

Sep. 25, 2015

TSE Impose Disciplinary Action, etc. Against Kabu.com Securities Co.,Ltd.

Tokyo Stock Exchange (hereinafter "TSE") has imposed disciplinary action (censure) against Kabu.com Securities Co.,Ltd. (hereinafter "the Company") pursuant to the provisions of Rule 34, Paragraph 1 of the Trading Participant Regulations. Additionally, TSE has requested the Company to submit a business improvement report pursuant to the provisions of Rule 19, Paragraph 1 of the Trading Participant Regulations.

- Outline of Violation

○ Inadequate system management

The management of the Company lacked awareness regarding the importance of system risk management and was requested to rectify deficiencies regarding the analysis of system malfunctions and the quality control process after the joint inspection conducted by the self-regulatory organizations. However, the following inadequacies are deemed to remain in system management.

- (1) Extremely inappropriate management of system malfunctions
- (2) Deficiencies in the management of system development
- (3) Ineffective internal audit function

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