



IT Master Plan (FY2013 - FY2015)

April 2015

Ver.	No.	Revised contents	Revised parts
March 2013	1	First Version	
April 2014	2	Updated progress on the IT strategy road map. Updated the system development schedule.	4. Road Map of our IT Strategy 5. Creation of Synergies from System Integration, etc. 6. Schedule
April 2015	3	Updated progress on the IT strategy road map. Updated the system development schedule.	4. Road Map of our IT Strategy 5. Creation of Synergies from System Integration, etc. 6. Schedule 7. Image of Post-Integration/Replacement

1. Japan Exchange Group's Basic Vision for IT Strategy

1. JPX uses IT as a strategic tool and the source of our competitive edge.

- In the system-oriented exchange industry, Information Technology (IT) is the foundation for driving and creating exchange businesses, including market operations. Though Japan Exchange Group (JPX) has continued to reform and improve its market infrastructure, systems are increasingly sophisticated not only in the US and European markets, but also in Asian emerging markets, and, thus global inter-market competition is accelerating.
- Under these circumstances, JPX aims to become the most preferred exchange in the Asian region, while reaffirming IT as a strategic tool and source of competitiveness. We will work to utilize ever advancing technologies to the greatest extent possible to establish highly reliable and convenient market infrastructure and promote the provision of our services.

2. JPX establishes and operates markets as Japan's leading capital markets provider.

- JPX group's systems solely bear the responsibility of supporting market functions. As such, JPX has a mission and responsibility to conduct highly stable market operations through proactive system development, provision of highly convenient and reliable systems, and establishment of a thorough operational structure and framework.
- As a provider of markets, services and social capital infrastructure which form the core of the exchange business, and a provider of systems which serve as social capital infrastructure, JPX will establish and operate the markets, with both TSE and OSE as well as business/IT units working as a unified front.

2. IT Strategy (FY2013 - FY2015)

➤ Medium-Term Management Plan (FY2013 - FY2015)

Early Realization of Integration Benefits

Creation of a New Japanese Stock Market

Improve the Appeal of Japanese Stocks

Promotion of IPOs

Expansion of the Derivatives Market

Initiative toward a Comprehensive Exchange

New Product Development, etc.

Expansion of Exchange Business Fields

Expansion of clearing business

Preparation of New Product Platforms, etc.

Enhance IT infrastructure functionality and improve confidence in IT infrastructure

Strengthen marketing capabilities to expand individual investor base and promote investment

Fulfill self-regulatory functions responding to evolving market environment

IT Strategy
as a Key Driver

➤ IT Strategy (FY2013 - FY2015)

IT Strategy (1)

Create Synergies from Integration of Systems, etc.

IT Strategy (2)

Enhance System Foundation Supporting the Market

IT Strategy (3)

Improve Reliability of IT Infrastructure

Japan Exchange Group's Basic Vision for IT Strategy

3. IT Strategy and IT Core Themes (FY2013 - FY2015)

	IT Core Themes	Key Measures
IT Strategy (1) Create Synergies from Integration of Systems, etc.	a. System Integration	1) Promotion of safe and steady system integration
	b. Integrate/optimize operations related to systems, etc.	2) Integration/optimization of system-related operations and data centers, as well as further sophistication of system development and operations
	c. Upfront system investment to enhance market competitiveness	3) Improvement of functions of current systems to further increase market convenience and liquidity 4) Development of a next-generation "arrowhead" in consideration of a new market design, including trading rule revisions, etc.
IT Strategy (2) Enhance System Foundation Supporting the Market	d. Service expansion by leveraging system infrastructure	5) Discussion of a grand design for a next-generation "J-GATE" 6) Expansion of OTC clearing system functionality 7) Enhancement of convenience via expansion of "arrownet" provision scope
	e. Response measures to system malfunctions	8) Promotion of JPX Co-Location Services 9) Consideration for sharing a next generation "J-GATE" with Tokyo Commodity Exchange, Inc.
	f. Measures to further improve reliability	10) Implementation of preventive/improvement measures based on the system malfunctions which occurred on March 4, 2013.
IT Strategy (3) Improve Reliability of IT Infrastructure		11) Securing even more reliable and stable operations as the core infrastructure of the financial and capital markets.

