

Earnings Announcement for the third quarter FY2014 ending March 31, 2015 (JGAAP)

SMBC Nikko Securities Inc.

January 26, 2015



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The information contained in this document is based on data available as of January 26th, 2015 and this document is intended to provide information on the business results of SMBC Nikko Securities Inc. Any information and opinions contained in this document reflect our judgment as of the date of preparation of the document (January 26th, 2015) and are subject to change without notice. No guarantees, representations or warranties are made as to the accuracy or completeness of such information.

(*) Information in this document is presented on a consolidated basis unless otherwise specified.

Summary of business results for the 3Q of FY ending Mar. 2015

9 months to
Dec.31 2014

- **Net operating revenue ¥ 239.5 B (-7% Y on Y), Ordinary income ¥ 69.7 B (-19%), Net income ¥ 46.0 B (-15%).**
- Aggregate sales of products was ¥ 6.7 trillion (-4%), including investment trust ¥ 2.1 trillion (-14%), foreign bonds ¥ 2.3 trillion (-1%), domestic bonds ¥ 2.0 trillion (+5%), and equity brokerage amount ¥ 15.1 trillion (+1%).
- League table rankings for Apr.2014-Dec.2014: Underwriting commission was stably ¥ 23.1 B (-6%).
2nd place(*1) in Global Equity & Equity-Related-Japan
5th place(*2) in All Bonds in Yen
10th place(*3) in terms of values and 3rd in terms of number of deals for M&A announced deals
- SG&A was ¥ 171.3 B (-0%).
- As of the end of December 2014, total assets was ¥ 9.5 trillion, net assets was ¥ 645.3 B, capital adequacy ratio (on a stand-alone basis) was 439%, reflecting a sound financial base of the company.

FY ending
Mar. 2015 3Q

- **Net operating revenue ¥ 94.2 B (+21% Q on Q), Ordinary income ¥ 33.1 B (+51%), Net income ¥ 22.0 B (+55%).**
- Aggregate sales of products was up to ¥ 2,252.5 B (+3%), including investment trust ¥ 749.5 B (+6%), foreign bonds ¥ 802.0 B (+6%), domestic bonds ¥ 590.9 B (-9%), and equity brokerage amount ¥ 6.2 trillion (+35%).

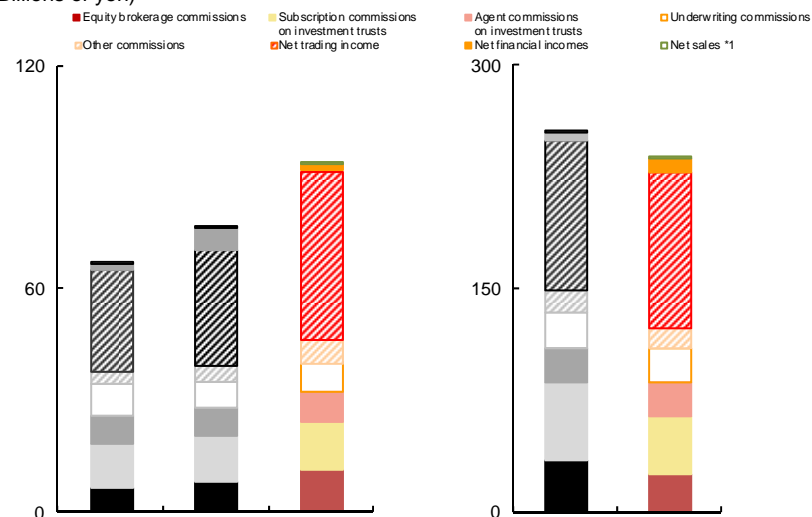
Billions of Yen	FY2014		Q on Q	9 months to Dec. 31 2013	9 months to Dec. 31 2014	Y on Y
	2Q	3Q				
Operating revenue	82.6	101.0	+22%	276.6	257.5	-7%
Net operating revenue	77.6	94.2	+21%	257.2	239.5	-7%
SG&A	56.2	61.2	+9%	171.7	171.3	-0%
Ordinary income / loss	21.9	33.1	+51%	86.4	69.7	-19%
Income before taxes	21.8	33.0	+51%	86.0	69.3	-19%
Net income / loss	14.1	22.0	+55%	54.4	46.0	-15%
	Mar.-end '14	Dec.-end '14	From Mar. -end '14	Dec.-end '13	Dec.-end '14	Y on Y
Total assets (Trillions of yen)	7.2	9.5	+2.3	7.5	9.5	+1.9
Total net assets (Billions of yen)	589.3	645.3	+55.9	581.9	645.3	+63.3

Net operating revenue / Product sales

- ◇ Net operating revenue for the quarter was ¥ 94.2 B (+21% Q on Q); aggregate sales of product was ¥2,252.5 B (+3%). Equity brokerage commissions increased to ¥ 11.4 B (+39%). Trading income jumped to ¥ 45.3 B (+43%) responding opportunistically to the needs of clients and the change in the market.
- ◇ For the 9 months ended Dec. 2014, net operating revenue was ¥ 239.5 (-7% Y on Y); aggregate sales of product was ¥6,733.3 B (-4%). As for sales, foreign bonds and domestic bonds were still at a high level of ¥ 2,319.3 B (-1%) and ¥ 2,039.3 B (+5%) respectively, though investment trusts was down to ¥ 2,060.2 B (-14%).

Net operating revenue

(Billions of yen)

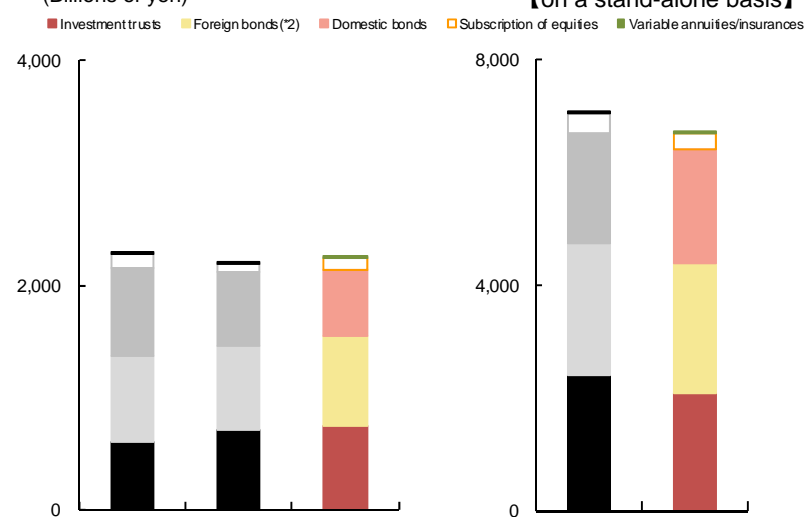


	FY2014 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2013	9 months to Dec. 31 2014	Y on Y
Equity brokerage commissions	6.5	8.2	11.4	+39%	35.5	26.1	-26%
Subscription commissions on investment trusts	12.1	12.6	13.0	+3%	52.1	37.8	-27%
Agent commissions on investment trusts	7.4	7.6	8.0	+5%	22.0	23.1	+5%
Underwriting commissions	8.6	6.6	7.9	+19%	24.7	23.1	-6%
Other commissions	3.5	4.3	6.2	+42%	14.6	14.1	-3%
Net trading income	27.4	31.6	45.3	+43%	100.4	104.5	+4%
Net financial incomes	1.2	5.6	1.4	-74%	6.0	8.3	+39%
Net sales *1	0.6	0.7	0.7	-1%	1.7	2.2	+29%
Total	67.6	77.6	94.2	+21%	257.2	239.5	-7%

