

【NEWS RELEASE】

March 24, 2022

SMBC Nikko Securities Inc.

Indictment of Our Employees and Our Company

On March 4 of this year, several employees of our company were arrested by the Tokyo District Public Prosecutors Office on suspicion of violating Article 159, Paragraph 3 (illegal stabilization transaction) of the Financial Instruments and Exchange Act. Today, several employees of our company were indicted on the same charges, and our company was also indicted as a legal entity following the dual criminal liability provision. Also, one additional executive officer was arrested on the same charge.

We sincerely apologize for any inconvenience or concern this may have caused our customers and other stakeholders.

We take the arrest and indictment of several employees and the indictment of our company extremely seriously.

We will review the results of the investigations by the Investigation Committee and the details of the disclosure of evidence by the prosecution; however, we cannot deny that there was a shortcoming in the internal control system, and in that sense, we recognize that we are bound to be held responsible as a company. We deeply regret that we caused such a serious situation.

We will continue to cooperate fully with the investigations by the relevant authorities. We will strictly deal with the findings of the investigations by the relevant authorities, future court proceedings as well as the outcomes of the Investigation Committee and take all necessary steps to restore the trust of customers and other parties concerned.

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