

April 11, 2014  
SMBC Nikko Securities Inc.

**Announcement by Tetsuya Kubo (President & CEO) at the spring 2014 meeting of department heads and branch managers of SMBC Nikko Securities Inc.**

SMBC Nikko Securities Inc. (SMBC Nikko), since becoming a member of the Sumitomo Mitsui Financial Group in October 2009, has continued to improve its business infrastructure as a full-line securities company. Fiscal year 2013 was a year during which we achieved significant milestones, and our market presence and clients' opinions of us have improved. Tireless efforts by our staff over the last four-year period have resulted in visible achievements in the past year including business transactions which we had never handled before. Now, I believe, we are rounding out our service line-up as a full-line securities company.

Although we achieved excellent results over the past fiscal year, we must continue to exert further efforts to realize sustainable growth building on such achievements. I would like to urge everyone to work together going forward, this fiscal year and thereafter, starting with the implementation of the measures as shown below.

**Key measures:**

- (1) Expand our client base through the Banking-Securities integration strategy;
- (2) Redevelopment of the domestic marketing platform; and
- (3) Enhancement of the equities secondary business.

I would like to convey following three thoughts to all of my staff.

(1) Team SMBC Nikko

Act with a spirit of "Team SMBC Nikko" for the entire company. Under the Banking-Securities integration strategy, we can leverage the bank's client base to offer services that we, as a securities business, are especially qualified. Persevere to satisfy our clients' needs by making the most of these strengths unique to being a part of the integrated financial group.

(2) Client first

Deal with your clients with sincerity, bearing in mind that earning their trust is our top priority.

(3) Speed

Sensing quickly a change in client needs and responding to such changes in a timely manner will lead to winning the clients' trust. Persevere to think one step ahead of our clients, and one step beyond our competitors.

Entering into my second year as President of the company, it is my belief this year that we must be fully committed to build upon the business infrastructure we have been working so hard to develop and grow even more going forward. Certainly, this year will be “the one that puts us to the test.”

Let us work hard together to make a bright and hopeful year.

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