Product Sales

(Billions of yen)

【on a stand-alone basis】



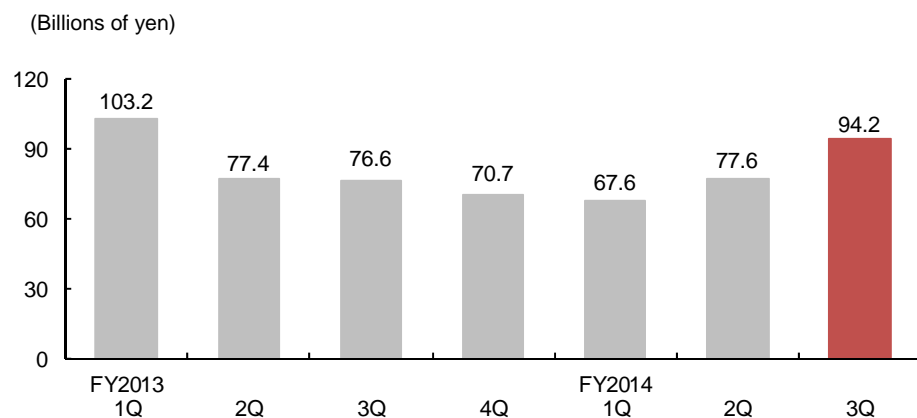
	FY2014 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2013	9 months to Dec. 31 2014	Y on Y
Investment trusts	605.5	705.3	749.5	+6%	2,393.6	2,060.2	-14%
Foreign bonds(*2)	758.3	758.9	802.0	+6%	2,346.2	2,319.3	-1%
Domestic bonds	798.9	649.5	590.9	-9%	1,941.4	2,039.3	+5%
(Retail - targeted JGBs)	(102.8)	(92.2)	(76.5)	(-17%)	(319.2)	(271.5)	(-15%)
Subscription of equities	117.9	70.1	94.7	+35%	358.1	282.8	-21%
Variable annuities/insurances	4.1	12.3	15.4	+25%	6.2	31.8	5.2x
Total	2,284.8	2,196.1	2,252.5	+3%	7,045.5	6,733.3	-4%

(*1) Other sales minus cost of the sales

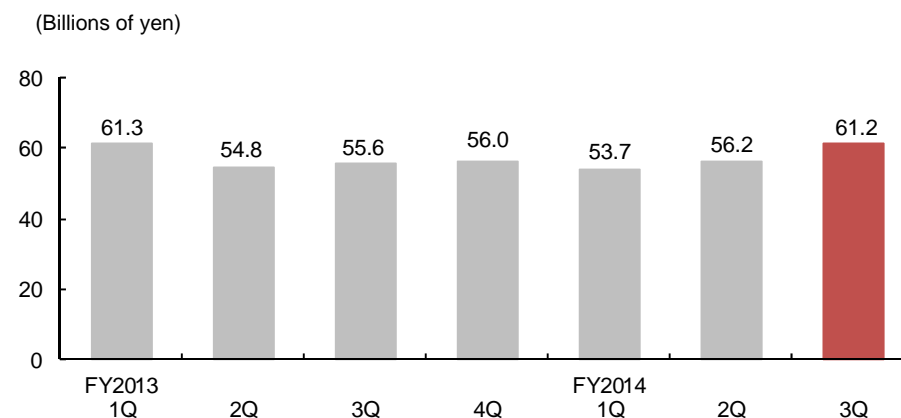
(*2) Foreign bonds sales include already-issued bonds and yen-denominated foreign bonds.

Business Results (Quarterly Trend)

