

【NEWS RELEASE】

April 6, 2021

SMBC Nikko Securities Inc.

Summary of remarks made by President Kondo
in the Spring 2021 Meeting of Department Heads and Branch Managers*


Last year witnessed a series of radical changes due to the COVID-19 calamity while at the same time shed light on something unchangeable. That is, people cherish personal contacts and ties as irreplaceable assets despite a major progress in digitalization. This made us realize that we value personalized relationship with customers and have tremendous growth potential. At the start of the fiscal year, I would like to share four pillars of the management strategy with branch managers and department heads.

The first pillar is the revision of the asset management business in the SMBC Group. We will transform ourselves into the sales based on the asset management and sophisticate the bank-trust-securities collaboration with a focus on the Wealth Management Business Division that was established at Sumitomo Mitsui Financial Group. recently, thereby realizing the true sense of customer-oriented business conduct and creating a great shift from saving to building assets.

The second to intensify capabilities to provide solutions under the single-coverage structure in the Global Investment Banking Unit. We will reinforce product functions, while reconstructing the coverage structure by sector with clarified responsibility for each account, for the provision of best possible solutions to customers.

The third is the collaboration of the Global Markets Unit and the Global Investment Banking Unit to leverage the capital market and enhance the risk transferring function globally. We will strengthen functions to appropriately price ever-diversifying risks caused by the expansion of corporate activities and connect them with investor needs at home and abroad.

The last is to strengthen the middle-back function that supports business strategies. We will essentially need to enhance the risk management system that supports the expansion of the balance sheet business as well as the conduct risk framework amid the increasing social demand towards the financial world.

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All these reforms are massive and challenging, but I believe each unit and division muster up the determination to accomplish them.

Over the past year, we have had a number of experiences that we have never had before. Drastic transformation of society such as the significant acceleration of decarbonization will continuously gush forth for some time under the slogan of SDGs achievement by 2030. However, changes, if we take positively, can become key drivers for our growth. Let's all embrace them to ensure the company and each one of us take a great leap forward this year.

*Considering the expansion of COVID-19, we refrain from holding the Spring 2021 Meeting of Department Heads and Branch Managers face-to-face and delivered the President's message to all employees on video yesterday.

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