



IT Master Plan (FY2013 - FY2015)

April 2014

Revision history

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

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)

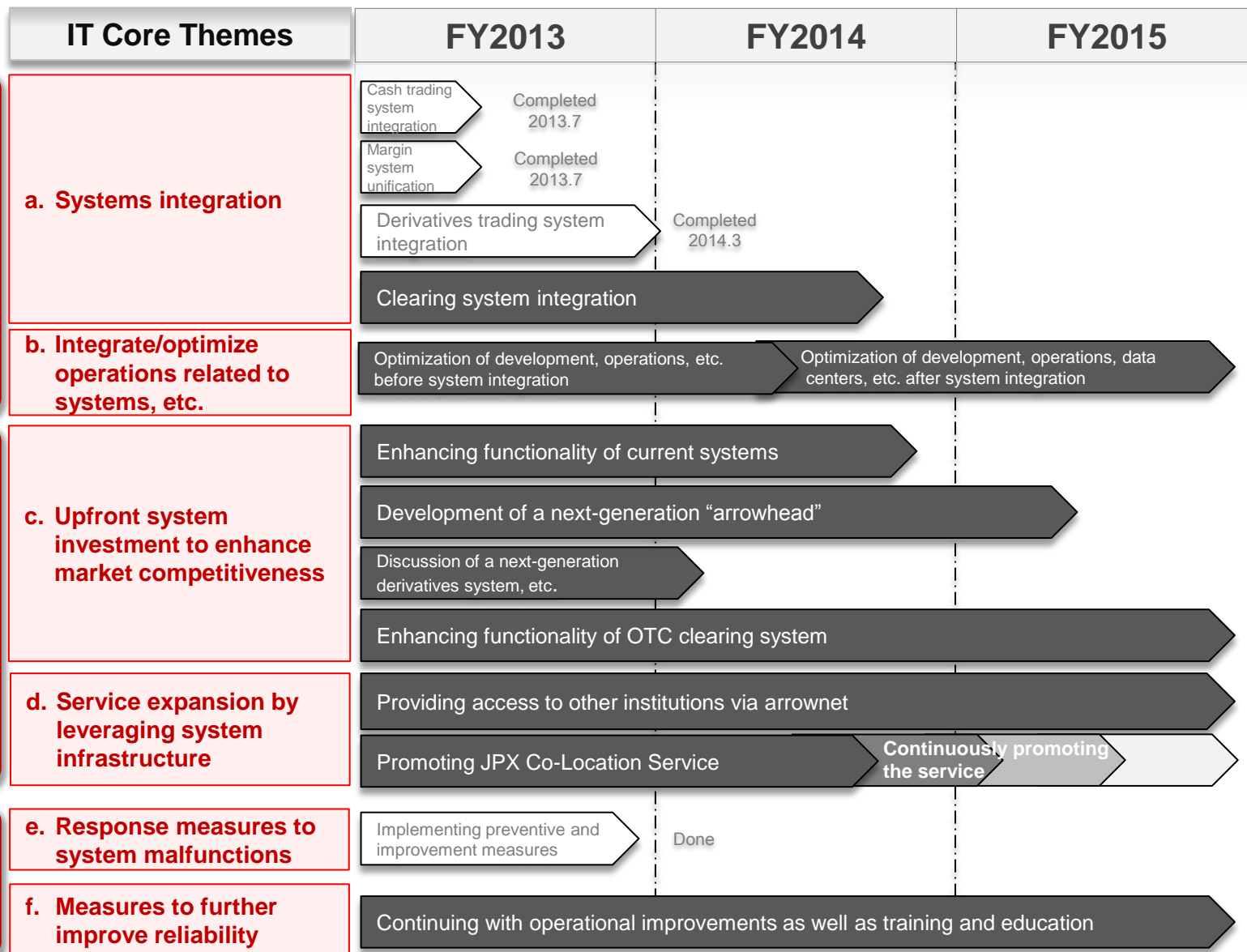
Improve Reliability of IT Infrastructure

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
IT Strategy (2) Enhance System Foundation Supporting the Market	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.
		5) Discussion of a grand design for a next-generation derivatives trading system
		6) Expansion of OTC clearing system functionality
IT Strategy (3) Improve Reliability of IT Infrastructure	d. Service expansion by leveraging system infrastructure	7) Enhancement of convenience via expansion of “arrownet” provision scope
		8) Promotion of JPX Co-Location Services
		9) Implementation of preventive/improvement measures based on the system malfunctions which occurred on March 4, 2013.
		10) Securing even more reliable and stable operations as the core infrastructure of the financial and capital markets.
	e. Response measures to system malfunctions	
	f. Measures to further improve reliability	