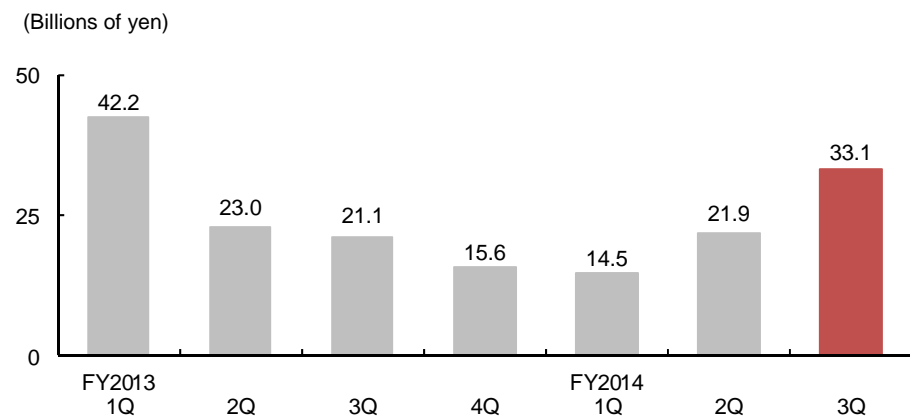
Net operating revenue



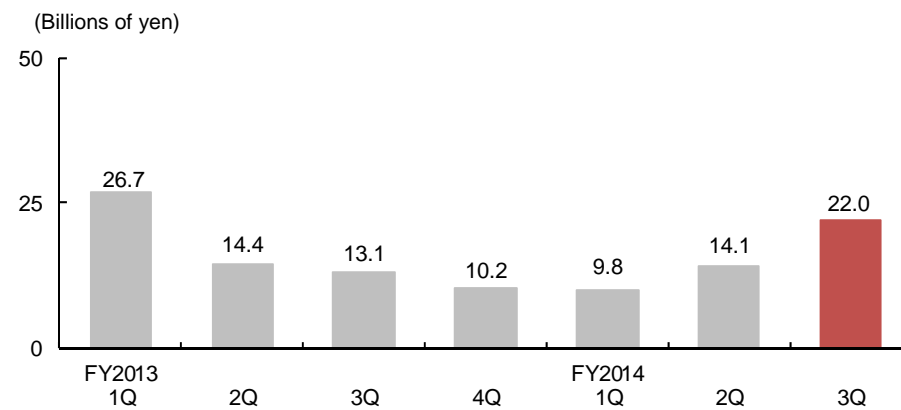
SG&A



Ordinary income



Net income

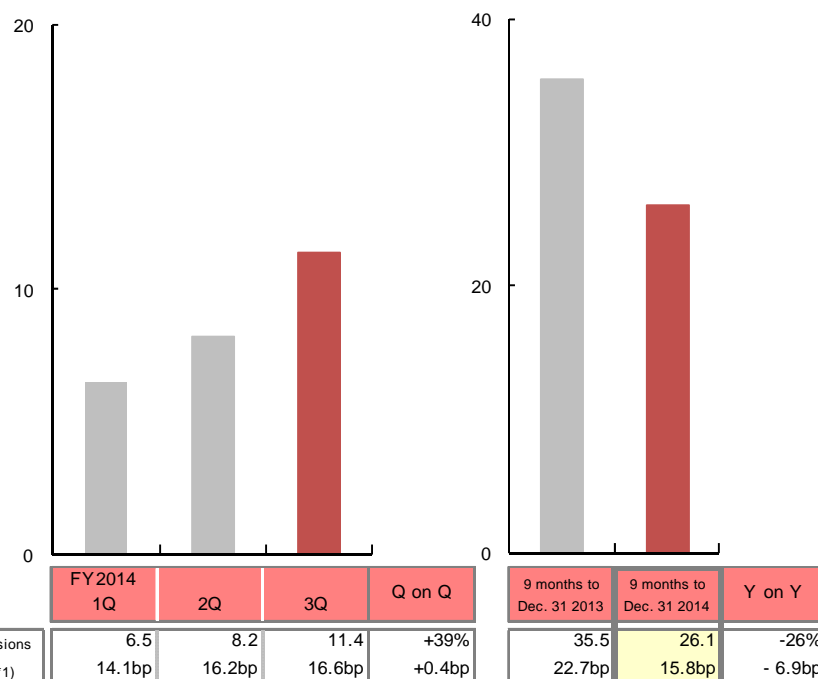


Equity brokerage commissions

- ◇ Brisk domestic stock market during the quarter pushed equity brokerage amount to ¥ 6.2 trillion (+35% Q on Q) and its brokerage commissions to ¥ 11.4 B (+39%).
- ◇ For the 9 months ended Dec. 2014 brokerage commissions was down to ¥ 26.1 B (-26% Y on Y), while brokerage amount was ¥ 15.1 trillion (+1%) almost the same as the previous year with its share in TSE 1.47% (+0.24pts) staying upward.

Equity brokerage commissions

(Billions of yen)

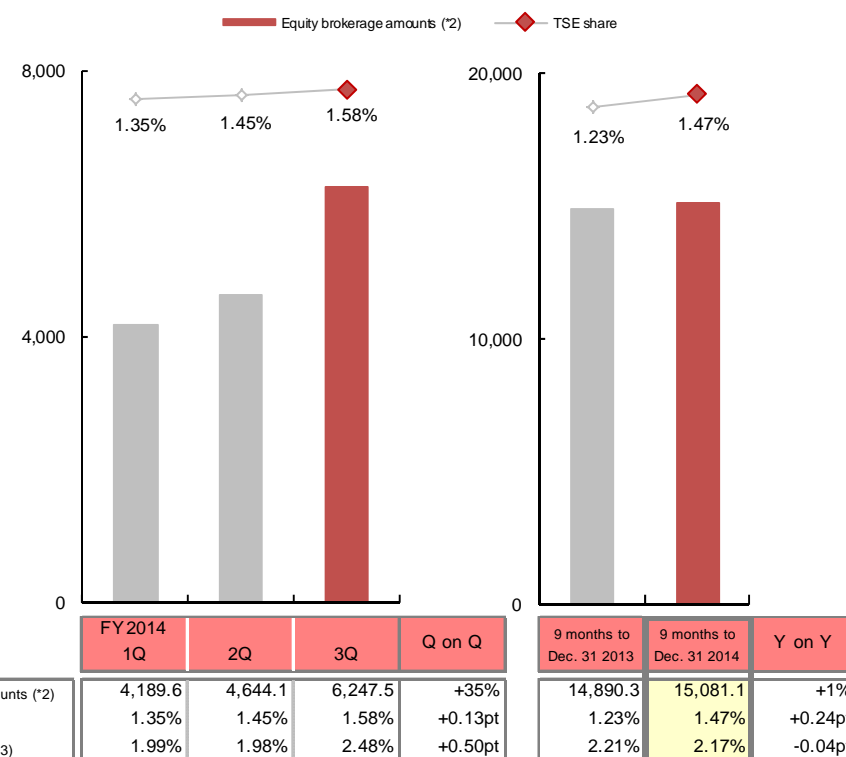


(*1) Adjusted brokerage commissions / brokerage amounts
(Scope: cash and margin transactions)

Equity brokerage amount / TSE share

(Billions of yen)

【on a stand-alone basis】



(*2) All stock exchanges

(*3) Total of 1st and 2nd sections of Tokyo and Nagoya stock exchanges

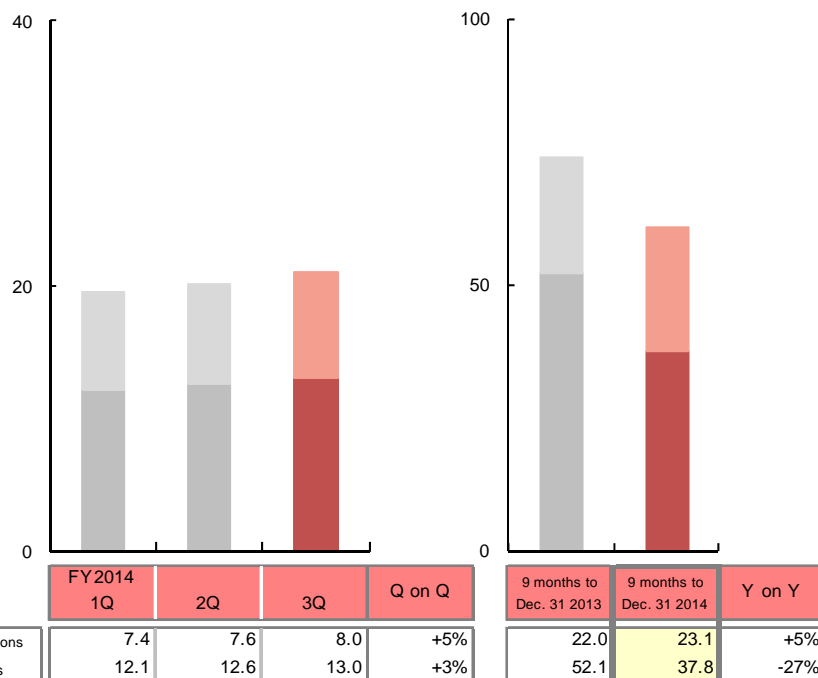
Commissions on investment trusts

- ◇ Sale of investment trusts for the quarter was ¥ 749.5 B (+6% Q on Q); subscription commissions on investment trust was ¥ 13.0 B (+3%), due to increased sales of the funds investing in the U.S. market reflecting accelerating depreciation of yen and bull U.S. stock market.
- ◇ For the 9 months ended Dec. 2014, sale of investment trusts was ¥ 2,060.2 B (-14% Y on Y); subscription commissions on investment trust was ¥ 37.8 B (-27%). REIT funds and balanced funds were mainly offered.

