[Translation]

May 15, 2013

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Progress of Discussions on Merger between Japan Securities Clearing Corporation and Japan Government Bond Clearing Corporation

Japan Securities Clearing Corporation, a subsidiary of JPX, and Japan Government Bond Clearing Corporation, an affiliate of JPX, started discussions on a merger as disclosed in the release "Start of Discussions on Merger between Japan Securities Clearing Corporation and Japan Government Bond Clearing Corporation" dated March 7, 2013. Today, information regarding the progress of those discussions was released as attached.

Details regarding this matter, including a specific schedule and the ratio of the stock swap preceding the merger, which have not been determined at present, will be disclosed in the future in a timely manner after they have been determined.

<Attached Documents>

Japan Securities Clearing Corporation/Japan Government Bond Clearing Corporation Disclosure Documents
"Progress of Discussions on Merger"

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May 15, 2013

To whom it may concern:

Japan Securities Clearing Corporation
Yasuo Tobiyama, President and CEO
Japan Government Bond Clearing Corporation
Makoto Sonobe, President and CEO

Progress of Discussions on Merger

On March 7, 2013, Japan Securities Clearing Corporation (JSCC) and Japan Government Bond Clearing Corporation (JGBCC) announced the start of discussions on a merger. Below is information regarding the progress of the discussions between JSCC and JGBCC regarding the merger.

Furthermore, the contents of this release express the status of discussions at the present time. Details may change due to further discussions between JSCC and JGBCC and consultation with related parties, etc.

1. Establishment of Merger Discussion Committee

JSCC and JGBCC established a Merger Discussion Committee composed of members such as the President and CEO of JSCC and the President and CEO of JGBCC for the smooth and early realization of the merger. This committee is conducting discussions, etc. of the matters necessary to realize the merger.

2. Status of Discussions pertaining to Merger Method

・The merger will be an absorption-type merger, where JSCC will be the surviving company and JGBCC will be the dissolved company.

・In order to separate the capital and profit/loss of business divisions and segregate risk, JSCC is issuing class shares for each business divisions, separately managing capital, profit/loss, and appropriating earnings, etc. by each class of shares. In relation to the merger, provisions for Class-D shares were established in JSCC's Articles of Incorporation, and the new business division pertaining to the Class-D shares will succeed the business conducted by JGBCC.

・Prior to the merger, a stock swap will be conducted, making JSCC the wholly-owning parent company and JGBCC the wholly-owned subsidiary. In the stock swap, JGBCC shares and JSCC Class-D shares will be swapped. The value per share for JSCC and JGBCC which will serve as the basis of calculating the stock swap ratio will be calculated based on the net assets per share of each company.

・Governance of the business divisions pertaining to Class-D shares following the merger will use a framework, which reflects the opinions of clearing participants and Class-D shareholders, with reference to the governance framework used by the business division pertaining to Class-C shares (interest rate swap clearing business).

[Contact Information]
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