
March 24, 2021

Matsui Securities Co., Ltd.

Notice Regarding Arrest of a Former Employee of Outsourcing Contractor

Matsui Securities Co., Ltd. (“the Company”) announces that a former employee of SCSK Corporation, an outsourcing contractor for the development and operation of the securities trading system of the Company, was arrested today by the Tokyo Metropolitan Police Department on suspicion of Computer Fraud.

The Company deeply apologizes for the great concern and inconvenience of the damaged customers, all the customers, the shareholders and all concerned.

The former employee of SCSK Corporation illegally obtained the ID, password and transaction PIN of multiple customers at the Company by abuse of its business-granted authority then sold the securities in the guise of the customers and withdrew the cash from the customers’ accounts. The fraud was committed from June 29, 2017 to November 12, 2019. The Company also confirmed that the former employee opened the fictitious bank accounts with the same name as our customers by using counterfeit identity verification documents in order to withdraw the cash from customers’ accounts. It is regrettable that the former employee committed such fraud, and the Company takes this situation seriously.

The Company promptly conducted an investigation after the fraud was discovered, and reported to regulatory agencies and consulted with the police. The Company had refrained from publishing it at the request of police authorities. The Company has confirmed that the number of customers affected is 15 and the total financial damage was about 200 million yen, and no damage has occurred except for the 15 customers based upon the investigation. The Company apologized for any inconvenience caused to the customers who have suffered damage, explained the situation and provided refunds. The Company continues to respond sincerely to the customers.

The Company takes seriously the fact of the fraud, although we have continuously taken various measures to prevent and monitor such fraud of insiders. The Company will do the utmost to prevent recurrence and fully cooperate with police investigations.

The total financial damage was fully compensated by SCSK Corporation and there is no financial impact on the Company.

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