Subscription commissions / Agent and other commissions

(Billions of yen)

■ Subscription commissions ■ Agent and other commissions

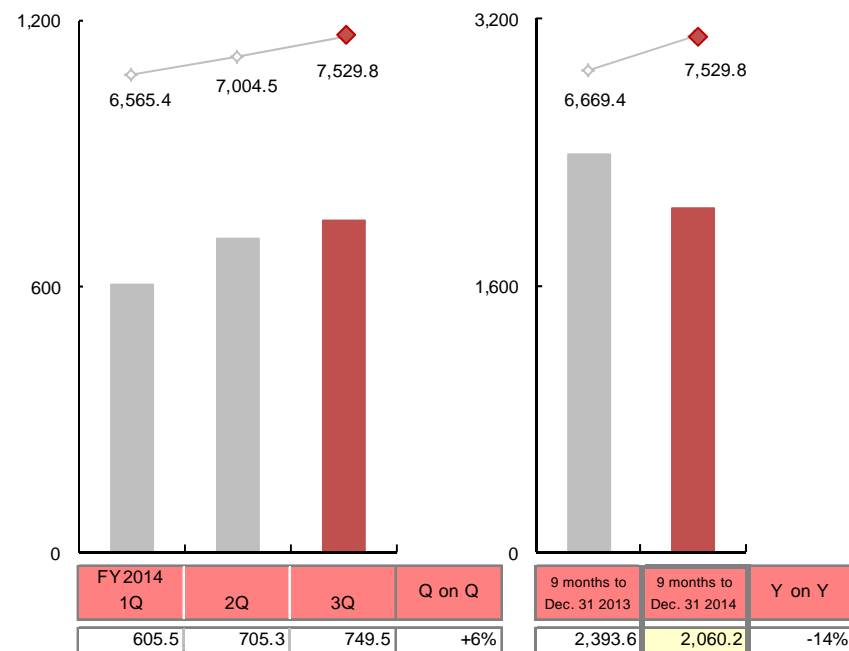


Sales / Client Assets of Invest. trust

(Billions of yen)

【on a stand-alone basis】

■ Sale of investment trusts ◆ Client Assets of Investment trusts



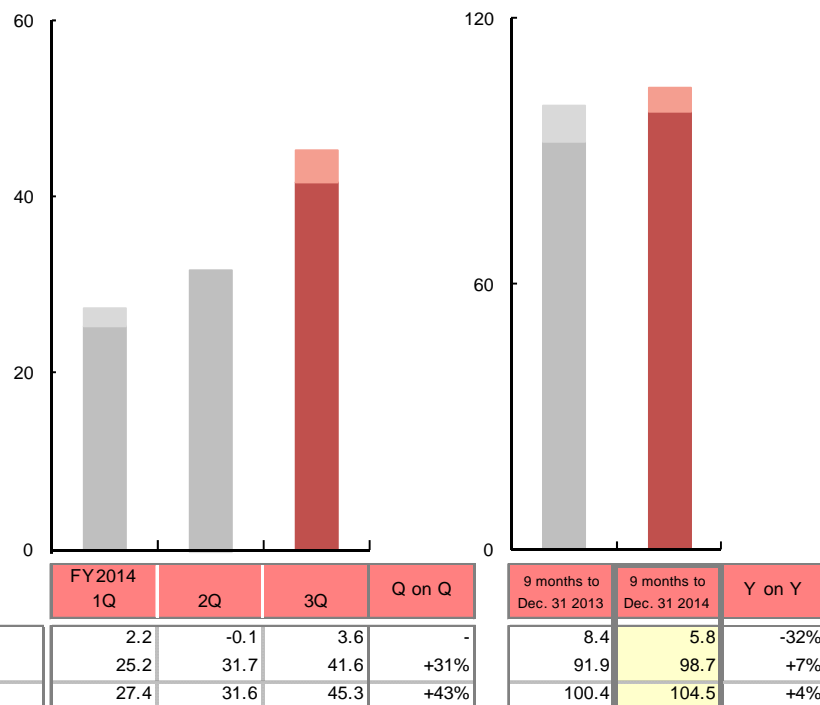
Net trading income

- ◇ Net trading income for the quarter recorded the highest ¥ 45.3 B (+43% Q on Q) due to increased order flows from the rise in stock market, the yen-depreciation, and the global decline of interest rate as well as skillful position management.
- ◇ For the 9 months ended Dec. 2014 net trading income was ¥ 104.5 B (+4% Y on Y); foreign bond sale was ¥ 2,319.3 B (-1%) as high as the previous year.

Net trading income

(Billions of yen)

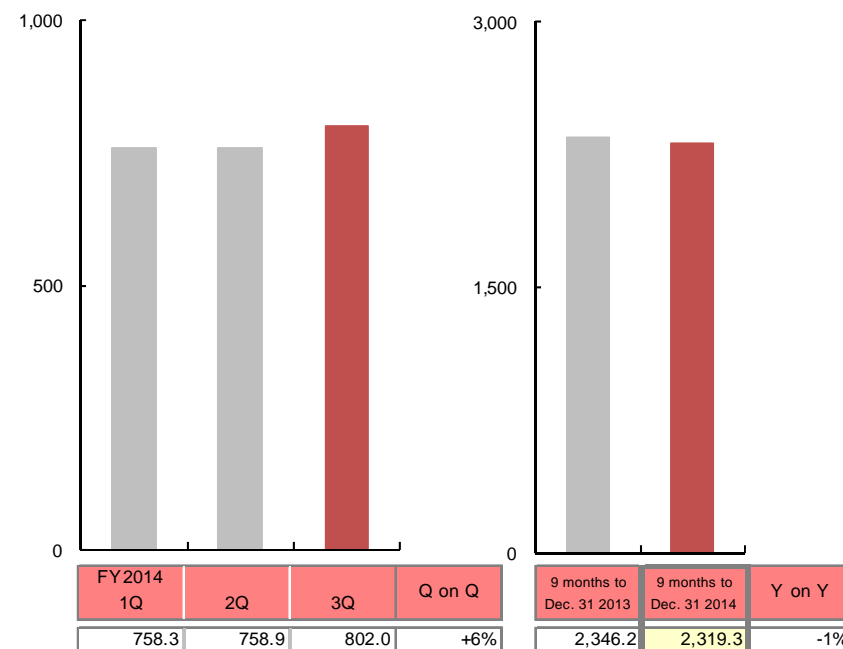
■ Bonds, forex, etc. ■ Equities, etc.



Sale of foreign bonds

(Billions of yen)

【on a stand-alone basis】

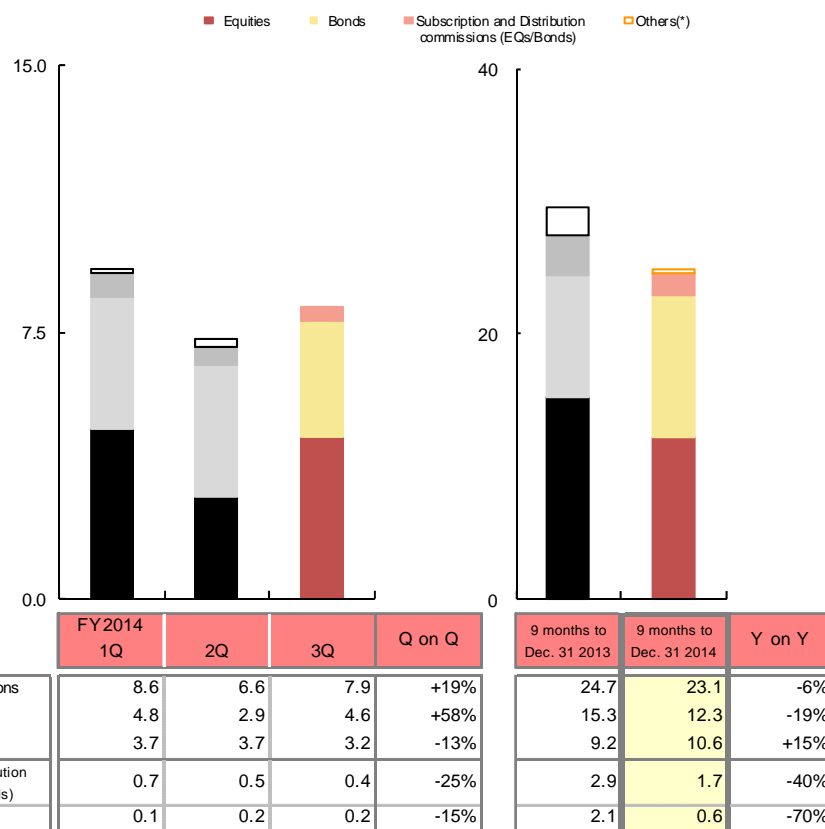


Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commission revenue for the quarter increased to ¥ 7.9 B (+19% Q on Q).
- ◇ For Apr. - Dec. 2014, book runner in Global Equity & Equity-Related-Japan: share 17.2 % in 2nd place; Lead manager in All Bonds in Yen: share 15.5% in 5th place.

