

【NEWS RELEASE】

November 29, 2018
SMBC Nikko Securities Inc.

Re: Arrest of a Former Employee and Establishment of an Investigation Committee

Today, a former employee of our company was arrested by the Osaka District Public Prosecutors Office on the suspicion of violating the Financial Instruments and Exchange Act (violation of insider trading regulations). We take this matter very seriously and sincerely apologize to our customers and other concerned parties for causing great concern and inconvenience.

We are fully cooperating with the investigation by the relevant authorities and have today established an investigation committee to establish the facts of the incident and identify required responses.

The investigation committee is planned to comprise three members: Takayuki Aonuma Esq. (committee chair), Takeshi Oki Esq. and Akira Inoue (the Internal Administration Supervisor of our company).

We will continue to strengthen our company's internal control system, including permeating awareness of full compliance with laws and regulations and strict information management. We will strictly deal with the findings of the investigation by the authorities and the investigation committee and take all necessary steps across our organization to restore the trust of customers and other concerned parties.

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