

(Reference Translation)

September 24, 2014

TSE imposes Disciplinary Action Against Musashi Securities Co., Ltd.

The Tokyo Stock Exchange (hereinafter "TSE") has imposed disciplinary action (Censure) against Musashi Securities Co., Ltd. (hereinafter the "Company") pursuant to 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.

The business improvement report shall include:

- (1) Conduct a fundamental review of the systems and frameworks for trade supervision that are necessary to ensure fair transactions, including (i) developing and improving staffing arrangements and (ii) establishing and operating a data verification system, and take measures to prevent recurrence toward eradicating violations of laws and regulations;
- (2) Take measures that cause all board members, executive officers, and employees to strictly comply with laws and regulations;
- (3) Clarify the locus of responsibilities for this case, including of persons in management;

Contact:

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