Underwriting commissions (Equities / Bonds)

(Billions of yen)



Global Equity & Equity-Related-Japan Apr. - Dec. 2014

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura Securities	1,036.0	36.2%
2	SMBC Nikko Securities	491.1	17.2%
3	Daiwa Securities	428.2	15.0%
4	Mizuho Securities	302.3	10.6%
5	Mitsubishi UFJ Morgan Stanley	221.4	7.7%

Source: prepared by the SMBC Nikko based on the information published by THOMSON REUTERS (including overseas entities)

All Bonds in Yen Apr. - Dec. 2014

【on a stand-alone basis】

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	Mizuho Securities	2,639.6	20.1%
2	Nomura Securities	2,504.2	19.1%
3	Mitsubishi UFJ Morgan Stanley	2,366.8	18.0%
4	Daiwa Securities	2,150.4	16.4%
5	SMBC Nikko Securities	2,033.5	15.5%

Source: prepared by the SMBC Nikko based on the information published by THOMSON REUTERS (corporate bonds, FILP agency/municipality bonds(proportional shares as lead manager) samurai bonds)

(*) Revenues related to securitization arrangements included

◇ For Apr. 2014 - Dec. 2014 in the league table of M&A financial advisor for any Japanese involvement announced deals: With total 51 deals acquired, ranked 10th or 6.3% in terms of deal values, and 3rd or 2.5% in terms of number of deals.

Financial Advisor Rank value basis Apr. - Dec. 2014

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Goldman Sachs	1,882.8	22.9%
2	Nomura Securities	1,760.8	21.4%
3	Mitsubishi UFJ Morgan Stanley	1,563.6	19.0%
4	Citi	785.7	9.5%
10	SMBC Nikko Securities	520.3	6.3%

Financial Advisor No. of deals Apr. - Dec. 2014

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Nomura Securities	78	3.8%
2	Mizuho Securities	76	3.7%
3	SMBC Nikko Securities	51	2.5%
4	Daiwa Securities	48	2.3%
4	Deloitte Tohmatsu FA	48	2.3%

Major announced deals Apr. - Dec. 2014

**MACNICA, Inc.
/ FUJI ELECTRONICS CO.,LTD**
MACNICA, Inc. and FUJI ELECTRONICS CO.,LTD agreed to integration of their management through joint share transfer method. (SMBC Nikko serves as an advisor for MACNICA, Inc.)

**Inui Warehouse Co., Ltd.
/ Inui Steamship Co., Ltd.**
The two companies decided on management integration(merger) and entered an agreement to absorb Inui Steamship Co., Ltd. into Inui Warehouse Co., Ltd. (SMBC Nikko serves as an advisor for Inui Steamship Co., Ltd.)

**Bank of Yokohama, Ltd.
/ Higashi-Nippon Bank, Ltd.**
Higashi-Nippon Bank, Ltd. and Bank of Yokohama, Ltd. agreed in principle to establish a bank holding company via joint share transfer method for management integration. (SMBC Nikko serves as an advisor for Higashi-Nippon Bank, Ltd.)

**Tempstaff Co., Ltd.
(Temp Holdings Co., Ltd.)
/ Panasonic Excel Staff Co., Ltd.
(Panasonic Corporation)**
Panasonic Corporation is to sell 66.61% shares of its subsidiary Panasonic Excel Staff Co., Ltd. to Tempstaff Co., Ltd. (SMBC Nikko serves as an advisor for Panasonic Corporation)

**Bourns, Inc.
/ KOMATSULITE MFG. CO., LTD. (Try Hard Investments Co., Ltd.)**
All the ordinary shares of KOMATSULITE MFG. CO., LTD. held in the fund managed by TRY HARD INVESTMENTS Co., Ltd. were sold to U.S.-based Bourns, Inc. (SMBC Nikko serves as an advisor for Try Hard Investments Co., Ltd.)

**ITO EN, LTD.
/ DISTANT LANDS TRADING CO.**
A subsidiary of ITO EN, LTD., ITO EN (North America) INC., acquires all the shares of DISTANT LANDS TRADING CO. to change it into a wholly owned subsidiary. (SMBC Nikko serves as an advisor for ITO EN, LTD.)

**LIXIL Group Corporation
/ GROHE Group S.à r.l. (Cai GmbH)**
A subsidiary of LIXIL Group Corporation, LIXIL, decided to purchase 12.5% shares of GROHE Group S.à r.l. from Cai GmbH to make GROHE Group S.à r.l. and Joyou AG as consolidated subsidiaries. (SMBC Nikko serves as an advisor for LIXIL Group Corporation)

**Solar Japan Holdings
(Starbucks Corporation)
/ Starbucks Coffee Japan, Ltd.**
Starbucks Corporation (the U.S) decided to launch a two-staged takeover bid through Solar Japan Holdings to make Starbucks Coffee Japan, Ltd. a wholly owned subsidiary. (SMBC Nikko serves as an advisor and TOB agent for Solar Japan Holdings)

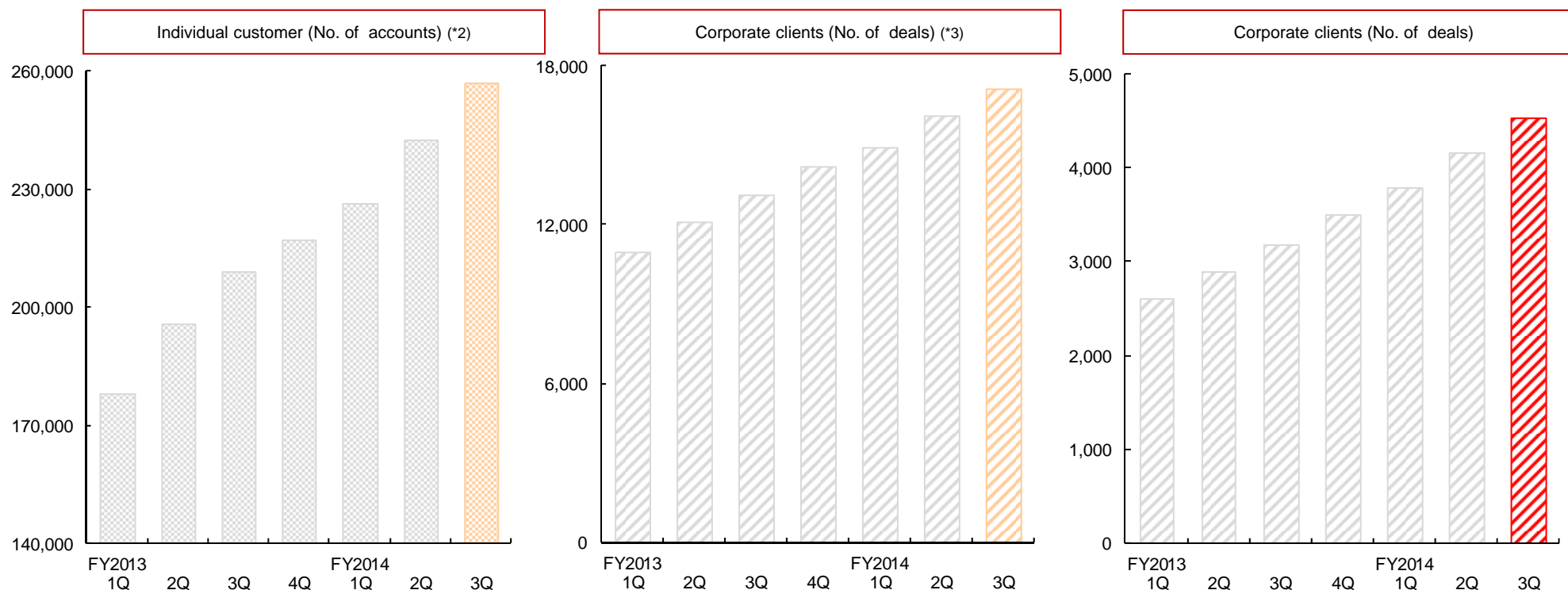
Business collaboration with Sumitomo Mitsui Banking Corporation

