

[NEWS RELEASE]

May 23, 2019

SMBC Nikko Securities Inc.


SMBC Nikko underwrites the Japan Railway Construction, Transport and Technology Agency (JRJT)'s Sustainability Bond as a Joint Bookrunner
~First Asian CBI Programmatic Certification obtained~

TOKYO, May 23 2019--- SMBC Niiko Securities Inc.("SMBC Nikko") announced that SMBC Nikko acted as a Joint Bookrunner to underwrite the Japan Railway Construction, Transport and Technology Agency (JRJT)'s first Asian CBI ^{※1} programmatic certified Sustainability Bond (this bond).

"Sustainability Bond" refers to bonds where the proceeds will be exclusively applied to both (1) Green Projects which contribute to environmental benefit and (2) Social Projects which contribute to social benefit.

This bond has obtained a verification report, from a globally renowned third party certification body, DNV GL^{※2}, and for environmental aspects, a programmatic certification (a scheme which enable continues issuances of the same type bonds under this certification) from CBI, for first time in Asia, concluding that the bond complies with several international standards^{※3}. The projects financed by this bond will also contribute to achieving the United Nations Sustainable Development Goals (SDGs) ^{※4}.

SMBC Nikko has been actively working to identify financing needs and promote ESG that will contribute to solving environmental and social issues. For example, we established the "SDGs Finance Dept." within the Capital Markets Division in September last year. We are proud that our participation to the JRJT's Sustainability Bond which obtained the first CBI programmatic certification in Asian and which is the first Asian Sustainability Bond will provide insight into sustainability bonds and SDGs finance, and lead to further development of the SDGs finance market, including ESG investment and sustainability bonds in Japan. Through the issuance of this sustainability bond, SMBC Nikko will also contribute to the achievement of the SDGs, "Goal 13: Take urgent action to combat climate change and its impacts, and "Goal 11: Sustainable cities and communities".

Share the Future
 SMBC NIKKO

This material is an English translation of Japanese announcement made on May 23, 2019. Although the company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed and thus you are encouraged to refer to the original Japanese document.

Based on SMBC Nikko's slogan, "Share the Future", we will continue to focus on our clients, provide higher value, and deliver trust and confidence.

※1 Climate Bonds Initiative: an international NGO which promotes large scale investment toward low carbon economy.

※2 DNV LG: the third party certification body established in 1864, which has a headquarters in Oslo, Norway.

※3 Climate Bond Standard 2.1 Edition, Low Carbon Transportation Standard (CBI), Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines (International Capital Markets Association, ICMA, 2018), etc.

※4 Sustainable Development Goals (SDGs) are the 17 goals and 169 targets that member countries must achieve by 2030 as stated in the "The 2030 Agenda for Sustainable Development" adopted at the United Nations Conference on Sustainable Development in September 2015.

<Outline of the JRTT CBI Programmatic Certified Sustainability Bond>

Name	125 th Japan Railway Construction, Transport and Technology Agency's Bond (CBI Programmatic Certified Sustainability Bond)
Tenor	5 years
Rate	0.020 %
Issue amount	10 billion yen
Pricing date	May 23, 2019
Payment date	May 30, 2019
Redemption date	June 20, 2024
Acquired credit rating	AA (R&I) , A1 (Moody's)

Name	126 th Japan Railway Construction, Transport and Technology Agency's Bond (CBI Programmatic Certified Sustainability Bond)
Tenor	10 years
Rate	0.120 %
Issue amount	10 billion yen
Pricing date	May 23, 2019
Payment date	May 30, 2019
Redemption date	May 30, 2029
Acquired credit rating	AA (R&I) , A1 (Moody 's)

Name	127 th Japan Railway Construction, Transport and Technology Agency's Bond (CBI Programmatic Certified Sustainability Bond)
Tenor	15 years
Rate	0.292 %
Issue amount	13 billion yen
Pricing date	May 23, 2019
Payment date	May 30, 2019
Redemption date	May 30, 2034
Acquired credit rating	AA (R&I) , A1 (Moody 's)

Name	128 th Japan Railway Construction, Transport and Technology Agency's Bond (CBI Programmatic Certified Sustainability Bond)
Tenor	30 years
Rate	0.634 %
Issue amount	10 billion yen
Pricing date	May 23, 2019
Payment date	May 30, 2019
Redemption date	May 28, 2049
Acquired credit rating	AA (R&I) , A1 (Moody 's)

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Note: This news release is prepared only for publication purposes and does not constitute an offer or sale of securities in Japan and the relevant jurisdiction including the United States. The securities referred to above have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration requirements under the Securities Act.