



- Zengin-Net's logo is designed based on the motif of the alphabet, "Z" (Z for Zengin System)
- The two circles in the middle represent the two Zengin Centers, while the circles above and below these represent financial institutions connected to the system. By placing the surrounding circles close to the center, we portray the flexibility and expandability of the system.
- The colors, blue and red, symbolize the human body's veins and arteries portraying that the Zengin System is an infrastructure which smoothly circulates the "blood flow" of the Japanese economy.

[Company Profile]

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|---------------------------------------|--|
| Name | Japanese Banks' Payment Clearing Network (Zengin-Net) |
| Representative | Senior Managing Director (Representative Director) Hideharu Iwamoto |
| Number of Directors and Board Members | 1 Senior Managing Director / 10 Directors / 2 Auditors |
| Location | Asahi Seimei Otemachi Building, 6-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-0004 Japan |
| Establishment | April 1, 2010 |
| Capital | 500 million yen |
| Lines of Business | · Payment clearing agency as defined in the Payment Services Act · Ancillary businesses of the payment clearing business · Other businesses for which approval has been received from the competent Minister according to Article 69 of the Payment Services Act |

Japanese Banks' Payment Clearing Network

Asahi Seimei Otemachi Building, 6-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-0004 Japan URL.www.zengin-net.jp/en/

Zengin-Net

Japanese Banks' Payment Clearing Network



Zengin-Net (Japanese Banks' Payment Clearing Network) operates the "Zengin System," which carries out online processing of domestic funds transfers executed between financial institutions.

For the Japanese economy to realize stable and sustainable growth, it is vital that daily economic activities are performed with stability. Furthermore, in order to realize this, the transfer of funds or "settlement" of economic transactions needs to be conducted smoothly. The clearing system is an infrastructure for conducting smooth "settlements," and it bears an extremely important role.

Zengin-Net started operations from October 2010 by succeeding the operations of the Organization for Management of Domestic Fund Transfers (established in 1973) from the Tokyo Bankers Association.

The most important mission of Zengin-Net, as an operator of a clearing system, is to conduct safe and stable operations of the clearing system which is positioned as an economic infrastructure. On the other hand, with the various environmental changes that are taking place in recent years, the needs and risk profile of users of the settlement service are undergoing great changes. We live in an age where efficiency of clearing systems, response to the creation of international standards, activities to meet customer needs, etc. are in strong demand.

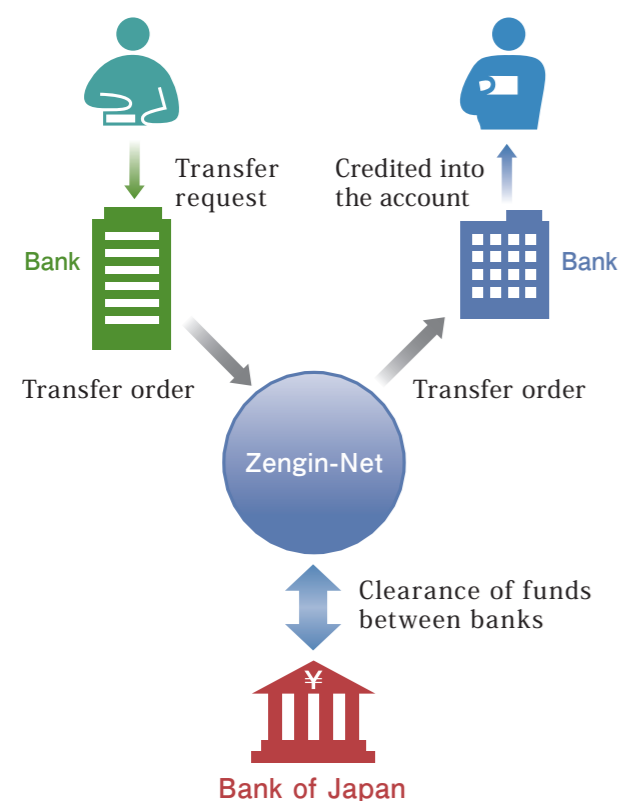
In order to meet such demands, we aim to realize a clearing system that responds flexibly to environmental changes and is able to continually undergo innovation.

Moving forward, we sincerely ask for your support and cooperation.

Hideharu Iwamoto

Senior Managing Director
Japanese Banks' Payment Clearing Network

■ Credit Transfer and the Zengin-Net



Overview of Zengin-Net

Zengin-Net (Japanese Banks' Payment Clearing Network) commenced operations from October 2010 as the first funds clearing agency in Japan based on the Payment Services Act.

The purpose of Zengin-Net is to implement smooth, safe and efficient fund settlements between financial institutions, which are foundation of society, and establish a reliable financial infrastructure to raise the standard of living of Japanese citizens.

Domestic Funds Transfer System

The Domestic Funds Transfer System (domestic exchange system) connects financial institutions online and is structured to allow exchange transactions, such as wire transfers and remittances to be carried out between financial institutions. Virtually all Japanese financial institutions are participating members in the domestic exchange system, including banks, Shinkin banks (credit associations), credit cooperatives, labor banks and agricultural cooperatives.

Currently, over 1,300 financial institutions are members of the domestic exchange system and exchange transactions are being carried out between more than 30,000 branches of these members.

Zengin System

The core system of the domestic exchange system is the Zengin Data Telecommunications System (Zengin System).

The Zengin System connects member financial institutions through telecommunication lines, and is a system for centrally processing data concerning exchange transactions, such as wire transfers between financial institutions.

Its most outstanding characteristic is its speed. When exchange transaction data is received from a financial institution, the funds are deposited in the recipient's account, in most cases, almost on a real-time basis.

Zengin-Net as a Funds Clearing Agency

Funds clearing is the act of clearing credit and debt relationships, which have arisen as a result of funds transactions conducted between financial institutions, through the method of undertaking debts, etc. Zengin-Net carries out this funds clearing business as an operator of the domestic funds transfer system.

The Payment Services Act that was enforced in April 2010 stipulates that only bodies that have received a license from the Prime Minister of Japan can carry out the funds clearing business. Zengin-Net received a license for the funds clearing business in September 2010.

Central Counterparty

Under the domestic funds system, the credits and debts of banks which have arisen accompanying funds transactions are recalculated into credit and debt relationships between each member financial institution and Zengin-Net. After having done so, funds are cleared by conducting account transfers between the current accounts of Zengin-Net and of each member financial institution which have been opened at the Bank of Japan.

In this relationship, Zengin-Net is positioned as the "central counterparty" in the settlements between financial institutions, meaning that it is the counterparty to all financial institutions.

■ Zengin-Net as a Central Counterparty (CCP)

*The debts and credits between banks may be replaced by a debtor-creditor relationship between each bank and the CCP.