【on a stand-alone basis】

- ◇ Bank-securities retail integration strategy, i.e. propelling cross-referral of individual customers across all branches of SMBC and SMBC Nikko is providing a seamless service in asset management.
- ◇ Collaboration with SMBC keeps on track as the number of individual customer's accounts and the referral of corporate clients are growing.

Asset management (Referral service and financial instruments intermediary service (*1))

Investment banking (Referral service)



Note) No. of account shows the number of the accounts existed at the end of respective quarters. No. of deals shows accumulated acquired deals in either asset management or investment banking since its inception.

(*1) Financial instruments intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

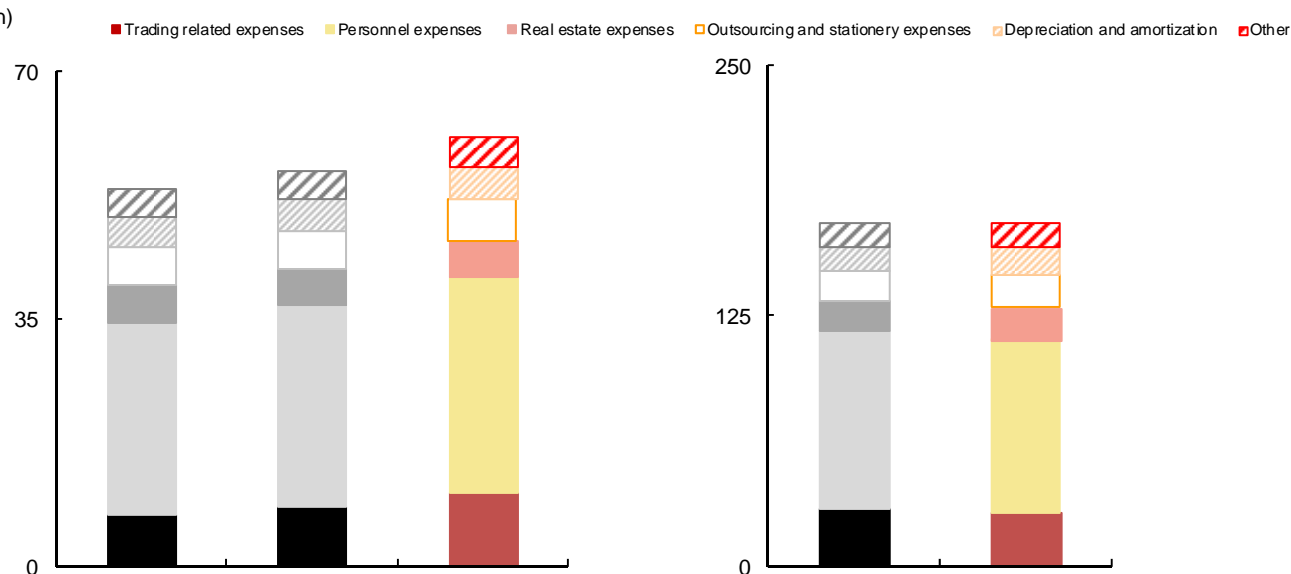
(*2) The number of accounts at the end of each quarter with regards to individual customer who either was referred by SMBC to SMBC Nikko or opened an account with SMBC Nikko via SMBC's financial instruments intermediary service.

(*3) The number of the accumulated acquired deals on asset management with corporate clients via SMBC's referral services and financial instruments intermediary services on behalf of SMBC Nikko since the inception of respective services.

SG&A

- ◇ SG&A for the quarter was ¥ 61.2 B (+9% Q on Q).
- ◇ For the 9 months ended Dec. 2014 SG&A was ¥ 171.3 B (-0% Y on Y).

(Billions of yen)



(Billions of yen)

	FY2014 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2013	9 months to Dec. 31 2014	Y on Y
Trading related expenses	7.5	8.7	10.5	+21%	29.4	26.9	-9%
Personnel expenses	27.1	28.3	30.7	+9%	88.2	86.2	-2%
Real estate expenses	5.3	5.1	5.0	-2%	15.1	15.5	+2%
Outsourcing and stationery expenses	5.4	5.6	5.8	+4%	15.0	16.8	+12%
Depreciation and amortization	4.3	4.5	4.7	+4%	12.3	13.6	+10%
Other	3.9	3.8	4.2	+11%	11.4	12.1	+6%
SG&A/ Fixed expense	53.7	56.2	61.2	+9%	171.7	171.3	-0%
SG&A/ Net operating revenue	79%	73%	65%	- 8pt	67%	72%	+5pt

Balance sheet / Capital Adequacy Ratio

(Billions of Yen)	Mar.14	Dec.14	Variance
Current assets	7,001.2	9,319.7	+2,318.4
Trading products	3,053.6	3,649.0	+595.4
Loans secured by securities	2,864.8	4,431.2	+1,566.3
Other current assets	1,082.7	1,239.4	+156.6
Noncurrent assets	203.6	220.7	+17.0
Tangible assets	25.8	26.3	+0.4
Intangible assets	71.4	74.9	+3.5
Investments and other assets	106.3	119.4	+13.0
Total assets	7,204.9	9,540.5	+2,335.5
Current liabilities	6,128.7	8,321.6	+2,192.8
Trading products	1,871.3	2,538.5	+667.1
Loans payable secured by securities	2,526.1	3,893.0	+1,366.9
Short-term loans payable / Commercial papers	1,300.2	1,376.3	+76.1
Other current liabilities	431.0	513.6	+82.6
Noncurrent liabilities / Reserves under the special laws	486.9	573.5	+86.6
Total liabilities	6,615.6	8,895.2	+2,279.5
Total net assets	589.3	645.3	+55.9
Total liabilities and net assets	7,204.9	9,540.5	+2,335.5

