

April 4, 2016
SMBC Nikko Securities Inc.

**Summary of the Announcement by President Shimizu
at the Spring 2016 Meeting of Department Heads and Branch Managers**

In FY2015, the stock market trended upward with the support of Abenomics, but subsequently experienced downturn, due to concerns of a slowdown in China's economy. It was a tough market environment, and I would like to express my gratitude once again to all of you for your hard work and dedication.

The two key initiatives for FY2016 are the strategic allocation of human resources to the Sales function and improving cost control. Although the market climate is expected to remain uncertain, that provides us with a great opportunity to listen to our clients and identify their true needs, so that clients choose us as their primary securities company. Let's make sure we take advantage of this opportunity.

As some of you may know, I understand that symbols used in the insignias of the U.S. military such as star, eagle, maple leaf, tree trunk, and tree roots, are said to represent the ranks of military officials in the order of where these things are found in nature.

It is my desire that our General Managers look over their organization with a bird's-eye perspective like an eagle, while simultaneously, maintaining the perspective of a star high above, looking beyond the boundaries of your teams, being mindful of other functions, SMBC Nikko as a whole, as well as the Sumitomo Mitsui Financial Group overall.

New graduates and other young staff will soon join your teams. They are the tree roots by the same analogy. Their perspective as the roots of this organization may be limited because they are still under the ground. But please note that they will rely on you, General Managers, to help them grow out of the ground to become tree trunks and maple leaves. It is your responsibility to help them develop and perform independently.

In closing, I would like to remind you that our brand slogan "Share the Future" has three meanings: To share the future with our clients, with our employees, and with SMBC.

I would like everyone to act with this slogan always in their minds, and maintain a high level of brand awareness. As one of the twin-turbos of the SMFG engine, let's aim to become Japan's No.1 full-line securities company, trusted and chosen by our clients.

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