Outline of Transactions

Investors

Feeder Fund
(Cayman Islands company)

Master Fund
(Cayman Islands company)

Investment Management Agreement
Entered between Evo Investment, Feeder Fund, and Master Fund. (Evo Investment is entrusted to manage funds of Feeder Fund and Master Fund.)

Administrative Monetary Penalty Payment Order to be issued against Evo Investment Advisors Ltd. ("Evo Investment")
(Cayman Islands company)

Long position of 27,800 shares at the time of commencement of the act of violation

Order (DMA)

22 Brokers

Stock Price Movement prior to the Act of the Violation
H26.5.14 15:00 TSE Closing (1,469 yen) ↓
H26.5.14 16:00 PTS Day Session Closing (1,670 yen) ↓
H26.5.14 19:15 Public Disclosure (Earnings Outlook Change) ↓
H26.5.14 19:15 PTS Night Session Suspended (1,510 yen) ↓
H26.5.15 8:20 TSE Quotation (1,169 yen)

Disposal of long position at PTS followed by elusion of executions of market orders placed to TSE

Tokyo Stock Exchange

Before Morning Session (8:00-9:00)
(1) False Order Placement (8:20-8:21)
→ Quotation uplifted from 1,169 yen (limit low) to 1,400 yen level.

(3) Quotation Uptick (8:21-8:39)
→ Quotation further uplifted to 1,769 yen (limit high) due to a number of purchase orders from induced market participants.

(5) Cancellation/Lowering Limited Price of Purchase Orders (8:51-8:55)
→ Quotation dropped from 1,460 yen level to 1,169 yen due to the cancellation and the price change.

PTS

Day Time Session (8:20-16:00)
(2) Trading Price Uptick (8:21-8:22)
→ 1,182 yen to 1,420 yen

(4) Disposal of Long Position (8:22-8:50)
→ Sold in excess of 99% of long position at the price range of 1,399 yen to 1,650 yen, earned approx. 700,000 yen capital gain.

Notable Characteristics of the Case
(1) Market Manipulations Between TSE and PTS
Abusing the availability to trade TSE listed shares on PTS prior to the commencement of TSE morning session, while the TSE quotation had been at the limit low, the violator disposed its long position at its favorite price (higher than the TSE closing price of the previous day) on PTS by means of placing false orders to TSE at the same time as the commencement of PTS morning session.

(2) This case is the third case where SESC issued recommendation for Administrative Penalty Payment Order for market manipulation between the financial instruments exchange and PTS.