

**P R E S S   R E L E A S E**

October 3, 2016  
SMBC Nikko Securities Inc.

**Notice regarding Changes in Subsidiaries among the SMFG Group**

Please be informed that Sumitomo Mitsui Financial Group, Inc., our parent company, has today issued the attached press release.

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October 3, 2016

Sumitomo Mitsui Financial Group, Inc.  
Sumitomo Mitsui Banking Corporation

## Notice regarding Changes in Subsidiaries among the SMFG Group

Tokyo, October 3, 2016 --- Sumitomo Mitsui Financial Group, Inc. (SMFG, President: Koichi Miyata) acquired 100% of shares in SMBC Nikko Securities Inc. (SMBC Nikko, President and CEO: Yoshihiko Shimizu) and 60% of shares in Sumitomo Mitsui Asset Management Company, Limited (SMAM, President & CEO: Takashi Matsushita; and together with SMBC Nikko, the “Two Subsidiaries”) as a dividend in kind which Sumitomo Mitsui Banking Corporation (SMBC, President and CEO: Takeshi Kunibe), a wholly owned subsidiary of SMFG, distributed on October 1, 2016. We hereby announce that, as a result of such acquisitions of shares, the Two Subsidiaries became direct subsidiaries of SMFG and changes in subsidiaries among SMFG’s group (the “Change”) occurred.

### 1. Background and Reason of the Change

As announced in the press release “Execution of the Merger Agreement between SMBC Nikko Securities and SMBC Friend Securities” dated September 30, 2016, SMBC Nikko and SMBC Friend Securities Co., Ltd. (SMBC Friend, President: Koichi Danno) are tentatively scheduled to be merged in January 2018, with SMBC Nikko as the surviving company and SMBC Friend as the absorbed company, with the aim of strengthening further the competitiveness of the SMFG group’s securities business through synergies from the merger while capitalizing on the strengths of each company. Prior to the merger, SMBC Nikko became a direct subsidiary of SMFG as a result of the Change.

In addition, as announced in the press release “Completion of Additional Acquisition of Shares and Consolidation of Sumitomo Mitsui Asset Management Company, Limited” dated July 29, 2016, since SMBC became the holder of 60% of shares in SMAM, SMAM became a consolidated subsidiary of SMFG. This causes SMFG to further develop SMAM and to make efforts in fulfillment of its fiduciary duty. As a part of such efforts, SMFG acquired shares in SMAM and made SMAM its direct subsidiary. This will allow SMFG to supervise further efficient and appropriate management of conflict of interests.

### 2. Corporate Profiles of the Subsidiaries Changed

SMBC distributed shares of the Two Subsidiaries to SMFG as a dividend in kind utilizing other capital surplus as dividend resource (qualified dividend in kind) on October 1, 2016. The following are corporate profiles of the subsidiaries changed due to the dividend in kind.

(1) SMBC Nikko

(1) Company Name	SMBC Nikko Securities Inc.
(2) Location of Head Office	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	Yoshihiko Shimizu, President and CEO
(4) Business Profile	Securities services
(5) Establishment	June 15, 2009
(6) Capital Amount	10 billion yen
(7) Major Shareholders and Shareholding Ratios	Sumitomo Mitsui Financial Group, Inc. 100.0%

(2) SMAM

(1) Company Name	Sumitomo Mitsui Asset Management Company, Limited
(2) Location of Head Office	5-1, Atago 2-chome, Minato-ku, Tokyo
(3) Title and Name of Representative	Takashi Matsushita, President & CEO
(4) Business Profile	a) Investment Management (Discretionary/Advisory) b) Investment Trust Fund Management
(5) Establishment	July 15, 1985
(6) Capital Amount	2 billion yen
(7) Major Shareholders and Shareholding Ratios	Sumitomo Mitsui Financial Group, Inc. 60.0% Sumitomo Life Insurance Company 20.0% Mitsui Sumitomo Insurance Company, Limited 20.0%

3. Corporate Profile of the Company which Conducted the Dividend in Kind

(1) Company Name	Sumitomo Mitsui Banking Corporation
(2) Location of Head Office	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	Takeshi Kunibe, President and CEO
(4) Business Profile	Banking services

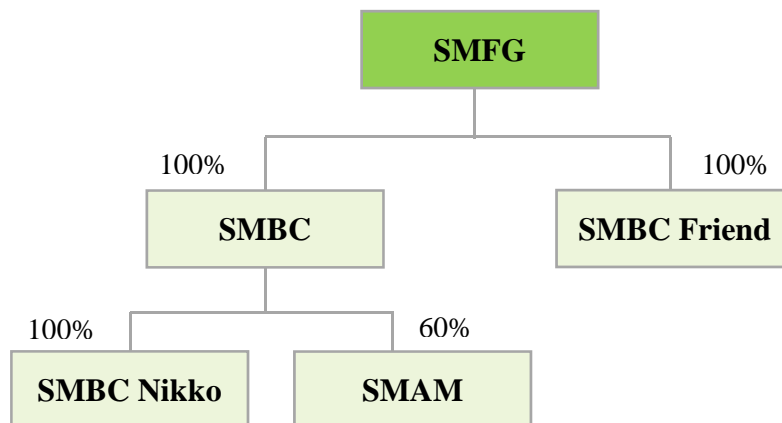
(5) Establishment	June 6, 1996
(6) Capital Amount	1,770.9 billion yen
(7) Major Shareholders and Shareholding Ratios	Sumitomo Mitsui Financial Group, Inc. 100.0%

#### 4. Outlook

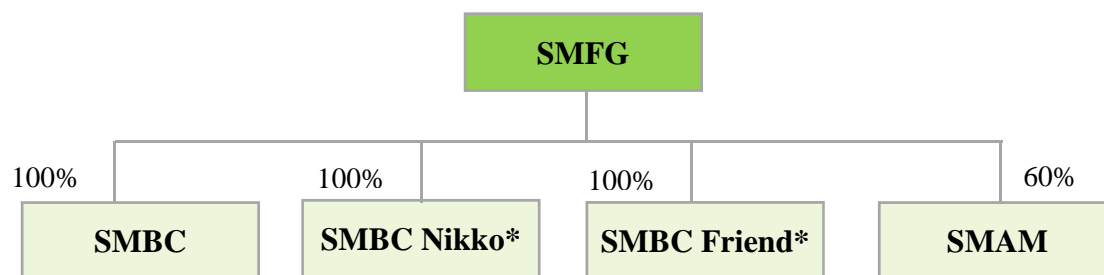
The Change is a transaction among the SMFG group and will not change the amount of consolidated net assets, and will not have any impact on SMFG's consolidated financial results.

[Reference] Capital Relationship among the Related Parties

<Before the Change>



<After the Change>



\* Tentatively scheduled to be merged in January 2018

End.