【on a stand-alone basis】

(Billions of Yen)	Mar.14	Dec.14	Variance
Basic items	561.7	603.3	+41.6
Supplementary items	93.2	100.6	+7.4
Deductible assets	143.7	142.1	-1.5
Net capital	511.1	561.8	+50.6
Risk total	105.9	127.8	+21.8
Market Risk	36.0	48.5	+12.5
Counterparty Risk	14.8	23.8	+8.9
Basic Risk	55.0	55.4	+0.3
Capital Adequacy Ratio	482%	439%	-43pt

【on a stand-alone basis】

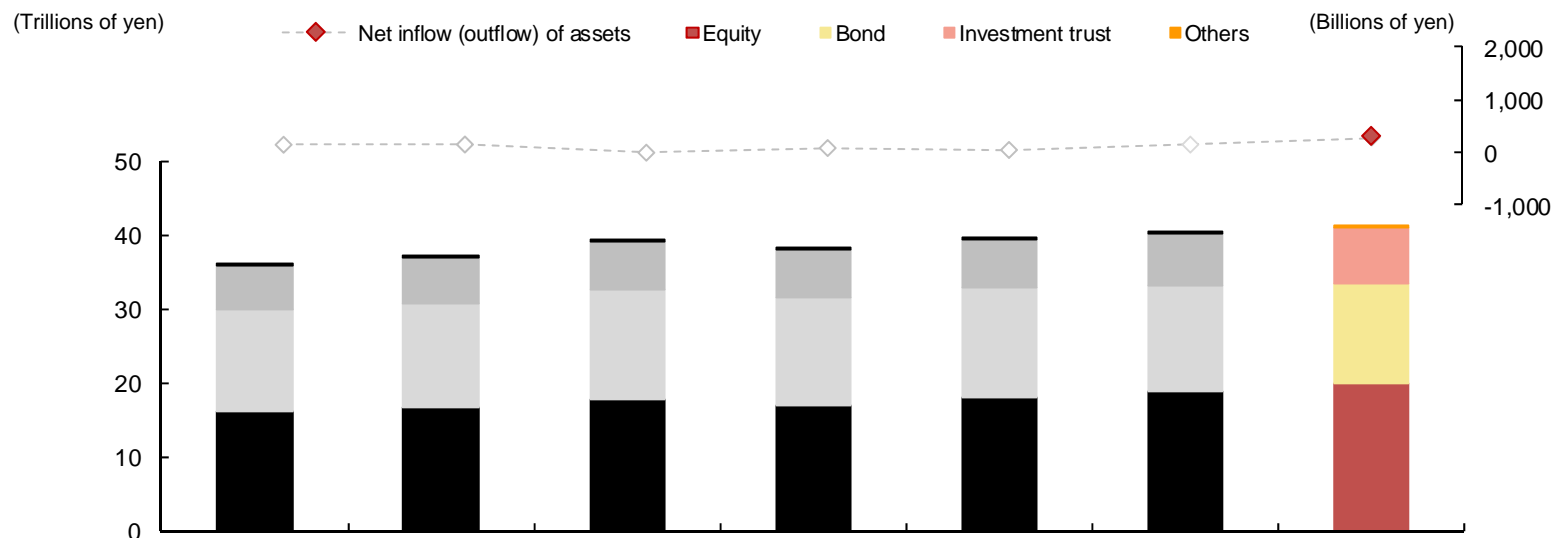
Credit ratings on Long Term (as of January 26th, 2015)

S&P	Moody's	R&I	JCR
A+	A1	AA-	AA
[Negative]	[Under review]	[Stable]	[Stable]

Client Assets / Net Inflow (Outflow) of Assets

[on a stand-alone basis]

- ◇ Overall client assets at the end of Dec. 2014 was ¥ 41.2 trillion (+2% Q on Q).
- ◇ Net inflow of retail client assets for this quarter was ¥ 285.0 B.



(Trillions of yen)

	FY2013 Jun.	Sep.	Dec.	Mar.	FY2014 Jun.	Sep.	Dec.
Equity	16.3	16.6	17.8	17.0	18.0	18.8	20.0
Bond	13.6	14.1	14.8	14.6	14.9	14.3	13.4
Investment trust	5.9	6.2	6.7	6.3	6.6	7.0	7.5
Others	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Client assets	36.0	37.1	39.4	38.1	39.6	40.3	41.2

(Billions of yen)

	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net inflow (outflow) of assets <Retail>	145.7	150.1	-5.0	82.7	46.0	148.6	285.0
Inflow of assets	1,781.3	1,673.3	1,790.1	1,751.8	1,507.1	1,597.4	1,991.2
Outflow of assets	-1,635.6	-1,523.2	-1,795.0	-1,669.1	-1,461.1	-1,448.8	-1,706.3

New Braches Open

- From the quarter forward, following branches are newly adding up to 123 branches across the country.

<Opening Date>

Funabashi br.	2014/10/14
Ikebukuro Nishiguchi br.	2014/10/21
Mizonokuchi br.	2014/10/28
Higashi Osaka br.	2014/11/28
Kyobashi br.	2014/11/26
Akasaka br.	2015/ 2/ 3 (planned)
Totsuka br.	2015/ 2/17 (planned)

Launched "the Project to Spread Financial Literacy for College Students"

- Launched project "UNISA" (*) in collaboration with Oceanize,inc. to improve financial literacy among college students, and published a website (<http://unisa.jp>) designed for the project.



- Various contents are posted on the website, such as surveys on current college students, useful information for planning their financial life after school, and materials to boost basic financial literacy.
- In time with NISA DAY February 13 (Fri.) 2015, will hold an event for college students to think and learn about financial literacy.

(*) "UNISA" is coined for the project name by SMBC Nikko and Oceanize derived from University and NISA(Nippon Individual Savings Account) .

The 2014 Contact Center World Awards

- Won gold prizes in the following two categories out of three ones entered at The 2014 Contact Center World Awards(*) in Las Vegas in November 2014, which certified the top tier firms and persons involved in operating a contact center.

- Best Outbound Campaign
- Best Sales Campaign



SMBC Nikko became the first Japanese firm to receive gold prizes concurrently at the two categories in the competition.

(*) hosted by ContactCenterWorld.com

Voluntary action plan for more women directors/managers

- Drawn up a voluntary action plan (*) to promote more women to directors and managers.
 - aimed at developing a favorable environment where women could get motivated to play active role in management, by creating mentor system for women leaders and strengthening educational programs suited for each stage in their career course.
 - doubling the number of women managers by the end of year 2020, currently 90 (at the end of October 2014), through offering a wide range of job opportunities in and outside of the country.

