed for IBCFD trade, it will settle by transferring money equivalent of the difference between the latest closing price and the execution price of the offsetting order.

3. The settlement date set in this Article will be 3 business days later from the date when closing trade was executed.

15. The Final Trade Date

The final trade date will be set in the following situations including but not limited to,

1. When IBSJ identifies that an event which affects the price of underlying asset such as delisting, merger or other corporate actions has taken place or that there is a risk for such an event

2. When IBSJ identifies that continuing trade will cause a conflict with laws regulations or that there is such a risk

3. When IBSJ identifies that even with some reasonable effort on basis of commerce by IBSJ and its cover supplier, that some unavoidable circumstances has occurred such as the following has become impossible or there is such a risk: Acquisition, construction, reconstruction, replacement, closing, disposal of trades and asset expected to be required for risk hedging in relation to the transaction contract or performance of obligation carried out between IBSJ and its Clients, or cashing, collection of proceeds, payment of proceeds for such transactions and asset

16. Trade Commissions

1. Client shall agree that when Client's IBCFD gets executed, Client pays IBCFD trade commissions and other related fees.

2. Client shall agree that IBSJ is able to change the trade commissions at its discretion.

17. Interest adjustment amount

1. Client agrees that interest adjustment amount, which is generated when IBCFD positions are held open beyond its trading day is calculated at the time of rollover and is charged and paid on a daily basis.

2. Interest adjustment amount calculated in the preceding paragraph settles by transferring money 3

business days after the execution date of the offsetting order.

3. The interest adjustment amount mentioned in the preceding paragraph is set by IBSJ and IBSJ is able to change the rate according to the change of interest rate or cost of its cover transaction.

18. Borrow Interest

1. Client agrees that borrow interest, which is generated when IBCFD's short positions are held open beyond its trading day is calculated at the time of rollover and is charged and paid on a daily basis..

2. Borrow interest calculated in the preceding paragraph settles by transferring money 3 business days after the execution date of the offsetting order.

3. The borrow interest rate is set by IBSJ's cover supplier based on the demand and supply of the underlying asset.

19. Dividend Equivalent Amount

Client shall agree that dividend equivalent amount, which is generated when IBCFD's positions are held open beyond the final day with the dividend right of the underlying asset is set by IBSJ and it is paid to the long position holder and collected from the short position holder.

20. Termination of the agreement

1. IBSJ can terminate at any time for any reason including but not limited to the following However Client and IBSJ shall remain obligated to fulfill any outstanding obligations under this agreement.

(1) When Client instructed IBSJ to terminate this agreement according to the process set by IBSJ

(2) When Client does not comply with provisions of this agreement and IBSJ notified the cancellation of this agreement to the Client

(3) When Client does not agree with the provisions of the Article 49 or change of trading terms and conditions and IBSJ informed Client of the termination of the agreement

(4) When counterparties to cover transactions cannot accept trades from IBSJ

(5) When it was found that Client's statement that the Client is not an anti-social force is false

(6) When Client is a part of anti-social force or has a relation with it

(7) When Client's act is a violent or unreasonable demand beyond IBSJ's legal responsibility

(8) When IBSJ determines that Client does not have the compatibility for the transaction and IBSJ has notified the cancellation of the agreement to Client

(9) When IBSJ determines that connection to our trading system from Client or authorized users will expose our trading system to operational risk

(10) In addition to the preceding items, when IBSJ has notified the cancellation of the agreement to Client due to unavoidable reasons

2. Client shall agree that in the case of preceding paragraph, IBSJ will cancel Client's pending orders or place offsetting orders for existing positions.

3. Client shall agree that when there is a remaining balance in Client's account after all the debt has been paid to IBSJ, Client will follow IBSJ's instruction in terms of processing the balance and pay the actual cost required for the process.

21. Trade confirmations

1. Client shall agree that for orders Client send to IBSJ, IBSJ will notify Client of the acceptance, invalidity, cancellation, execution and other order status.
2. Client shall agree to monitor each order until IBSJ confirms the order status mentioned in the preceding paragraph.
3. Client shall agree that notifications mentioned in the paragraph 1 may be delayed due to system issues.
4. Client shall agree to notify IBSJ immediately by telephone, email or other communication method set be IBSJ in case of the situation listed below.
 - (1) When Client failed to receive notifications mentioned in the paragraph 1
 - (2) When Client received a confirmation that is different than Client's order
 - (3) When Client received a confirmation for an order that Client did not place