4. Road Map of our IT Strategy

IT Core Themes	FY2013	FY2014	FY2015
IT Strategy (1) Create Synergies from Integration of Systems, etc.	Cash trading system integration Completed 2013.7 Margin system unification Completed 2013.7	Derivatives trading system integration Completed 2014.3 Network integration Completed 2014.9 Clearing system integration Completed 2014.11	
	a. Systems integration		
	b. Integrate/optimize operations related to systems, etc.	Optimization of development, operations, etc. before system integration	Optimization of development, operations, data centers, etc. after system integration
	c. Upfront system investment to enhance market competitiveness	Enhancing functionality of current systems Completed 2014.7 Development of a next-generation "arrowhead"	
	d. Service expansion by leveraging system infrastructure	Discussion and development of a next-generation "J-GATE", etc. Enhancing functionality of OTC clearing system Providing access to other institutions via arrownet Promoting JPX Co-Location Service Continuously promoting the service Preparation for sharing a next generation "J-GATE" with Tokyo Commodity Exchange, Inc.	
	e. Response measures to system malfunctions	Implementing preventive and improvement measures Done	
IT Strategy (2) Enhance System Foundation Supporting the Market			
IT Strategy (3) Improve Reliability of IT Infrastructure			
	f. Measures to further improve reliability	Continuing with operational improvements as well as training and education	

5. Creation of Synergies from System Integration, etc.

Basic Policy

We shall strive for the early realization of synergies from integration while prioritizing safety.

We will take a flexible approach considering user's needs during the integration process.

We shall complete with system integration, in principle, by the end of 2014 for the early realization of synergies, and shall focus on proactive and future-oriented IT investments from 2015.



Objective

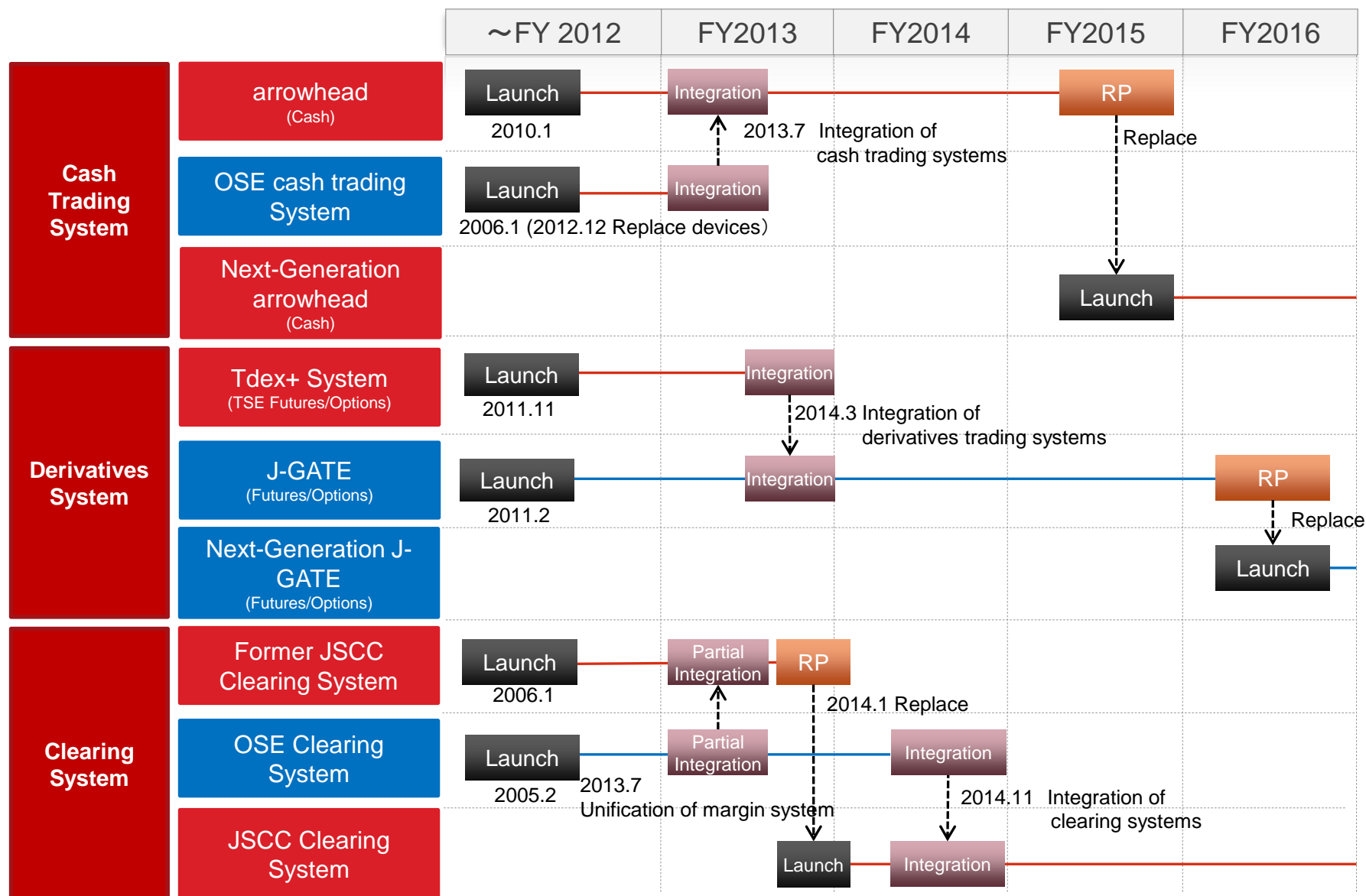
To increase convenience for users.

