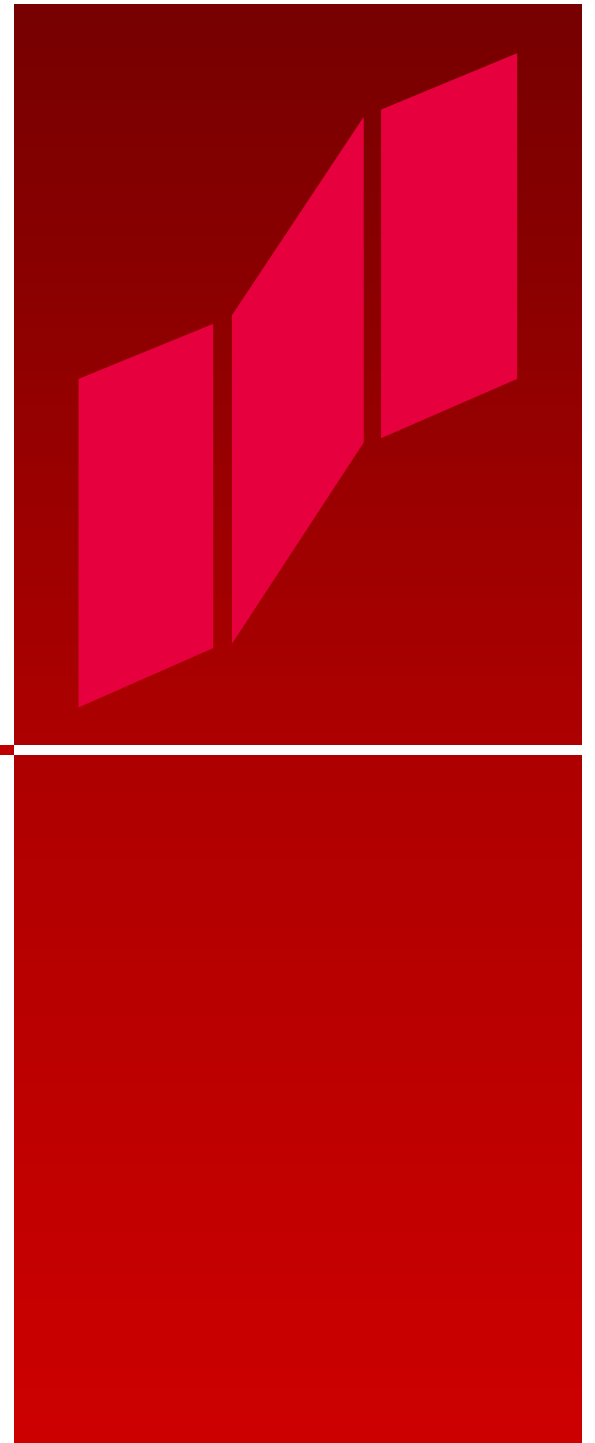
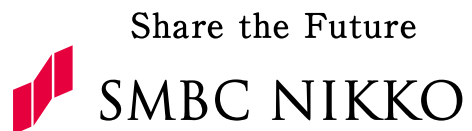


Earnings Announcement for FY2016 ended March 31, 2017 (JGAAP)

SMBC Nikko Securities Inc.

April 25, 2017



		[Reference Data]	
Summary of business results for the FY ended Mar. 2017	2	Consolidated Business Results (Quarterly Trend)	18
Net operating revenue / Product sales	3	Non-consolidated Business Results (Quarterly Trend)	19
Business Results (Quarterly Trend)	4	Operational Indicators-1	20
Equity brokerage commissions	5	Operational Indicators-2	21
Commissions on investment trusts	6	Operational Indicators-3	22
Net trading income	7		
Underwriting commissions (Equities / Bonds)	8		
M&A	9		
Business collaboration with Sumitomo Mitsui Banking Corporation	10		
SG&A	11		
Balance Sheet / Capital Adequacy Ratio	12		
Client Assets / Net Inflow of Assets	13		
Business Trends of Overseas Offices	14		
Overseas Network	15		
Topics	16		