22. Information Security

1. Client shall agree to put in place and maintain appropriate security arrangements of User ID, User Name and Password (referred to as "User ID etc" below) set by Client and required to use the trading system.
2. Client agrees that Security Information will only be used by Client and that Client's Security Information will not be disclosed to third parties.
3. Client acknowledges that Client is responsible for all orders and instructions sent to IBSJ using Client's User ID etc and that IBSJ will consider that such orders and instructions originate from Client.
4. Client shall agree that when orders, instructions and inquiries are received from third parties with Client's User ID and Password, which were lent or given to the third parties or were disclosed to them due to Client's carelessness, theft, fraud interception of communications and other reasons, IBSJ will assume such orders, instructions and inquiries originate from Client and Client will be responsible for the consequence and damage resulting from such orders, instructions and inquiries.
5. Client shall agree to notify IBSJ immediately if Client suspects or becomes aware of the unauthorized use of User ID and Password.
6. Client will not allow anyone to access Client's account, unless IBSJ is notified and agrees in writing to appoint an Authorized User.

23. Conflict of Interest

1. Client shall agree that IBSJ, IBSJ's employees or IBSJ's affiliates may have important benefit, relationship or agreement in relation to trades executed based on this agreement or advice (which is not an investment advice) on trading system provided by IBSJ, which may conflict with the interest of Client. By entering into this agreement, Client agrees that IBSJ can execute such trades as premises for being in compliance with the laws and regulations without any prior notice.
2. Client shall agree on the following items.

- (1) IBSJ may provide its services to third parties, whose profit may conflict with the interest of Client.
- (2) IBSJ and its affiliates may trade for their own account or for other clients in the same or related products, either on the same or different sides of the market as Client.
3. IBSJ does not attempt to cause the interests of others in preference to you on purpose however Client shall agree that IBSJ is not responsible for the loss which might result from such conflicts.
4. Client shall agree that IBSJ may trade with or through its affiliates in order to provide its services to Client appropriately.

24. Segregation of Client's margin etc

1. For Client's money which is required to be segregated by laws such as Client's margin, in relation to IBCFD trade in accordance with paragraph 2 in the article 43 of the Financial Instruments and Exchange Law, IBSJ segregates Client's money from its own in the trust account according to the trust agreement with Client as the beneficiary and the trust company as the trustee.
2. IBSJ shall reserve the independent right of any interest arising from Client's money in the trust account defined in the preceding paragraph and such interest or profit will be paid to IBSJ.
3. Client shall grant the following privileges to IBSJ unconditionally and irrevocably. In order to satisfy Client's all payment to IBSJ, IBSJ withdraws Client's fund. Such payment includes margin deposit for trading, payment for adjustment, settlement and its related payment, interest payment or interest adjustment payment to IBSJ. Client shall agree that the amount which IBSJ has withdrawn will belong to IBSJ and IBSJ can utilize the amount for its operation including payment to IBSJ's counterparties.

25. Margin Policies

1. IBSJ will provide the following items as its margin policies.
 - (1) Client shall agree to deposit in advance the margin in cash more than the required margin (initial margin) amount set by IBSJ when opening new CFDs positions. The rate and amount of the required initial margin will be set by IBSJ.
 - (2) Client shall agree that formulas for calculating margin requirements on the IBSJ website are indicative only and may not reflect actual margin requirements.
 - (3) Client shall agree that IBSJ can accept all cash in Client's IBSJ account as margin for IBCFDs trades.
 - (4) Client shall agree that IBSJ determines the currency including JPY in which margin for trading IBCFDs can be accepted.
 - (5) Client shall agree to monitor their account so that at all times the account contains sufficient equity to meet Margin Requirements. The rate and amount of the required maintenance margin will be set by IBSJ.
 - (6) Client shall agree that IBSJ may reject new orders excluding the offsetting (closing) transactions if the account has insufficient equity to meet margin requirements.
 - (7) Client shall agree that when IBSJ has made a change to the amount of margin requirement, the new margin requirement will be applied to the positions which have been open since prior to the change.
 - (8) Client shall agree that in addition to the provisions of the preceding items, any other matters in relation

to the handling of margin for IBCFD trade will be governed by the provisions set in the article 26 and by IBSJ.

