

October 14, 2011
SMBC Nikko Securities Inc.

**Announcement by Eiji Watanabe, President & CEO, at Meeting in
Autumn 2011 of Department Heads and Branch Managers of SMBC Nikko Securities**

As of this October, two years have passed since our company became a member of Sumitomo Mitsui Financial Group. We will further promote the three key concepts - “bank-brokerage integration,” “full-line securities firm” and “global” - which we set forth when we moved into a new system, and strengthen compliance.

Bank-brokerage integration

- To give full play to the functions of banking and securities businesses, it is important to bring out the best in each business and generate synergy effects.
- From now on it will be essential to give full consideration to the specialty and features of banking and securities businesses, clarify the role of each business and promote cooperation and coordination on a greater scale.

Full-line securities firm

- It is important to help customers in both fund management and fundraising and to act in a way that will be useful for the customer’s business.
- To win equity finance contracts, it is necessary to develop the ability to sell to retail customers and also the network for sale to domestic and overseas institutional investors.

Global

- Developing overseas bases is one of the things to be done in order to win underwriting contracts as well as to help corporate fundraising.

Compliance

- Compliance is not just a matter of business procedure but is based on each employee’s knowledge and awareness. In each section, those in managerial positions should take the initiative in calling attention to compliance matters.

In the latter half of the fiscal year, the situation is still tough and warrants no optimism. All the officers and employees will work together while continuing efforts to strengthen what needs to be strengthened and dealing with customers squarely.

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