To integrate systems and operation/development structures.

To realize JPY 7 billion reduction in annual cost synergies following the system integration.

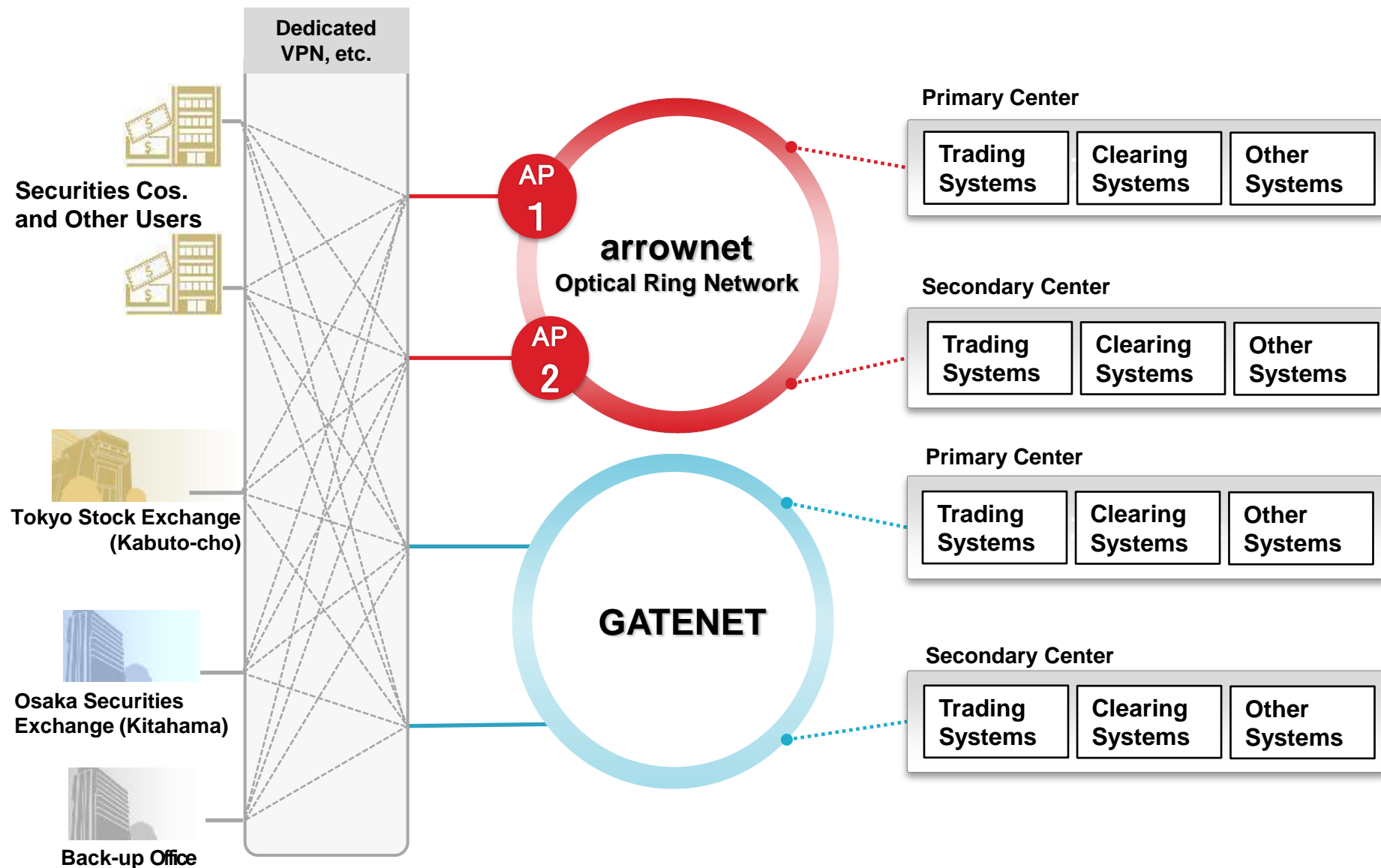
Market, Function, Service	System	Schedule
Cash Market	arrowhead, ToSTNeT	July 2013 (Done)
Derivatives Market	J-GATE	March 2014 (Done)
Unification of Margin System	Clearing System	July 2013 (Done)
Clearing Function	Clearing System	November 2014(Done)
Network	arrownet	September 2014(Done)

