

Date of recommendation	Violations subject to recommendation	Administrative disciplinary action
<p>March 14, 2003 (inspection)</p>	<p>○ Act of failing to inform customers that funds being raised through securities issuance would be used to finance the repayment of debt owed by the issuer's parent company</p> <p>Norinchukin Securities Co., Ltd., from November 2000 to December 2002, underwrote securities issued by an entity which had borrowings from Norinchukin Securities' parent company and knowingly sold them to customers without informing them that there was an extremely high possibility that proceeds being raised from the issuance of the securities would be used by the issuing entity to finance the repayment of its borrowings.</p> <p>(Note) Given the situation in which the securities company knew there was an extremely high possibility that proceeds being raised from the issuance of the securities would be used by the issuing entity to finance the repayment of its borrowings, the securities company's selling of the securities to the customers was judged as having been done with "knowledge" as defined under the relevant law.</p>	<p>Administrative disciplinary measures taken against the company</p> <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, and devising specific plans to prevent violation recurrence. <p>Clarification of where the responsibility lay</p> <ul style="list-style-type: none"> • Working out of specific measures to ensure the company's business relations with which the parent firm would become normalized and their business would be operated properly

• Data on recommendation issued to Norinchukin Securities Co., Ltd.

Parties involved in the transactions in question (transaction flows)

