

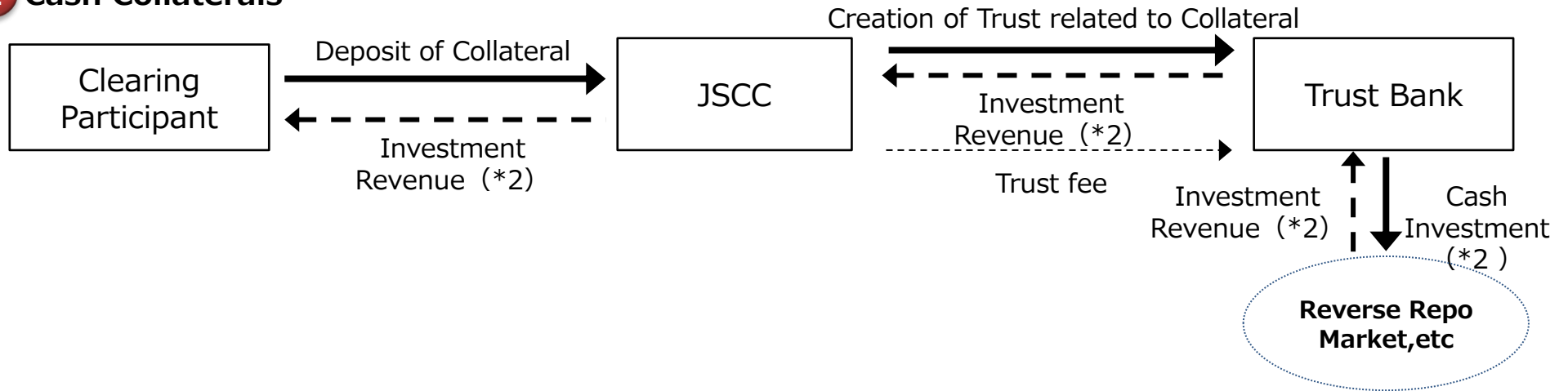
- JSCC has established a trust scheme for the collateral posted by Clearing Participants and their Customers (Affiliates & Clients). The trust scheme allows collateral to be isolated (bankruptcy remote) from the default risk of JSCC under Japanese law.

Item	Description
Assets deposited as collateral	Cash (JPY/USD), Japanese government bonds, US Treasuries
Custody / Investment method	<ul style="list-style-type: none"> ➤ All assets are in the custody of the Trust Bank ➤ JPY Cash collaterals are managed through secured call loans or reverse repo transactions backed by JGBs to/with financial institutions, loan to the banking account of, deposit in ordinary savings account or time deposit at, the trust bank, or investments in JGBs ➤ USD Cash collateral are managed through reverse repo transactions backed by US Treasuries or US Government Guaranteed Bonds with financial institutions, loan to the banking account of, or deposit in ordinary savings account at, the trust bank or its affiliates or commercial banks, or deposit in the custody account of the trust bank or its affiliates ➤ Interest would be calculated by using a prescribed formula and returned to relevant Clearing Participants and Customers. ➤ Investment Loss shall be borne by the Clearing Participants and Customers when the Reserve for IRS Management Loss is insufficient to cover such loss.*1 ➤ Substitute Securities are deposited in the name of the Trust Bank.

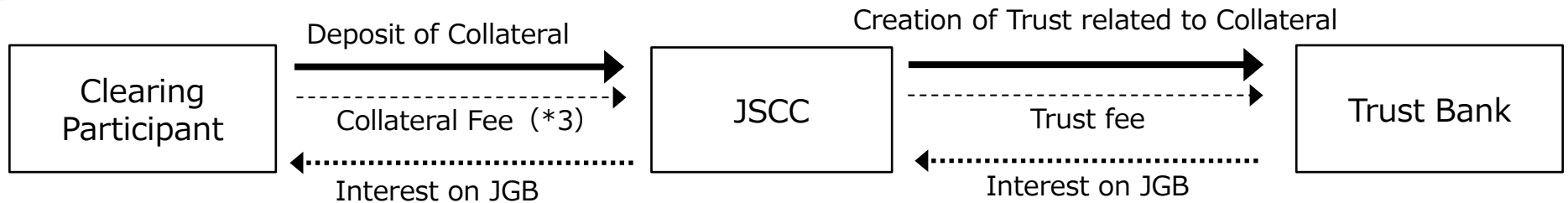
*1 The Clearing Broker handling the amount of interest as pre-agreed between the Clearing Broker and the Customer shall bear the loss share for itself as well as for its Customers determined according to the Cash Collateral balance posted by its Customers.

Overview of Trust Scheme

1 Cash Collaterals



2 Substitute Securities



(*2) Collateral deposited in cash after creation of a trust would be invested, in principle. Interest would be calculated by using a prescribed formula and returned to the depositor.

(*3) For deposit of Substitute Securities, the Trust Fee is passed on to Clearing Participants as a "Collateral Fee".