

March 26, 2018
SMBC Nikko Securities Inc.

**Summary of the Announcement by President Shimizu
at the Spring 2018 Meeting of Department Heads and Branch Managers**

For FY 2017, we made a great start to the Medium Term Management Plan due to your hard work and dedication. For FY 2018, we would like to continue to devote our energy to the Customer-Oriented Business Conduct and on top of that, while improving the balance of quality and quantity, we would like to establish the position where we can aim for No. 1 in Japan in FY 2019, the final year of the MTMP. We would like all of you to make an effort for a sustainable growth, such as expanding the client base through steady implementation of various concrete measures.

Today, I would like to talk about what you should be aware of.

First of all, about the work style reform. From now on, the improvement in the labor productivity is indispensable. So it is important for us to create time by cutting inessentials and use that time for essentials so that we can add further value. The improvement in the labor productivity will satisfy both clients and employees, which will further lead to a sustainable growth of our company. I think creating such a cycle of good deeds is what the work style reform truly is about. Of course IT, such as AI and RPA, will be continuously used proactively and manpower will be increased for strategic areas/units. Blending technology with man power is an important strategy to differentiate us from competitors.

Next, about the DNA of SMBC Nikko. On July 7, 2018, we will celebrate the 100th anniversary. Please take this opportunity to look back at the management policy and the way of life of our Founder, Gen-ichi Tōyama once again. From the very beginning, our founder committed to his mission, “improve the status of securities industry”, and valued ideas of “co-existence and co-prosperity with clients” and being “kind and honest”. I think these ideas perfectly coincide with SMBC Nikko’s corporate philosophy/slogan, “Share the Future”, and Customer-Oriented Business Conduct. Since the foundation, we have had these philosophies and this is why SMBC Nikko could keep on running our business for 100 years. There is one more thing I would like to remind you. When we look back at these 100 years, it is a history of creating a number of products and services for clients that lead the industry. I believe that the culture to innovate is one of SMBC Nikko’s strength.

I would like to conclude with the first thing we should do for the 100th anniversary. Please extend our gratitude to clients who have supported us over the years. As before, please learn about our clients, think about the client’s true needs and what is best for the client before proposing products and services. If there is no product to meet the client’s needs, please exert your creativity.

Customer-Oriented Business Conduct and “Innovation” are embedded in Nikko’s DNA for 100 years.

Please act as our DNA tells. Together with people from the former SMBC Friend Securities, let us build the foundation of the next 100, prosperous years.

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