

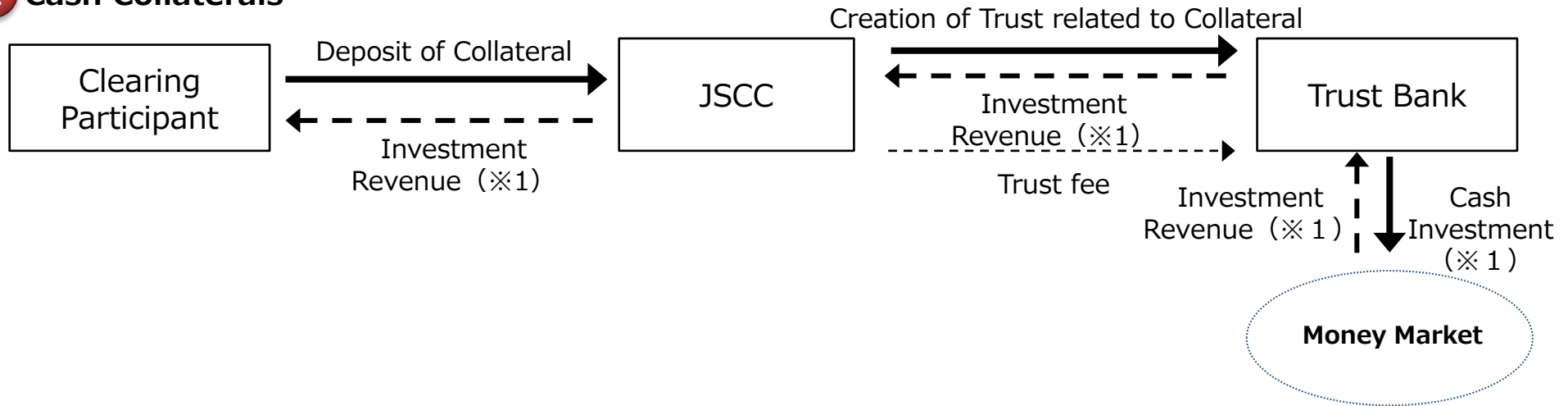
- JSCC has established a trust scheme for the collateral posted by Clearing Participants and their Customers (Affiliates & Clients)\*. The trust scheme allows collateral to be isolated (bankruptcy remote) from the default risk of JSCC under Japanese law.

\* Alternatively, cash collateral can be posted in the custody of the Bank of Japan with a current account.

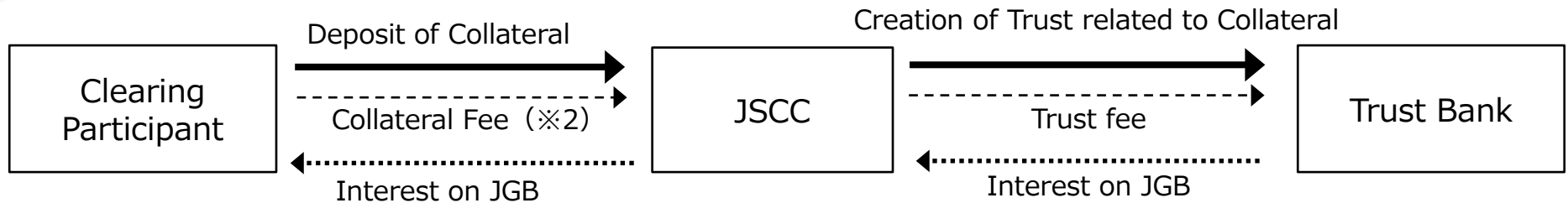
Item	Description
Assets deposited as collateral	Cash (Japanese Yen), Japanese government bonds, US Treasuries
Custody / Investment method	<ul style="list-style-type: none"><li>➤ All assets are in the custody of the Trust Bank</li><li>➤ Cash collateral is invested in safe Reverse Repo Transaction, Secured Call Loans or Investment in JGBs or loan to, time deposit or ordinary deposit at the Trust Bank.</li><li>➤ Investment revenue exceeding a specified level would be returned to relevant Clearing Participants and Customers.</li><li>➤ Investment losses would be borne by Clearing Participants and Customers.</li><li>➤ Substitute Securities are deposited in the name of the Trust Bank.</li></ul>

# Overview of Trust Scheme

## 1 Cash Collaterals



## 2 Substitute Securities



(※1) Collateral deposited in cash after creation of a trust will be invested in reverse repo transaction or secured call loan and so on. Investment revenue exceeding a specified level will be returned to the depositor.

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