The information contained in this document is based on data available as of April 25, 2017 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 (April 25, 2017) 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 FY ended Mar. 2017

FY ended
Mar.2017

- **Net operating revenue : ¥ 326.7 B (+12% Y on Y), Ordinary income : ¥ 80.0 B (+43%), Profit (*1) : ¥ 46.9 B (+11%)**
The expansion of customer base adopted to the favorable market environment through the second half made success in increase in revenue and profit.
- Equity brokerage amount was ¥ 26.5 trillion (+6%).
Aggregate sales of product was ¥ 9.9 trillion (+12%). Sale of investment trusts was ¥ 2.3 trillion (-12%), foreign bonds was ¥ 2.7 trillion (+2%) and domestic bonds was ¥ 4.2 trillion (+46%).
- Underwriting commission was ¥ 43.9 B (+29%).
League table rankings for Apr. 2016 – Mar. 2017
2nd place (*2) in Global Equity & Equity-Related-Japan
3rd place (*3) in All Bonds in Yen
10th place (*4) in terms of value and 2nd in terms of number of deals for M&A announced deals
- SG&A was ¥ 250.9 B (+4%).
- An extraordinary loss of ¥ 12.0 B by restructuring and liquidation of business alliance with Barclays, and integration related costs due to merger with SMBC Friend Securities.
- As of the end of Mar. 2017, total assets was ¥ 11.6 trillion and net assets was ¥ 544.2 B.
Net assets decreased by payment of a dividend to our parent company in September 2016.
Capital adequacy ratio (non-consolidated) was 331%, reflecting the sound financial base of the company.

FY ended
Mar. 2017 4Q

- **Net operating revenue : ¥ 99.5 B (+28% Q on Q), Ordinary income : ¥ 31.3 B (+82%), Profit (*1) : ¥ 20.6 B (4.8x)**
- Aggregate sale of products was ¥ 2,783.7 B (+30%), foreign bonds was ¥ 794.8 B (+15%) and domestic bonds was ¥ 1,094.1 B (+38%).

Billions of Yen	FY2016		Q on Q	FY ended Mar. 31 2016	FY ended Mar. 31 2017	Y on Y
	3Q	4Q				
Operating revenue	87.2	110.8	+27%	318.7	361.2	+13%
Net operating revenue	78.0	99.5	+28%	292.8	326.7	+12%
SG&A	61.5	69.8	+13%	241.5	250.9	+4%
Ordinary income / loss	17.1	31.3	+82%	55.8	80.0	+43%
Income before taxes	5.9	29.2	4.9x	59.2	66.4	+12%
Profit / loss(*1)	4.2	20.6	4.8x	42.1	46.9	+11%
	Dec.-end '16	Mar.-end '17	Q on Q	Mar.-end '16	Mar.-end '17	Y on Y
Total assets (Trillions of yen)	10.7	11.6	+0.9	10.4	11.6	+1.2
Total net assets (Billions of yen)	520.6	544.2	+23.6	697.8	544.2	-153.5

(*1) Profit attributable to owners of parent

(*2) Source: prepared by SMBC Nikko based on the information published by THOMSON REUTERS

(*3) Source: prepared by SMBC Nikko based on the information published by THOMSON REUTERS

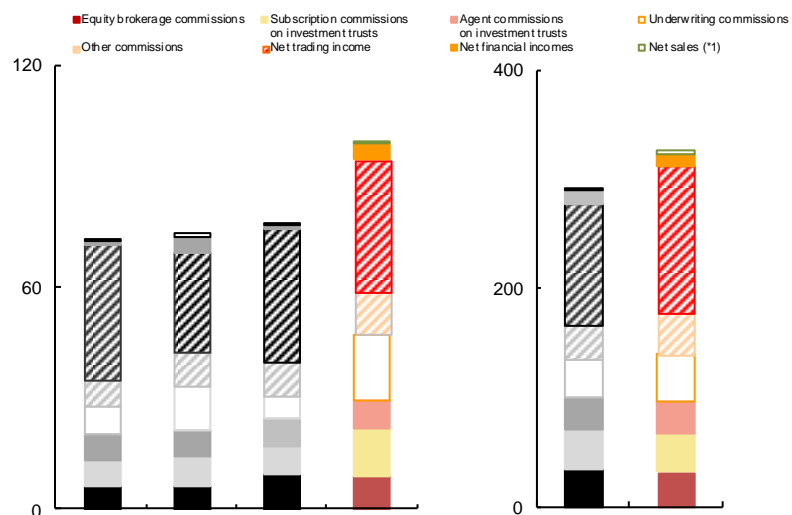
(*4) Source: THOMSON REUTERS, M&A announced deals with any Japanese involvement

