

March 30, 2015
SMBC Nikko Securities Inc.

Summary of the announcement by Tetsuya Kubo (President & CEO) at the Spring 2015 Meeting of Department Heads and Branch Managers of SMBC Nikko Securities Inc.

SMBC Nikko Securities Inc. (SMBC Nikko) succeeded in achieving significant improvements in terms of its business performance by successfully capturing opportunities in the stock markets, which started to show recovery in the second half of Fiscal Year 2014. I would like to take this opportunity to thank all the officers and employees of SMBC Nikko for their great efforts that made this possible.

Fiscal Year 2015 is the second year of our medium-term management plan, and I expect Japan's economy to show solid growth for the year, even though the business environment is likely to remain uncertain, including a potential rise in interest rates in the U.S. and geopolitical risks in Europe and the Middle East.

SMBC Nikko is committed to accelerating its growth by taking full advantage of the best growth opportunity in recent years. To achieve this, it is evident that SMBC Nikko needs to work together as one unit, toward the aim of expanding the inflow of client assets. In this regard, SMBC Nikko has established the Committee on Expansion of Client Assets, with myself acting as chairperson. Officers and employees across related departments and business units will participate in this committee toward the objective of increasing the inflow of client assets to our company.

I would like to emphasize to you three key points:

(1) Client-oriented approach

Clients recognize our value through our empathy toward them and the suitability of our proposals to meet their needs. We must never forget the clients' point of view.

(2) Diversity initiatives

The promotion of diversity in the work place, such as the increased participation of women, is one of the key elements for the sustainable growth of a company. To this end, I am sincerely committed to taking the initiative in promoting diversity awareness. Please join me in striving to nurture a diverse work environment.

(3) Human resource development & training

Officers and employees at SMBC Nikko come from diverse backgrounds and possess a variety of skills and expertise. Helping other people grow by influencing them through such various skills and expertise will ultimately contribute substantially to the company's growth. Please implement on-the-job training for the development of human resources.

This material is an English translation of the Japanese announcement made on March 30, 2015. Although the company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed and thus you are encouraged to refer to the original Japanese document.

This April, I will be starting my third year as President & CEO. We have successfully built an organization suitable for a full-line securities company, thus completing the initial period of our growth stage. While many challenges face us in achieving our goal to become the No. 1 Securities Company in Japan, let's work together to make this next Fiscal Year a year of increasing growth.

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