

March 30, 2012
SMBC Nikko Securities Inc.

**Announcement by Eiji Watanabe, President & CEO, at Meeting in
Spring 2012 of Department Heads and Branch Managers of SMBC Nikko Securities**

Two and a half years have passed since our company became a member of Sumitomo Mitsui Financial Group. We are still on our way to building a structure as a full-service securities firm and expanding our business base, but we feel the business is moving in the right direction. We have developed our business structure year by year. Next fiscal year, we will see that the structure as well as actual performance will be such that they will inspire hopes for the future and assure further development for our customers, shareholders and the community. As it is particularly important to strengthen our base for sustainable growth, we will put great effort into this process.

Key points for strengthening our base for sustainable growth

- Increasing customer assets and activating them in the retail business.
- Expanding the lead manager base in the wholesale business.
- Increasing transactions with overseas institutional investors.
- Expanding collaboration with SMBC.

In our continued efforts to venture into new fields and develop innovative businesses, we will improve and solidify compliance and business management to the full extent. We will do this by continually reviewing the mechanism, rules, systems and infrastructures, and organization and staffing.

In this age of rapid changes, the truth lies in the future. We believe it is our customers and markets that give us answers closest to the truth in the future. We will be fully committed to working as “Team Nikko and Team SMFG,” with every officer and employee determined to provide the highest value and the highest quality to customers, promptly respond to their needs and promote optimum time management and personnel development.

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