Net operating revenue / Product sales

- ◇ Net operating revenue for this quarter was ¥ 99.5 B (+28% Q on Q), aggregate sale of products was ¥ 2,783.7 B (+30%). Underwriting commissions and subscription commissions on investment trusts contributed to large increase in revenue.
- ◇ For the FY 2016 ended Mar. 2017, net operating revenue was ¥ 326.7 B (+12% Y on Y), aggregate sales of product was ¥ 9,933.5 B (+12%). Net trading income, underwriting commissions and other commissions contributed to increase in revenue. Aggregate sales of products reached the historical high level.

Net operating revenue

(Billions of yen)

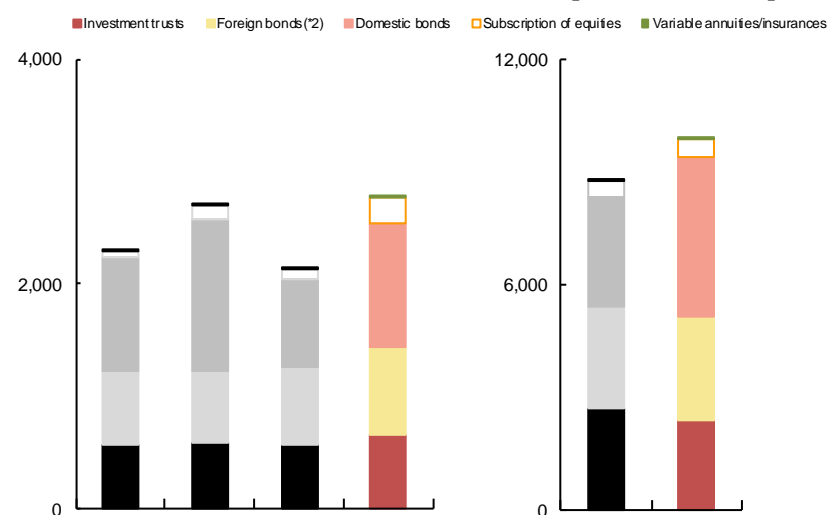


	FY2016 1Q	2Q	3Q	4Q	Q on Q	FY ended Mar. 31 2016	FY ended Mar. 31 2017	Y on Y
Equity brokerage commissions	6.6	6.3	9.4	8.7	-7%	35.4	31.1	-12%
Subscription commissions on investment trusts	6.7	8.1	7.8	12.8	+63%	35.3	35.6	+1%
Agent commissions on investment trusts	7.0	7.0	7.5	7.6	+1%	30.6	29.2	-4%
Underwriting commissions	7.5	12.1	6.2	18.0	2.8x	34.0	43.9	+29%
Other commissions	7.3	8.8	9.1	11.6	+27%	31.0	37.0	+19%
Net trading income	36.7	27.2	35.7	35.6	-0%	111.2	135.3	+22%
Net financial incomes	0.7	4.4	1.3	4.2	3.0x	12.5	10.7	-14%
Net sales (*1)	0.8	1.1	0.7	0.7	-1%	2.6	3.4	+32%
Total	73.6	75.4	78.0	99.5	+28%	292.8	326.7	+12%

Product Sales

(Billions of yen)