6. Schedule



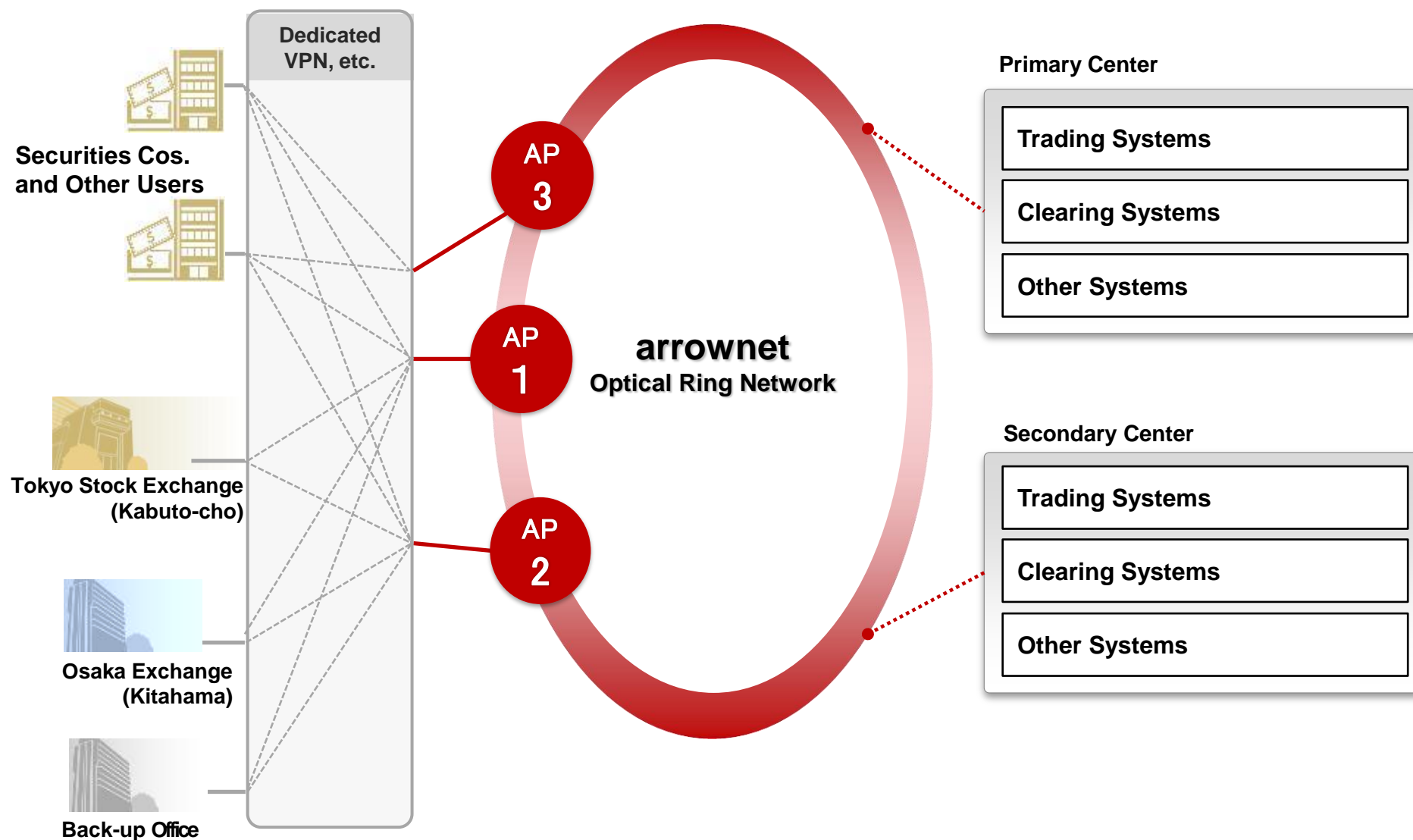
7. Image of Post-Integration/Replacement

As of March 2013



7. Image of Post-Integration/Replacement

Around the middle of 2016



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