

Date of recommendation	Violations subject to recommendation	Administrative disciplinary action
<p>June 23, 2003 (inspection)</p>	<p>○Act of making a series of securities trading to create an artificial market that does not reflect the actual state of the market</p> <p>From June 2002 to March 2003, the manager at the Tokai Tokyo Securities Co. Equities Trading Department placed a series of limit buy or sell orders in large quantities for numerous listed stocks without any intention of executing these shares, with the aim of making the stock prices move in favor of Tokai Tokyo Securities (making the prices rise in the case of long positions or making the stock prices fall in the case of short positions) by inducing market participants to place buy or sell orders for the stocks after Tokai Tokyo executed its buy or sell orders on its own account.</p> <p>Incidentally, after the stock prices rose or fell, the manager placed additional sell or buy orders to offset the initially taken long or short positions. The manager, upon having the additional orders executed at prices in favor of Tokai Tokyo, then cancelled the limit buy or sell orders.</p>	<p>Administrative disciplinary measures taken against the company</p> <p>Business suspension order</p> <ul style="list-style-type: none"> • The company was ordered to suspend stock trading on its own account for 10 days <p>Business improvement order</p> <ul style="list-style-type: none"> • Improving and strengthening in-house supervision of business operations, ensuring that employees, including those in managerial positions, observe laws and rules. • Clarification of where the responsibility lay • Drastically reviewing the system of trading supervision, devising specific measures to prevent violation recurrence, and ensuring that the employees fully implement the measures <p>Disciplinary measures against the employees involved, including those in managerial positions (registered securities traders included)</p> <p>They were barred from business for eight weeks.</p>

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<p>June 23, 2003 (inspection) Kanto</p>	<p>○Act of making a series of securities trading to create an artificial market that does not reflect the actual state of the market</p> <p>In January 2003, four dealers in the Retela Crea Securities Co. dealing department placed a series of limit buy or sell orders in large quantities for numerous listed stocks without any intention of executing these shares, with the aim of making the stock prices move in favor of Retela Crea (making the prices rise in the case of long positions or making the stock prices fall in the case of short positions) by inducing market participants to place buy or sell orders for the stocks after Retela Crea executed buy or sell orders on its own account.</p> <p>Incidentally, after the stock prices rose or fell, the dealers placed additional sell or buy orders to offset the initially taken long or short positions. The dealers, upon having the additional orders executed at prices in favor of Retela Crea Securities, then cancelled the limit buy or sell orders.</p>	<p>Administrative disciplinary measures taken against the company</p> <p>Business suspension order</p> <ul style="list-style-type: none"> • The company was ordered to suspend stock trading on its own account for 10 days <p>Business improvement order</p> <ul style="list-style-type: none"> • Improving and strengthening in-house supervision of business operations to prevent the recurrence of any violations. Clarification of where the responsibility lay • Devising measures to prevent a repeat of the violation, including drastically reviewing the trading supervision system, and ensuring that employees, including those in managerial positions, implement these measures fully <p>Training of all employees in order to have them reminded of the need to observe laws and rules</p>

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(Continued)	<ul style="list-style-type: none"> • Act of securities trading engaged in by employees of the securities company with the aim of pursuing speculative profit <p>From May 7, 1997 to January 24, 2003, securities traders working under a commission-based pay system in the investment and sales department at the Osaka branch of Retela Crea Securities Co. engaged in stock sales and buying on the company's own account numerous times using clients' accounts, with the sole aim of pursuing speculative profit.</p>	<p>Disciplinary measures against employees involved, including those in managerial positions (registered securities traders included)</p> <ul style="list-style-type: none"> • A dealer at the dealing department was barred from business for nine weeks • B dealer at the dealing department was barred from business for eight weeks • C dealer at the dealing department was barred from business for eight weeks • D dealer at the dealing department was barred from business for eight weeks • Securities traders working under a commission-based pay system were barred from business for six weeks