【non-consolidated】



	FY2016 1Q	2Q	3Q	4Q	Q on Q	FY ended Mar. 31 2016	FY ended Mar. 31 2017	Y on Y
Investment trusts	561.9	583.2	560.6	647.9	+16%	2,679.2	2,353.6	-12%
Foreign bonds(*2)	657.0	638.8	690.4	794.8	+15%	2,715.9	2,781.0	+2%
Domestic bonds	1,021.8	1,357.8	794.8	1,094.1	+38%	2,926.7	4,268.5	+46%
(Retail - targeted JGBs)	(132.0)	(184.4)	(178.3)	(349.4)	(+96%)	(540.3)	(844.1)	(+56%)
Subscription of equities	51.1	117.5	88.8	238.0	2.6x	439.3	495.5	+13%
Variable annuities/insurances	10.0	4.3	11.6	8.9	-23%	72.2	34.8	-52%
Total	2,301.7	2,701.7	2,146.3	2,783.7	+30%	8,833.2	9,933.5	+12%

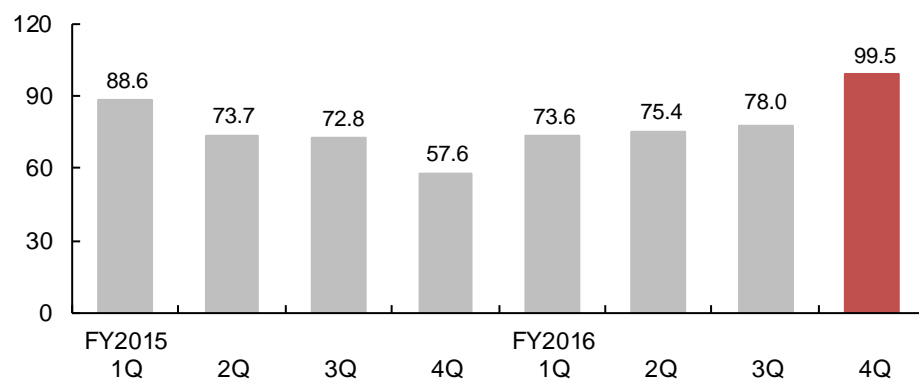
(*2) Sale of foreign bonds includes already-issued bonds and yen-denominated foreign bonds.

(*1) Other sales minus cost of sales

Business Results (Quarterly Trend)

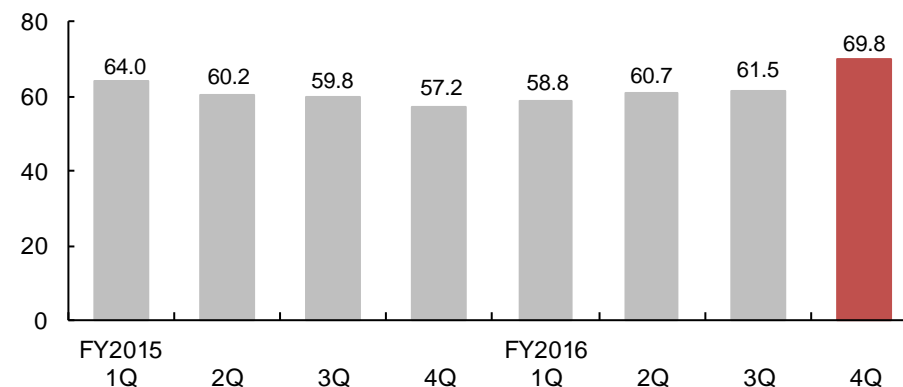
Net operating revenue

(Billions of yen)



