(Reference Translation)

February 16, 2016

TSE Imposes Disciplinary Action against Deutsche Securities Inc.

Tokyo Stock Exchange, Inc. (hereinafter, "TSE") has taken disciplinary action (imposition of a JPY 60 million fine) against Deutsche Securities Inc. (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 same Regulations.

- Outline of Violation

(1) Deficiencies in management of corporate information

At the Company, when an analyst of the Company provides listed company information to a customer, the information is

i. provided as a report in a format predetermined by the Company (analyst report), and

ii. provided directly by the Company analyst or through a sales person via e-mail, telephone, etc.

Based on the above situation, the following problems were found in the management of information that was obtained by Company analysts in the course of interviews, etc. with listed companies.

a. In conducting i. above, if a report, etc. was not provided based on the judgment of the Company analyst, the Company did not always have compliance staff, etc. examine whether the information fell under corporate information.

b. In conducting ii. above, the Company did not examine whether the information fell under corporate information.

As a result, there were several cases where non-public information on listed companies obtained by Company analysts (including that described in (2) below) was provided to customers without examining whether it fell under corporate information.

Based on the state of management of corporate information at the Company described in (1) above, TSE deems that the Company failed to implement the necessary and appropriate measures to prevent unfair trading related to corporate information.

(2) Solicitation through provision of corporate information

Sometime around December 2014, analyst A of the Company's equity research division obtained non-public corporate information on the quarterly earnings results of listed company X through an interview with the company. On the same day, analyst A communicated this corporate information to 21 sales staff and one customer of the Company via e-mail and other means.

Of the Company staff that received this corporate information, two sales staff provided the corporate information on the same day to at least the abovementioned customer and two other customers before it was announced by company X, and solicited trading in the stock of company X.

The acts of solicitation of stock trading described in (2) above are deemed to be those of providing corporate information to customers to solicit trading in securities and other transactions.

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