

Nomura Securities Outlines Measures to Prevent Insider Trading

Tokyo, June 6, 2008—Nomura Securities Co., Ltd. today announced a series of measures to prevent insider trading at the company. The moves follow recommendations from an independent committee created to investigate the handling of non-public information at Nomura's investment banking division.

The investigation, commissioned in response to the recent arrest of a former employee for insider trading, entailed an in-depth inquiry into the handling of market sensitive information in the investment banking division's M&A Advisory Department.

The investigation concluded there was no evidence Nomura Securities had breached insider trading regulations or broken the rules and regulations of the Japan Securities Dealers Association. However, the committee recommended the company should focus on three areas to reduce the risk of similar incidents. These include controlling the flow of information, improving procedures for the hiring and training of staff; and reinforcing internal rules on stock trading.

"We deeply regret that a former employee was involved in an incident that undermined the integrity of the market and wish to apologize to all market participants for the leak of privileged client information," said Kenichi Watanabe, President and CEO of Nomura Securities. "We are committed to ensuring that such incidents do not occur in the future, and we will not tolerate behavior from employees that does not meet the highest standards of ethical conduct."

In terms of information management, Nomura will reinforce its policy stipulating that non-public information about deals must not be passed outside of the M&A Advisory Department. Further, the sharing of confidential deal-related information within the department should be limited only to those who require it for work.

In addition, Nomura will ensure that compliance and professional ethics become a significant factor in the hiring and training of staff in the department. In particular, the hiring process will be improved to ensure that professional ethics are fully taken into account when judging applicants.

Training on professional ethics will also be a priority, especially for new hires and people recently assigned to the department. The company will also redouble its efforts to conduct ongoing ethics training. Finally, line managers will commit themselves to ensuring employees continue to prioritize compliance and that staff maintain a high standard of professional ethics.

The trading of stocks by employees in the investment banking division, which includes the M&A Advisory Department, is already severely restricted. Nomura reiterates its commitment to take punitive action against any employee who is found violating laws, regulations, or internal rules with malicious intent.

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Notes to editors:

Nomura

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