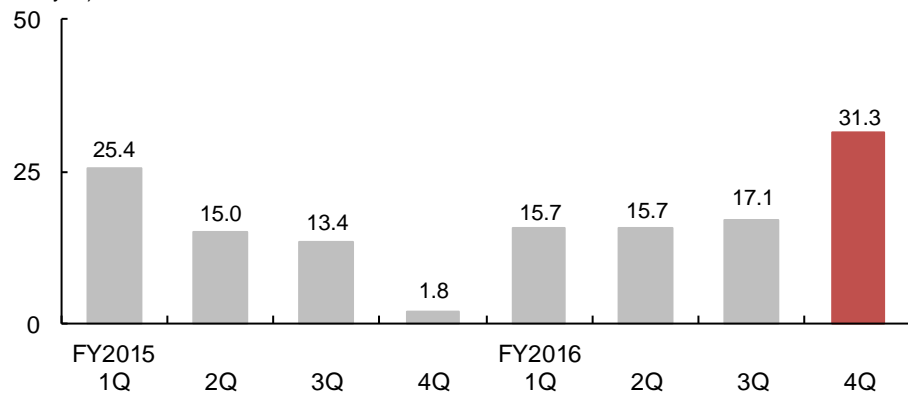
SG&A

(Billions of yen)



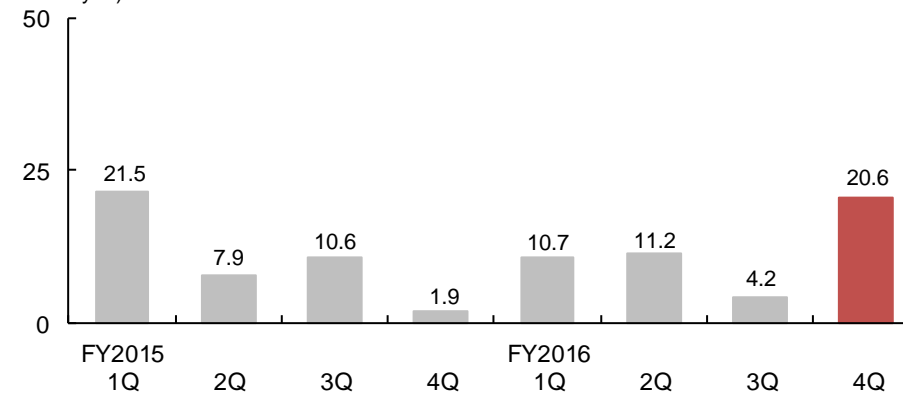
Ordinary income

(Billions of yen)



Profit (*)

(Billions of yen)



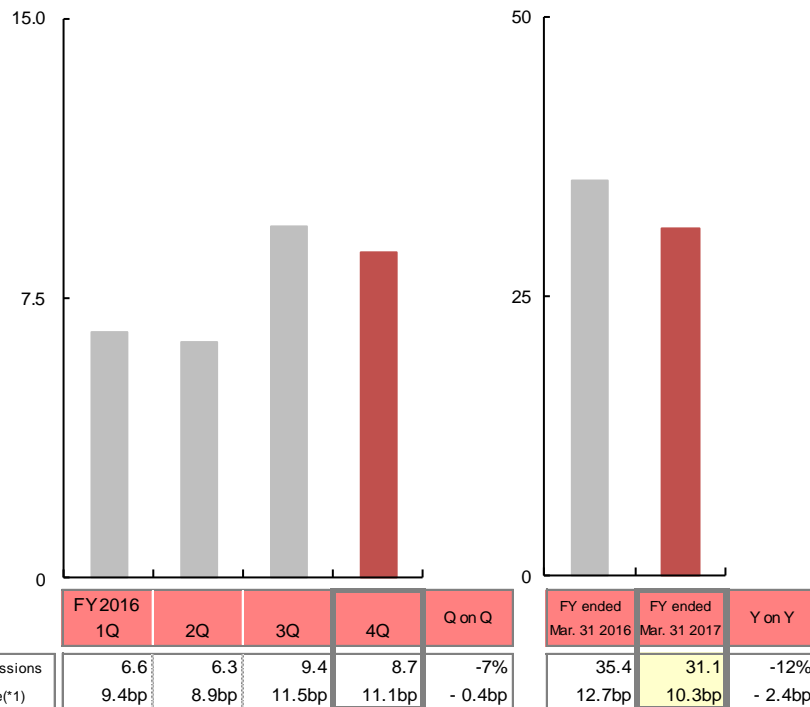
(*) Profit attributable to owners of parent

Equity brokerage commissions

- ◇ Equity brokerage amount for this quarter was ¥ 6,952.2 B (-3% Q on Q), and equity brokerage commissions was ¥ 8.7 B (-7%). Due to decrease of transaction amount in domestic stock market, equity brokerage commissions also decreased slightly.
- ◇ For the FY 2016 ended Mar. 2017, equity brokerage amount was ¥ 26,555.0 B (+6% Y on Y), and equity brokerage commissions was ¥ 31.1 B (-12%). Great effort put into equity business through the year lead expansion of TSE share and retail market share.