4. Road Map of our IT Strategy



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

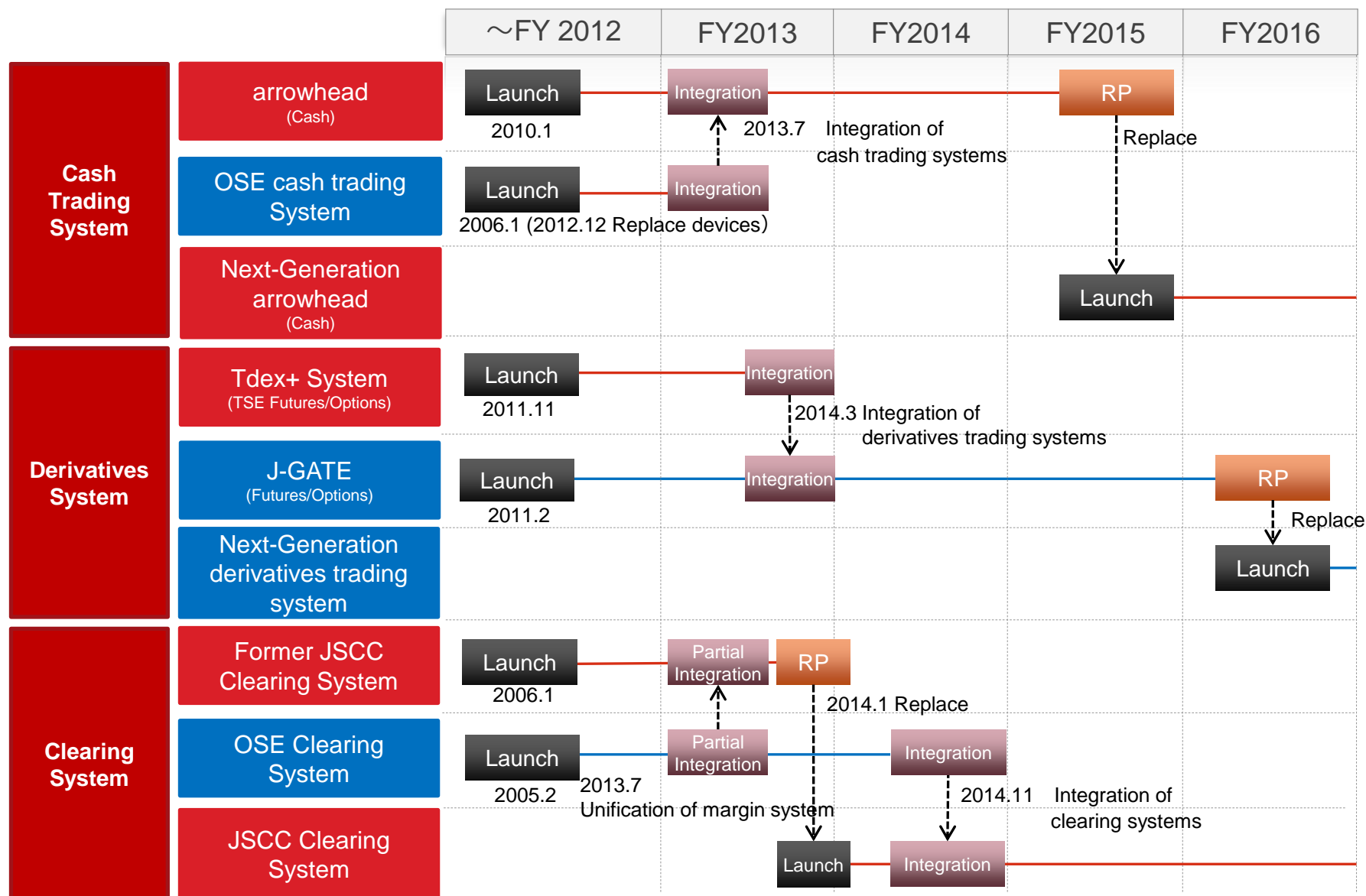
To increase convenience for users.

To integrate systems and operation/development structures.