26. Liquidation of Positions and Offsetting Transactions

1. Client shall agree that IBSJ will immediately close Client's open positions by placing market orders in the calculation of Client without prior notice in order to satisfy the required margin amount. Additionally Client shall agree that when Client owns open positions other than CFDs (such as stocks, futures and options etc) in the same account, IBSJ may close those positions in order to satisfy the required margin amount for CFD transactions.
2. When there are more than one positions eligible for the provision in the preceding item and there is no pre-request from Client, Client shall agree that IBSJ will change or decide the order of positions to offset (close) at IBSJ's discretion.
3. Client shall agree that as a result of the offsetting (closing) market order provided in the preceding paragraph 2, the possible price fluctuation until the order execution may increase the loss.
4. Client shall agree that the loss from the offsetting (closing) transaction provided in the preceding paragraph 2 will be deducted without prior notice from Client's margin amount for trading. Additionally when the loss exceeds the cash amount in Client's account and it remains even after IBSJ has closed all the open positions in the Client's account, Client shall agree that Client pays the amount of the loss by the date and method specified by IBSJ. Client shall agree to pay delayed damages according to the rate IBSJ sets from the day following the due date until the day of the performance of obligation.
5. IBSJ shall not be responsible for a loss which exceeds the amount of maintenance margin as a result of offsetting orders mentioned in the paragraph 1. Especially when gapping exists in the market, offsetting transaction may not be able to receive a price which could avoid a loss more than the amount of deposited margin.

27. (Acceleration of Performance of Obligations)

1. Upon the occurrence of any of the following events with regards to Clients, the obligations which Client owe IBSJ in relation to IBCFDs Trading shall automatically become due and payable without any notification from, demand by or any other similar action on the part of IBSJ, and Client shall perform such obligations immediately:
 - (1) When Client suspend payment, or a petition for bankruptcy procedure, rehabilitation procedure, corporate reorganization procedure or special liquidation is filed against you;
 - (2) When the clearinghouse or the electronic monetary claim recording institution set forth in Article 2, Paragraph 2 of Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) takes any procedure to suspend Client's bank transactions;
 - (3) When an order or a notice of provisional attachment, preservative attachment or attachment on any part of the claims relating to IBCFDs Trading or other claims of Client against IBSJ is sent;
 - (4) When a procedure for attachment or auction of a collateral for the obligations which Client owe IBSJ relating to the IBCFDs Trading is begun;

- (5) When any event under foreign laws and regulations equivalent or similar to any of the preceding items occurs to Client; or
- (6) When Client's whereabouts become unknown to IBSJ due to reasons attributable to you, such as neglecting to notify a change of your address.
- (7) When IBSJ has confirmed Client's decease.
- (8) When Client has become Person with Limited Capacity or when it has become extremely difficult or impossible to continue IBCFD trades due to reasons such as mental and physical depression
- (9) When Client's act has been identified that it may cause a serious hindrance to IBSJ's business operations
- (10) When Client or IBSJ has been ordered by judiciary or government agencies to stop the transaction based on the laws and regulations

2. Upon the occurrence of any of the following events to Client and upon your IBSJ's request, all obligations which you owe IBSJ in relation to IBCFDs Trading shall immediately become due and payable, and you shall perform such obligations immediately:

- (1) When Client delay the performance of all or part of the obligations which you owe IBSJ in relation to IBCFDs Trading or other obligations which you owe to IBSJ;
- (2) When procedures for attachment or auction of a collateral (including procedures under foreign laws and regulations which are equivalent or similar thereto) for the obligations which Client owe IBSJ (except for the obligations relating to the IBCFDs Trading) are begun;
- (3) When Client fail to comply with any of the provisions in this agreement or other agreements and rules on any transactions with IBSJ;
- (4) When it has been found that Client made a false declaration at the time of account opening;
- (5) When IBSJ has identified that the act of Client affected or may affect IBSJ's website operation or telecommunication facilities; or
- (6) Other than the events set forth in the preceding items, when there is a reasonable and probable cause which necessitates the preservation of IBSJ's claims.

28. Reporting of Events

In the case that any of the events set forth in Article 11, Paragraphs 1 and 2 hereof occurs, I/we shall immediately report to that effect to your company in writing.

29. Settlement in case of forfeiture of benefit of time

1. In the case that any of the event set forth in the items described in Paragraph 1 or Article 27 occurs to Client, Client shall agree that IBSJ will cancel new pending orders and close all or any part of the positions in the Client's account in the calculation of Client by placing offsetting market orders at IBSJ's discretion without any prior notice. In this case, Client's dealing with IBSJ will be terminated altogether as a matter of course and Client's debt against IBSJ as a result of such termination will become a single debt of Client against IBSJ as per Net Calculation provided in each paragraph in the Article 30. Client shall agree that Client pays the debt to IBSJ immediately without any notification from IBSJ.