(*) posted on the website of Japan Economic Federation

Reference Data



Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2013				FY2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	110,520	82,614	83,512	75,110	73,804	82,671	101,066
Commissions received	60,085	44,004	45,028	41,226	38,176	39,580	46,668
Brokerage commissions	13,741	9,554	13,955	8,484	6,815	8,589	12,326
Underwriting and distribution commissions	7,173	7,611	9,923	9,842	8,611	6,650	7,908
Flotation and distribution fees	28,370	15,490	11,172	10,450	12,858	13,234	13,493
Other commissions	10,799	11,348	9,977	12,448	9,890	11,106	12,940
Net trading income	40,653	29,303	30,449	26,448	27,499	31,645	45,367
Equities	3,980	497	4,022	2,945	2,236	-117	3,691
Bonds / Foreign exchange	36,673	28,806	26,427	23,502	25,263	31,763	41,675
Financial revenue	7,071	6,695	5,341	4,612	5,593	8,636	6,181
Other sales	2,710	2,611	2,692	2,823	2,534	2,808	2,847
Financial expenses	5,295	3,203	4,569	2,920	4,302	3,014	4,708
Cost of sales	2,008	2,008	2,277	1,474	1,839	2,042	2,093
Net operating revenue	103,215	77,402	76,664	70,715	67,662	77,614	94,264
SG&A	61,355	54,806	55,625	56,055	53,744	56,295	61,275
Operating income / loss	41,859	22,596	21,039	14,660	13,918	21,319	32,989
Ordinary income / loss	42,277	23,023	21,155	15,661	14,549	21,995	33,193
Extraordinary income / loss	-79	-166	-118	-92	-118	-140	-123
Net income before income taxes	42,198	22,856	21,036	15,569	14,431	21,854	33,070
Income taxes-current	7,690	5,667	6,063	1,534	123	604	9,496
Income taxes-deferred	7,735	2,725	1,788	3,770	4,475	7,074	1,537
Minority interests in income/(losses)	-1	6	3	5	0	4	7
Net income / loss	26,774	14,457	13,181	10,257	9,831	14,170	22,028

Stand-alone Business Results (Quarterly Trend)

(Millions of yen)	FY2013				FY2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	106,114	77,921	78,794	70,599	69,191	77,694	95,547
Commissions received	58,718	42,208	43,374	39,768	36,395	37,722	44,317
Brokerage commissions	13,329	9,132	13,431	8,054	6,300	7,944	11,442
Underwriting and distribution commissions	7,173	7,611	9,921	9,841	8,611	6,650	7,906
Flotation and distribution fees	28,337	15,025	11,120	10,438	12,628	13,128	13,465
Other commissions	9,877	10,439	8,900	11,434	8,854	9,998	11,502
Net trading income	40,653	29,303	30,449	26,448	27,499	31,645	45,367
Equities	3,980	497	4,022	2,945	2,236	-117	3,691
Bonds / Foreign exchange	36,673	28,806	26,427	23,502	25,263	31,763	41,675
Financial revenue	6,742	6,409	4,970	4,382	5,295	8,327	5,862
Financial expenses	4,982	2,937	4,224	2,714	4,031	2,732	4,418
Net operating revenue	101,131	74,984	74,569	67,885	65,159	74,962	91,129
SG&A	60,131	54,039	54,362	53,361	52,970	54,878	59,398
Operating income / loss	40,999	20,944	20,207	14,523	12,189	20,084	31,730
Ordinary income / loss	41,070	21,245	20,044	14,827	12,490	20,502	31,684
Extraordinary income / loss	-136	-326	32	-133	-206	-140	-123
Net income before income taxes	40,933	20,919	20,076	14,694	12,283	20,362	31,561
Income taxes-current	6,967	4,978	5,531	727	19	39	9,005
Income taxes-deferred	7,955	2,875	1,867	4,258	4,052	7,174	1,583
Net income / loss	26,011	13,065	12,678	9,708	8,212	13,148	20,973

Operational Indicators -1

【on a stand-alone basis】

◇ Sales of Products

(Billions of yen)	FY2013				FY2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Investment trusts	1,131.9	671.8	589.9	577.7	605.5	705.3	749.5
(Equity investment trusts)	(822.6)	(497.9)	(439.8)	(421.2)	(436.1)	(522.2)	(556.3)
(Foreign registered investment trusts)	(247.3)	(119.1)	(99.8)	(103.7)	(116.4)	(129.5)	(143.0)
Foreign bonds (*)	837.1	785.5	723.5	729.7	758.3	758.9	802.0
(Foreign currency bonds)	(250.9)	(200.7)	(187.4)	(198.7)	(202.5)	(193.6)	(287.5)
Domestic bond	879.9	522.1	539.5	493.2	798.9	649.5	590.9
(Retail target JGBs)	(121.4)	(95.1)	(102.7)	(111.5)	(102.8)	(92.2)	(76.5)
Public offering	100.0	102.0	156.1	135.0	117.9	70.1	94.7
Annuity / insurance	1.4	1.8	3.0	3.3	4.1	12.3	15.4
Total	2,950.3	2,083.3	2,011.9	1,938.8	2,284.8	2,196.1	2,252.5

(*) Foreign bonds sales include already-issued bonds and yen-denominated foreign bonds.

◇ Underwriting Share (Book runner)

	FY2013				FY2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
ECM Global Equity (*1)	8.4%	12.8%	14.5%	13.9%	23.1%	17.8%	17.2%
DCM All bond in Yen (*2)	15.4%	15.6%	14.4%	14.9%	15.5%	16.1%	15.5%
M&A Japan related (*3)	12.5%	16.0%	15.3%	17.1%	1.8%	6.4%	6.3%

(*1) Global Equity & Equity-Related-Japan : Book runner

(*2) All Bonds in Yen, Lead manager

(*3) Any Japanese involvement announced excluding real property deals : Rank value

Operational Indicators -2

【on a stand-alone basis】

◇ Direct Channel Ratio (*1)	FY2013				FY2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Based on number of transaction (Nikko EZ Trade)	90.0%	89.4%	85.9%	89.0%	91.3%	91.1%	88.5%
	(81.3%)	(81.9%)	(78.2%)	(82.4%)	(85.7%)	(84.5%)	(81.7%)
Based on commissions (Nikko EZ trade)	54.4%	44.8%	38.9%	36.5%	38.5%	45.7%	45.2%
	(35.0%)	(28.1%)	(25.2%)	(24.1%)	(26.3%)	(30.5%)	(31.0%)

(*1) Percentage of transactions via non-face-to-face channels in equities & CBs (brokerage & subscription) with individual clients.

◇ Brokerage Commissions Rate (*2) (Billions of yen)	FY2013				FY2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity brokerage amounts	5,338.2	4,093.4	5,458.7	4,595.2	4,189.6	4,644.1	6,247.5
Equity brokerage commissions (*3)	13.1	9.1	13.3	8.0	6.5	8.2	11.4
Equity commissions rate	23.6bp	20.8bp	23.2bp	16.3bp	14.1bp	16.2bp	16.6bp

(*2) "Equity brokerage amounts" and "Equity commissions rate" in the table represent the total of cash and margin transactions.

(*3) On a consolidated basis

Operational Indicators -3

◇ Number of Accounts

【on a stand-alone basis】

(Thousands of accounts)	FY2013				FY2014		
	Jun.13	Sep.13	Dec.13	Mar.14	Jun.14	Sep.14	Dec.14
Total accounts	2,419	2,447	2,472	2,504	2,517	2,546	2,575
Cash management accounts	2,091	2,120	2,146	2,172	2,186	2,215	2,243
Newly opened accounts	47	46	43	50	31	45	48

◇ Number of Branches

【on a stand-alone basis】

	FY2013				FY2014		
	Jun.13	Sep.13	Dec.13	Mar.14	Jun.14	Sep.14	Dec.14
Number of branches	109	109	109	112	112	116	121

◇ Number of Employees

	FY2013				FY2014		
	Jun.13	Sep.13	Dec.13	Mar.14	Jun.14	Sep.14	Dec.14
Number of employees	9,032	8,996	8,948	8,884	9,586	9,528	9,464