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

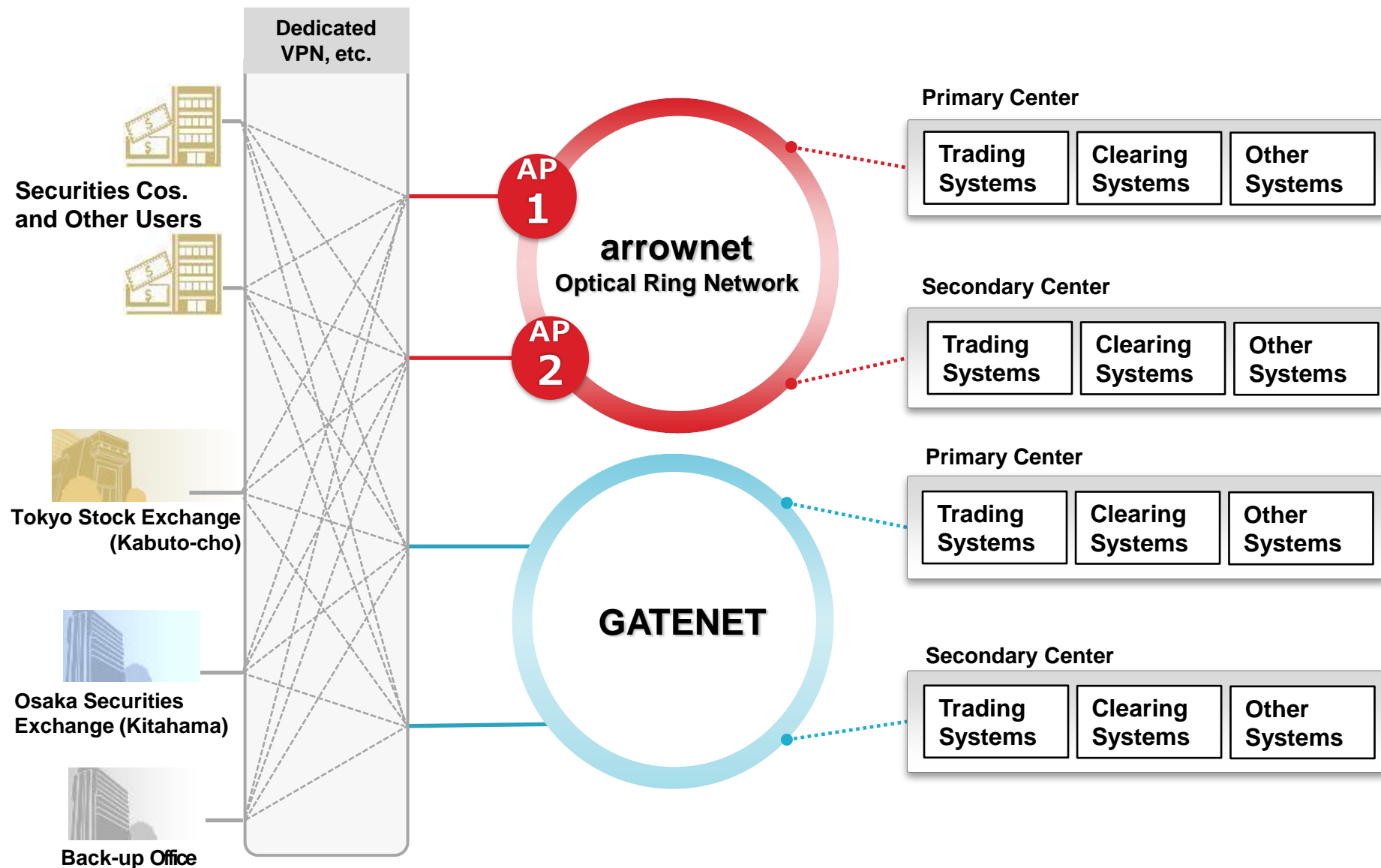
Market, Function, Service	System	Schedule
Cash Market	arrowhead, ToSTNeT	July 2013 (Done)
Derivatives Market	J-GATE	March 2014 (Done)
Unification of Margin System	Clearing System	July 2013 (Done)
Clearing Function	Clearing System	November 2014
Network	arrownet	September 2014

