

News Release

NRI's I-STAR Suite to be upgraded for T+1 Settlement of Japanese Government Bonds

Product also preparing for T+0 settlement of general collateral repurchase transactions

Tokyo, April 26, 2016 – Nomura Research Institute, Ltd.(NRI), a leading provider of consulting services and system solutions, today announced that it has begun the next phase of its I-STAR suite upgrades in preparation for the shortened settlement cycle of Japanese Government Bonds(JGB) to T+1 set by the Japan Securities Dealers Association (JSDA) Working Group scheduled for early 2018.

I-STAR suite, NRI's ASP back-office solutions for securities firms, enables clients to respond to the major regulatory changes in a timely manner and improve the efficiency of operations, while also reducing the cost burden.

Of the I-STAR suite, this new upgrade will be applied to its I-STAR/LC product, NRI's real-time clearing and settlement solution connected to the Bank of Japan Financial Network System. The upgraded I-STAR/LC will allow its users to calculate allocable balance (positive list) which is required to be submitted to the Japan Securities Clearing Corporation (JSCC) for T+0 settlements of general collateral repurchase transactions (GC repos) under the Subsequent Collateral Allocation Method. The enhanced I-STAR/LC then can transmit allocable balance notices (*1) to JSCC in real-time through I-STAR/MX, NRI's solution for JASDEC settlement matching.

Other changes made to I-STAR suite to comply with T+1 migration for JGB include:

- The upgrade for straight through processing, ISO20022 message format, as well as the new form of repo which is structured as conditional purchase/sales.
- I-STAR/MX was also upgraded for JASDEC's adoption of ISO20022 in 2014 and currently connects JASDEC and more than 150 financial firms. I-STAR/MX ensures its users a smooth transition to T+1 which requires ISO20022 message format for communication with JASDEC.

“NRI is deeply entrenched in the regulations and changes throughout the Japanese financial market and aim to provide global clients the tools needed to adapt and respond to an increasingly complex global regulatory environment.” said Minoru Yokote, Senior Managing Director of NRI. “We are dedicated to helping our clients navigate through these changes, while ensuring that our products are continuously updated to help move our clients forward.”



Nomura Research Institute

The total I-STAR Suite upgrades are expected to be in effect around May 2018 in time for the T+1 settlement implementation.

For more information on T+1 settlement of JGB trades, please visit:

<https://www.nri.com/~media/PDF/global/opinion/lakyara/2015/lkr2015212.pdf>

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*1) allocable balance notice (positive list) – Notice stating the issues available for allocation and their balance by each Netting Account (or by fund, for a Netting Account that is a Trust Account) in the manner prescribed by Japan Securities Clearing Corporation (JSCC).

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ABOUT NRI

Nomura Research Institute, Ltd. (“NRI”, TYO: 4307) is an independent, global IT solutions and consulting services provider with annual sales of 405.9 billion yen as of FY ended March 2015. With front-to-back support for the buy- and sell-side, NRI’s tradition of innovation has positioned them as a trusted international market leader. Leveraging NRI’s global consulting business, NRI is able to provide innovative financial IT solutions for investment banks, asset managers, banks and insurance providers. For more information, visit www.nri.com.

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