2. When Client was delayed to perform even a part of any obligation in relation to the trade with IBSJ, Client shall agree that IBSJ will cancel new pending orders and close all or any part of the open positions in the Client's account under the in the calculation of Client by placing offsetting market orders at IBSJ's discretion without any prior notice.

3. When Client falls under any of the items provided in Paragraph 2 in the Article 27, Client shall agree to that IBSJ will close all open positions in Client's account immediately. (However as per the provision of the preceding paragraph, the case where positions are closed by IBSJ at its discretion is excluded).

4. When Client does not instruct IBSJ to close all open positions in Client's account by the date and time provided in the preceding paragraph, IBSJ will close all open positions in Client's account in the calculation of Client by placing offsetting market orders at IBSJ's discretion without any prior notice.

5. When a loss occurs which exceeds cash amount and other assets' value in Client's account as a result of offsetting orders provided in the preceding paragraphs, Client shall agree to pay cash in the equivalent amount to IBSJ immediately.

30. Net Calculation

1. When Client have to perform obligations to IBSJ due to the expiration of the term, acceleration, or other reasons, IBSJ may set off such obligation against IBSJ's obligations to you, including those relating to IBCFDs Trading, regardless of the remaining term of such obligations.

2. If the setoff set forth in the preceding paragraph is available, IBSJ may, on behalf of Client, receive the return of the deposits and apply it to the performance of the obligations you owe IBSJ, without giving you the prior notice and without following the prescribed procedures.

3. In the event that obligations are to be set off in accordance with the provisions of the preceding two paragraphs, in calculating the period for interest and overdue interest on the obligations, (i) the period shall be the period ending on the date of calculation, (ii) interest on the obligation shall be calculated by using the rate prescribed by IBSJ.

31. Disposal of Margin

1. Margin which Client has deposited to IBJS based on this agreement and other collateral will be collateralized for Client's obligation against IBSJ in relation to IBCFDs trading.

2. When Client does not perform obligation in relation to IBCFDs trading against IBSJ, including when Client has lost benefit of time by prescribed time, or when Client is obliged to pay debt to IBSJ according to transactions provided in each paragraph in Article 26, Client shall agree that IBSJ will process without notice or request or legal procedure, all securities and other asset owned by Client in the calculation of Client at the discretion of IBSJ in relation to the method, time, place and price etc. and Client will not object when the balance calculated by deducting expenses from the proceeds of such transaction will be applied to satisfy Client's debt. If any debt remains as a result of such repayment, Client shall agree that Client will perform the obligation immediately.

32. Order of Appropriation in Payment

If payments made by Client or setoffs set forth in Article 30 made by IBSJ are insufficient to discharge all of

Client obligations, IBSJ may appropriate such payments or such setoffs to satisfy Client's obligations in such order as IBSJ deems proper.

33. Payment of Overdue Interest

In the event that Client fail to perform any of the obligations Client owe IBSJ relating to IBCFDs Trading, Client shall not object, upon request by IBSJ, to pay IBSJ overdue interest at the rate prescribed by IBSJ on which the IBCFDs Trading was conducted for the period from the day following the due date to the date of actual performance.

34. Change of Service Content

Client shall agree that IBSJ can change the content of service it provides in relation to IBCFD trade without prior notice to Client.

35. Non-assignability of Claims

Client shall agree not to transfer any claims or loans which Client may have against to a third party without IBSJ's consent in the form of assignment, pledge, right setting, inheritance or others.

36. Taxes and public dues and charges

1. Client shall agree that Client will pay to IBSJ the commissions, taxes and public dues and other charges by the method and date set by IBSJ.
2. For special treatment by your instruction, Client shall agree that Client will pay the actual expenses required by IBSJ to IBSJ each time.
3. Client shall agree that items in the preceding paragraphs will be paid from Client's IBSJ account. When such payment causes a deficit in maintenance margin, the account may become eligible for automatic liquidation provided in the Article 26.