6. Schedule



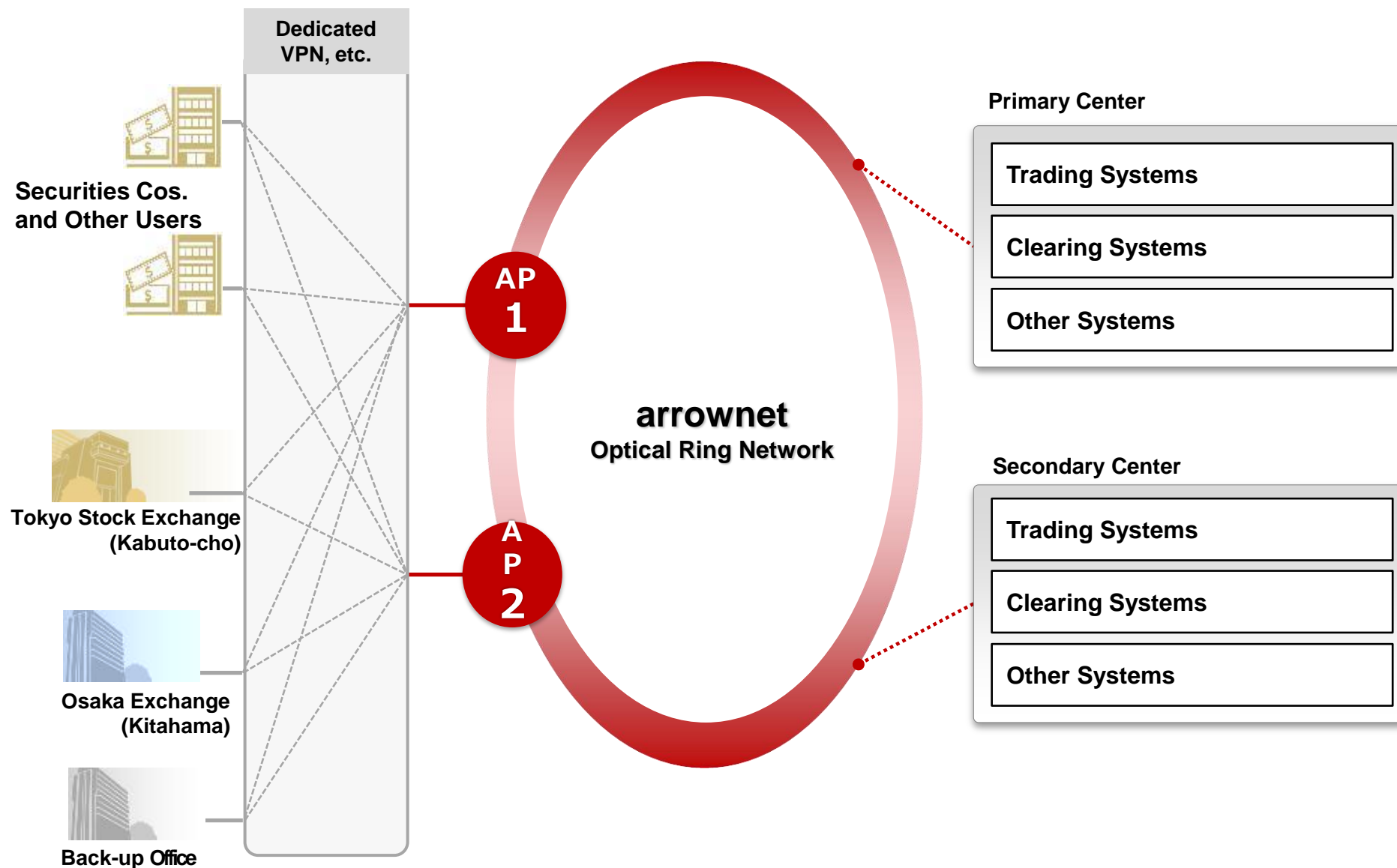
7. Image of Post-Integration/Replacement

As of March 2013



7. Image of Post-Integration/Replacement

2015 - 2016



(Convenience Translation Disclaimer)

This translation may be used for reference purposes only. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. This translation is subject to change without notice. Japan Exchange Group, Inc., Tokyo Stock Exchange, Inc., Osaka Securities Exchange Co., Ltd., Tokyo Stock Exchange Regulation, and/or their affiliates shall individually or jointly accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding, or changes with regard to this translation.

(No Offer of Securities)

These materials are prepared solely for the purpose of providing information regarding Japan Exchange Group, Inc., and as such, they are not intended as any offer or solicitation for sale or purchase of securities or other similar action whether inside or outside Japan. Our securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and shall not be offered or sold in the United States except cases of securities registration or an applicable exemption from registration requirements pursuant to the Securities Act.

(Forward-Looking Statements)

These materials contain forward-looking statements. These statements are based on the information currently available to us at the time of preparing these materials and our assumptions and premises subject to risks and uncertainties which will affect future business performance. There is no guarantee that such statements and assumptions come true in the future, and they differ greatly from actual results. Also matters for future estimates such as business strategies are based on our recognition at the time of stating such matters and contain a certain degree of risks and uncertainties. Therefore actual results may vary from future estimates. We shall not necessarily update any of the forward-looking statements and disclaim any obligation to conduct such updates.