

March 15, 2023  
SMBC Nikko Securities Inc.

### **Disposition and Recommendation by Japan Securities Dealers Association**

For the acts subject to administrative actions (Business Suspension Order and Business Improvement Order) imposed by the Financial Services Agency on October 7 last year, SMBC Nikko Securities Inc. received today disposition to pay a fine of three hundred million yen for default and recommendation for the steady implementation of the effective business improvement plan from the Japan Securities Dealers Association.

We take this disposition and recommendation very seriously and would like to express our deepest apologies for causing the situation that led to the disposition and recommendation. We will steadily implement measures to make improvements and prevent recurrence\*1 announced in the press release on November 4 last year and restore the trust of customers and other parties concerned.

Meanwhile, in the case prosecuted by the Tokyo District Public Prosecutors Office on March 24 and April 13 last year for violation of the Financial Instruments and Exchange Act, we were convicted by the Tokyo District Court on February 13 this year\*2, which was confirmed on February 21. We will pay the fine and surcharge promptly upon receipt of the payment notice.

\*1 November 4, 2022 press release titled "Submission of Report Based on Administrative Actions Imposed by the Financial Services Agency"

-> [https://www.smbcnikko.co.jp/en/news/2022/pdf/221104\\_01e.pdf](https://www.smbcnikko.co.jp/en/news/2022/pdf/221104_01e.pdf)

\*2 February 13, 2023 press released titled "Tokyo District Court Decision for Violation of Financial Instruments and Exchange Act"

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