

December 16, 2024

OSE Imposes Disciplinary Action Against Nomura Securities Co., Ltd.

Osaka Exchange, Inc. (OSE) has taken disciplinary action against Nomura Securities Co., Ltd. (hereinafter "the Company") pursuant to the provisions of Rule 42, Paragraph 1, Item (10) of the Trading Participant Regulations, as indicated below, and has requested the Company to submit a business improvement report pursuant to the provisions of Rule 17, Paragraph 1, Item (1) of the same Regulations. The above measures were determined based on the results of the deliberations by Japan Exchange Regulation.

1. Disciplinary Action

- Suspension of the Company's proprietary trading of JGB Futures and Options on JGB Futures (excluding activity specifically authorized by OSE, such as transactions associated with the fulfillment of contracts already existing before the announcement date of disciplinary actions) during the period from December 25, 2024 through December 27, 2024
- Imposition of a JPY 60 million fine

2. Reason

The Company, through an employee who was involved in the Company's proprietary trading, became involved in manipulative trading typically known as "layering" in the March 2021 contract of 10-year JGB Futures (hereinafter "the JGB Futures") listed on OSE for the purpose of inducing others to buy or sell the JGB Futures during the period from 8:45:49 a.m. to 2:16:59 p.m. on March 9, 2021. Specifically, the Company bought a total of 462 units at a lower price while placing a total of 2,466 units of sell orders layered at the best offer or inferior prices, and it also sold a total of 462 units at a higher price while placing a total of 1,619 units of buy orders layered at the best bid or inferior prices. This constituted a series of market derivatives transactions on the Company's account that would potentially mislead others into believing that trading of the JGB Futures is thriving and cause fluctuations in its prices on the OSE market.

The above acts conducted by the Company are deemed to fall under "a series of purchase and sales of securities, etc." and an offer for such conducted "in violation of the provisions of Article 159, Paragraph 2, Item (i)" prescribed in Article 174-2, Paragraph 1 of the Financial Instruments and Exchange Act.

Contact:

Trading Participants Office, Market Operations Department, Osaka Exchange, Inc.

Tel: +81-(0)50-3377-8024

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