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)

【non-consolidated】



(*2) All stock exchanges

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

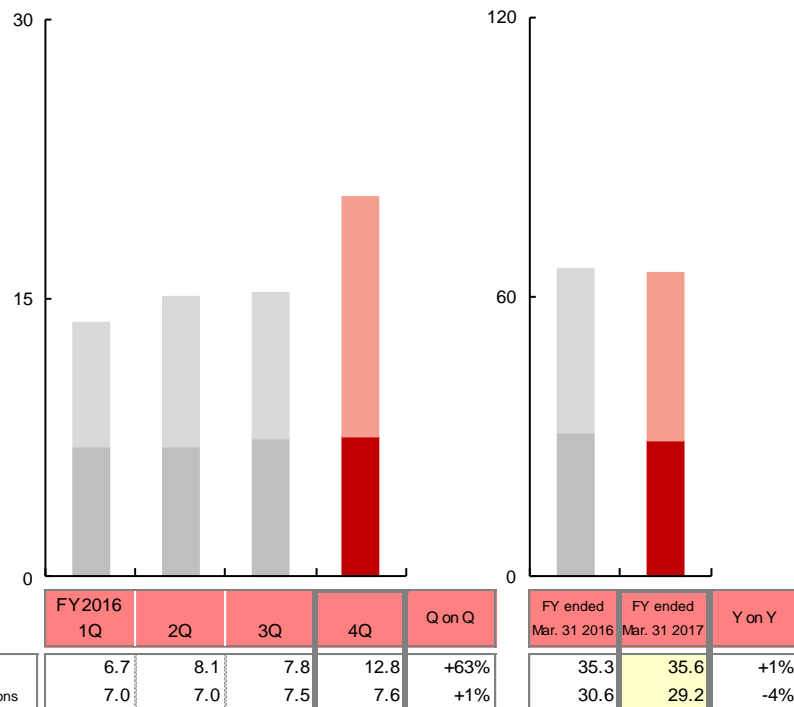
Commissions on investment trusts

- ◇ Sale of investment trusts for this quarter was ¥ 647.9 B (+16% Q on Q), subscription commissions on investment trusts was ¥ 12.8 B (+63%). Due to the favorable sale of stock investment trusts such as trusts related to AI, subscription commissions on investment trusts largely increased.
- ◇ For the FY 2016 ended Mar. 2017, sale of investment trusts was ¥ 2,353.6 B (-12% Y on Y), subscription commissions on investment trusts was ¥ 35.6 B (+1%).

Subscription commissions / Agent and other commissions

(Billions of yen)

