JOINT MESSAGE **CIB Business**

Securities Business Strategy of the SMBC Group

SMBC Group started a full-scale securities business in 2009 when SMBC Nikko Securities (formerly known as Nikko Cordial Securities) became a subsidiary. Since then, we have built out our wholesale securities capabilities and worked to strengthen our ability to deliver products and services that meet the increasingly diversifying needs of our clients, leveraging the Group's strong customer base and robust balance sheet.

As client needs have rapidly globalized and grown in scale, it became clearer for us to further enhance our capabilities and raise our presence on the global stage. To meet such needs, in 2021, we entered into a strategic alliance with Jefferies, a U.S. investment banking firm to speed up initiatives to meet such needs.

Jefferies has best-in-class sector coverages, strong investor base on a global basis and electronic equity trading platform which is highly evaluated across the industry. By leveraging these capabilities through business collaborations, we are aiming to further enhance our global CIB business as well as our global markets business.

Japan Equity Business Joint Venture

As corporate activity accelerates among clients in Japan, our home market, and global investors demonstrate growing interest in Japanese equities, SMBC Nikko Securities and Jefferies agreed in September 2025 to integrate their Japan equity wholesale businesses on a global basis. Under this agreement, the two firms will operate the integrated business through a newly established joint venture in Japan. The new company will be named SMBC Nikko Jefferies Securities Inc. and is scheduled to commence operations in January 2027.

By consolidating their Japan equity operations in the new company, which will focus on ECM, sales and trading, and Equity Research, the new company will combine SMBC Nikko Securities' strong domestic franchise with Jefferies' global network, deep sector expertise, technology infrastructure, and research capabilities. This integration will enable the two firms to deliver higher-value-added financial services both in Japan and globally, contributing to the further development of capital markets in Japan.

SMBC Group × Jefferies

A Collaborative Path

Yoshihiro Hyakutome

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