

【NEWS RELEASE】

October 6, 2020
SMBC Nikko Securities Inc.

Summary of remarks made by President Kondo
in the Autumn 2020 Meeting* of Department Heads and Branch Managers

I would like to express my sincere gratitude to all employees, department heads and branch managers for your daily efforts in managing the business. I particularly appreciate your hard work with pride at your respective posts of duty in the first half of the year despite the difficult circumstances due to COVID-19 pandemic. For the start of the second half, let me share with you the current environment and management vision.

Our business is confronted with significant changes. Along with global-scale lifestyle changes caused by the coronavirus, as well as global warming and resulting abnormal weather, securities companies have been reorganizing business structures for twenty years since the end of the licensing system for securities firms. In addition, a drastic monetary relaxation is taking place, causing riskless assets not to bear interest. These changes, however, bring enormous opportunity for the securities business which requires clients to take certain risks.

The function of the capital market is to appropriately price risks according to market changes and new values. Fulfilling this function is the core value of securities companies, and this is what we are expected to deliver right at this moment.

We are required to focus on the future as a “global solution provider”, a vision of SMBC Group, and contribute in the field of securities and create new values. In order to align directions of all group companies equipped with different functions, the key is the client-oriented principle. With a view to eliminating the anxiety and inconvenience of clients and societies and achieving their satisfaction from transactions with us, we all have to discuss together to speedily find out best possible solutions (e.g. collaboration and risk-taking).

On a final note, I believe that there are many things that securities companies can do all the more when the situation has not yet returned to normal from the corona confusion. Giving supports to fast growing companies that will make a big leap forward in the medium to long term, as well as to investors that sustain them, is what securities companies are essentially good at. As long as the capital market functions soundly, huge business opportunities lie ahead for us. For the establishment of a mutual relationship of empathy with clients through an all-out, client-oriented approach, let’s do our best again in the second half of the year.

※ From the standpoint of preventing the infection, the Autumn 2020 Meeting of Department Heads and Branch Managers was not held face-to-face but instead the President’s message was delivered to all employees and managers on video.

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