

September 25, 2015
SMBC Nikko Securities Inc.

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

We are shifting our strategy to focus more on increasing the balance of client assets, and as a result, we have seen significant growth in our Fund Wrap sales. Although we are still halfway, we have no doubt that we are headed in the right direction, and we are determined to keep moving forward. To that end, our most important mission is to expand the inflow of client assets.

Increasing the inflow of client assets is not just an issue for the Sales Unit, but a key task that requires full commitment by all officers and employees. It is the second year of our banking-securities integration, and it is important for us to deepen the collaboration with the bank so that it leads to even greater results.

In the second half of this fiscal year, we will be handling big IPOs, such as Japan Post Holdings and its two financial units, and applications for “Junior NISA,” the tax-saving investment accounts designed to reach younger generations, will commence. This is a great timing for us to take advantage of the trend “from savings to investment,” in which our tireless efforts may suddenly start to bear fruit. I would like you to consistently promote the initiatives so that it would lead to better outcomes.

To improve inheritance consultation capabilities at branches, we will be appointing “inheritance consultation managers” at 109 branches throughout Japan by the year-end. These managers will serve as contacts for clients in needs of advice concerning inheritance, and hold seminars designed to help people prepare for their “last days.” Let’s leverage our group-wide strength by working closely with other members of SMFG. At the same time, I ask all employees to enhance their knowledge as equity specialists. Let us demonstrate to our clients that we are strong in investment trusts and bonds, but even stronger in equities.

Our Wholesale Unit will continue to work to acquire large underwriting deals/cross-border M&A deals. Furthermore, based on the vision for the next five years, we will train professionals in wholesale business and review each division’s role within the organization.

To expand client assets and ensure a stable inflow of revenue, it will be important to increase the number of approaches made to our clients, while simultaneously improving the quality of such efforts. This means effectively increasing interactions with clients, being sincere, and making excellent proposals as securities professionals. Recently, the stock markets have been volatile, so please keep your clients well informed of the current market situation, coming up with ideas together to make appropriate proposals.

Our brand slogan, “*Share the Future,*” expresses our commitment that the company will work as one, closely together with our clients. Let’s keep the message of the slogan in our minds and work together as one towards high ideals.

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This material is an English translation of the Japanese announcement made on September 25, 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.