37. Quotes, Market Information, Research and Internet Links

1. Quotes, news, research and information accessible through IBSJ ("Market Data") may be prepared by independent Providers. The Market Data is the property of IBSJ, the Providers or their licensors and is protected by law. Client shall agree not to reproduce, distribute, sell or commercially exploit the Market Data in any manner without written consent of IBSJ or the Providers. IBSJ reserves the right to terminate access to the Market Data.
2. Neither IBSJ nor the Providers guarantee accuracy, timeliness, or completeness of the Market Data.
3. None of the Market Data constitutes a recommendation by IBSJ or a solicitation to buy or sell.
4. RELIANCE ON QUOTES, DATA OR OTHER INFORMATION IS AT CLIENT'S OWN RISK AND RESPONSIBILITY. IN NO EVENT WILL IBSJ OR THE PROVIDERS BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES ARISING FROM USE OF THE INFORMATION. THERE IS NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE INFORMATION, INCLUDING WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR USE,

OR WARRANTY OF NON-INFRINGEMENT.

38. License to Use IBSJ and Its Affiliates' Software

IBSJ and its affiliates in the Interactive Brokers Group of companies grant Client a non-exclusive, non-transferable license to use Interactive Brokers Group Software solely as provided herein. Title to Interactive Brokers Group Software and updates shall remain the sole property of IBSJ and/or its Interactive Brokers Group affiliates, including all patents, copyrights and trademarks. Client shall not sell, exchange, or transfer the Interactive Brokers Group Software to others. Client shall not copy, modify, translate, decompile, reverse engineer, disassemble or reduce to a human or computer readable form, or adapt, the Interactive Brokers Group Software or use it to create a derivative work. IBSJ and Interactive Brokers Group's affiliates are entitled to immediate injunctive relief for threatened breaches of these undertakings. Client shall be responsible for damage caused to IBSJ, Interactive Brokers Group's affiliates or a Third Party in connection with or resulting from the violation of these obligations.

39. Disclaimer

1. Client agrees that IBSJ will not be responsible for any of the following damages.

- (1) Damages caused by delay or inability of execution of IBCFDs trades or deposit or transfer of money or others caused by act of God such as natural disaster, governmental action, strikes, foreign currency exchange situation, closure and chaos of financial markets and exchanges
- (2) Damages caused due to the reason that IBSJ is not able to process Client's IBCFD orders as a result of closure of financial markets and exchanges or change of laws and regulations
- (3) Damages caused due to the reason that IBSJ is not able to process Client's order as it was placed on holidays in Japan and abroad or outside trading hour set by IBSJ
- (4) Damages caused due to the reason that notifications in relation to IBCFDs trade were delayed
- (5) Damages caused by events which are not attributable to IBSJ's responsibilities such as fallacy or delay of communication method by post, telegraph, telephone or email
- (6) Damages caused by deposit or transfer of money, return of the deposited securities or other process after IBSJ has verified with a reasonable care that the signature or seal on a prescribed document matches up with a specimen of Client's signature or seal
- (7) Damages caused due to the reason that Client's Login number, password or trade information have been compromised and illegally used or by not changing the password after the initial login
- (8) Damages caused in IBCFD trade after IBSJ's authenticating of Client's login details registered with IBSJ which was used by a third party other than Client
- (9) Damages caused by malfunction of Client's, IBSJ's, market related parties' or a third party's trading terminal, computer system, servers, other related hardware and software equipment or any computers related to transactions
- (10) Damages caused by delay, inability or error of information transmission due to the event provided in the preceding item
- (11) Damages caused because processes such as Client's orders, deposit or transfer could not be

- completed due to Client's own errors such as inputting login details incorrectly, forgetting or others
- (12) Damages caused by failure in programming of the trading system
 - (13) Damages caused by disturbance of the system operation by third parties
 - (14) Damages caused by failure of communication using internet
 - (15) Damages caused by IBSJ limiting or pausing Client's use of its services
 - (16) Damages caused by closing positions according to the conditions provided in the agreement
 - (17) Damages caused due to the reason that Client's information has been compromised by the interception of communication
 - (18) Damages caused by Client's misunderstanding or lack of understanding on the content of service and its operation method
 - (19) Damages caused by price fluctuation despite the fact that IBSJ accepted, checked and executed Client's order within reasonable time
 - (20) Damages caused due to interruption, stop and malfunction of system by unavoidable circumstances such as natural disasters
 - (21) When IBSJ determines according to the laws and regulations that Client's trade is unfair and inappropriate
 - (22) When it is determined that there are no intentional acts or gross negligence on the part of IBSJ according to the laws and regulations

40. Alternate trading arrangements

Client agrees to maintain alternative trading arrangements in addition to Client's IBSJ account for trading in the event that the electronic trading system provided by IBSJ is unavailable due to reasons such as failure of such system.

41. Suspension of provision of IBCFD trading

Client shall agree that when IBSJ determines that IBSJ cannot provide Client with IBCFD trade due to failures in the electromagnetic trading system and its network, IBSJ may suspend provision of IBCFD trading.

42. Consent to Accept Electronic Records and Communications

1. Client consents by entering into this agreement that in relation to the below listed documents provided in the Financial Instruments Exchange Law, IBSJ will provide the items to be specified in the documents to Client by utilizing the electronic data processing system or other telecommunication technology (referred to as "electronic communication" below) instead of delivering the documents based on those laws.

- (1) Risk disclosures
- (2) This agreement and Risk Disclosure For CFDs and documents in relation to their changes
- (3) Documents in relation to Client's order executions
- (4) Risk Disclosure For CFDs (Documents in relation to Paragraph 4, Article 37 of the Financial Instruments Exchange Law)

- (5) Documents in relation to Client's trades and the margin balance
- (6) Risk Disclosure For CFDs (Documents in relation to Paragraph 4, Article 37 of the Financial Instruments Exchange Law)
- (7) Documents in relation to the margin deposited by Client
- (8) A receipt of margin (Documents in relation to Paragraph 5, Article 37 of the Financial Instruments Exchange Law)
- (9) Other documents which IBSJ specify

IBSJ will notify Client when the item 9 needs to be added.

2. Client agrees that when Client has objection to the content of the items listed in the preceding paragraph, Client will contact IBSJ within 10 business days from the date of electronic communication by email or in writing. When no contact has been made to IBSJ within the above mentioned period of time, IBSJ will assume that Client has approved the content of such electronic communication.

3. Client shall be responsible for fulfilling and maintaining the system requirement recommended by IBSJ in order to accept electronic communication provided in the preceding paragraph.

4. Client agrees that IBSJ may provide Client with items mentioned in this article in writing instead of electronically. In that case, IBSJ will not send them electronically to Client.

43. Creation and Submission of Reports

1. Client agrees and will not object that IBSJ will report to government agencies on matters such as Client's IBCFD trades and others when IBSJ is requested based on the laws and regulations. In this case, Client agrees that Client will cooperate to create such documents and others (including electromagnetic record and it applies to the next item as well). Client agrees that IBSJ will not be responsible for any damages caused as a result of creating and reporting such and other documents provided in the preceding item.

2. IBSJ shall not be responsible for any damage with respect to the creation and submission of reports and other documents mentioned in the preceding paragraph.

44. Notifications

1. Client agrees that all information Client has given to IBSJ such as name, signature specimen, address, location of the office, all the documents submitted on IBSJ's request and other items are true and accurate in all material respects.

2. Client agrees to notify IBSJ promptly of any changes to the information provided in the preceding paragraph by the method set by IBSJ.

3. Client agrees that as a substitute to receiving the documents in writing in the preceding paragraph 2, IBSJ is able to accept them in the electromagnetic format.

45. Call Log

Client agrees that IBSJ may record telephone conversations between Client and IBSJ without Client's prior consent.

46. Limitation to the amount of damages

Client shall agree that IBSJ will not be responsible for the profit which Client would have received if the error did not occur even if IBSJ is responsible for the error.

47. Method of notifications

Client shall agree that in principle all notifications in relation to IBCFD trade will be made by posting on IBSJ's website or on the IBCFD trading screen. However when deems reasonable, IBSJ may notify Client by telephone, email or other means.

48. Effect of Notification

Client shall agree that when notifications from IBSJ sent to the Clients' address, office address or email address notified by Client in relation to the IBCFD trade arrived late or did not arrive due to the reasons attributable to Client such as move, absence and others, IBSJ will assume that they arrived by the time which would have arrived in the ordinary situation.

49. Change of Terms and Conditions

1. This agreement may be changed when there are changes in laws and regulations or instructions by regulatory agencies or when other needs arise. When such change restricts the existing right of Client or causes a new obligation to Client, IBSJ shall notify Client of the content of the change by the method set by IBSJ.

2. When IBSJ has notified Client of such change mentioned in the preceding paragraph and Client did not object within 2 weeks or Client continued IBCFD trading, IBSJ shall consider it as Client has agreed to the change. In addition, IBSJ may terminate all IBCFD trading with Client when Client does not agree to such change.

3. In principle, the notification mentioned in the preceding paragraph will be made either by posting on IBSJ's website or on IBCFD trading screen or by email to Client or by combination of those methods. Client's objection to such change should be sent to an email address set by IBSJ.

50. Applicable law

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

51. Jurisdiction by agreement

Client shall agree for our exclusive benefit that Tokyo District Court is to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and IBCFD trade.