■ Agent and other commissions ■ Subscription commissions

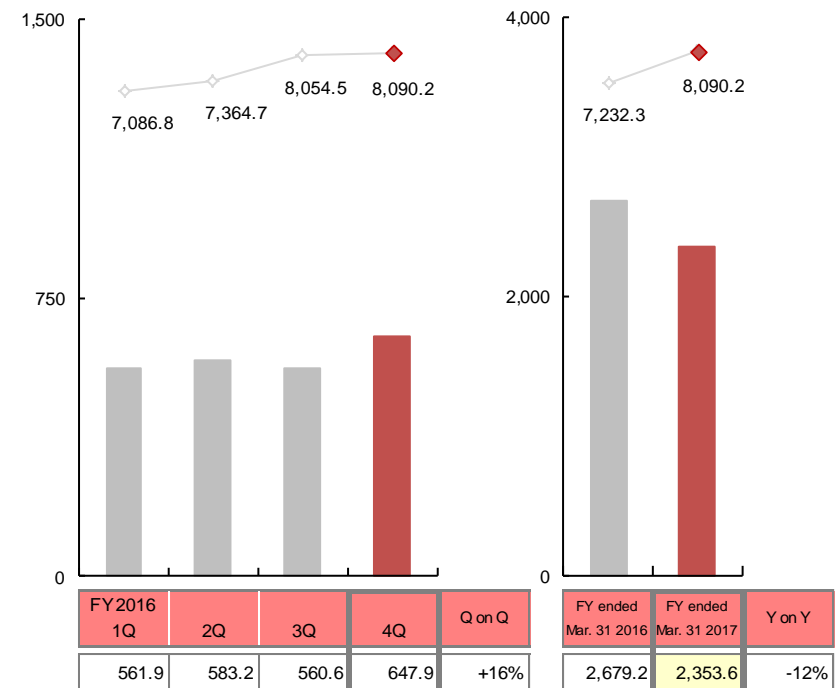


Sales / Client Assets of Investment trusts

(Billions of yen)

【non-consolidated】

■ Sale of investment trusts ◆ Client Assets of Investment trusts

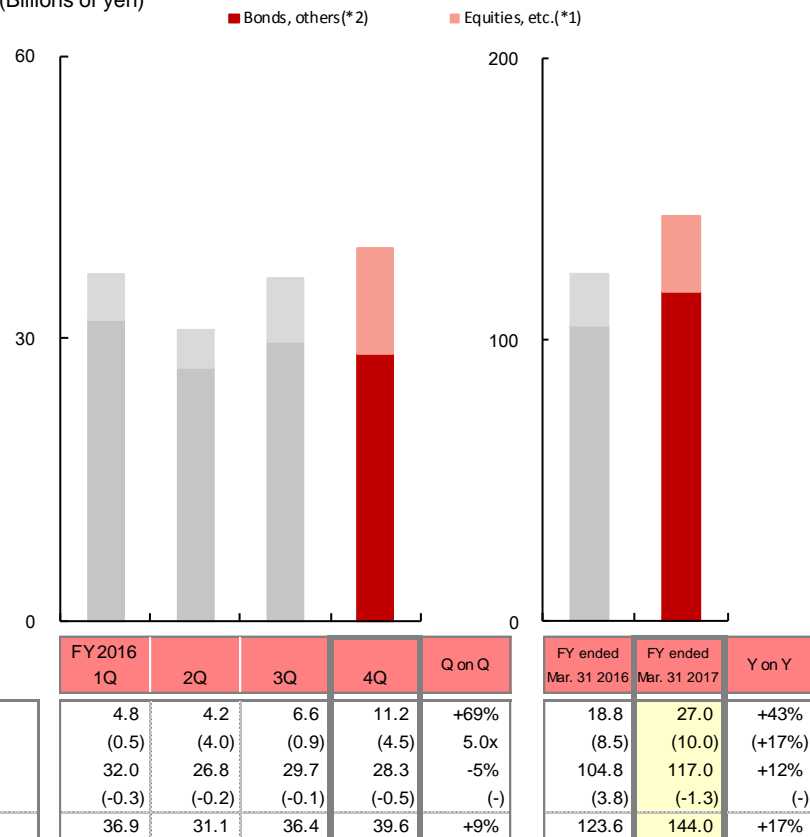


Net trading income

- ◇ Net trading income (adjusted net financial income) for this quarter was ¥ 39.6 B (+9% Q on Q), the sale of foreign bonds was ¥ 794.8 B (+15%). Due to an expansion of foreign stocks trade with US stock price rose, net trading income has increased.
- ◇ For the FY 2016 ended Mar. 2017, net trading income (adjusted net financial income) was ¥ 144.0 (+17% Y on Y). As a result of expansion of client flow and effective position trading which is adapted to the market environment, net trading income have increased both in equities and bonds.

Net trading income (adjusted net financial incomes)

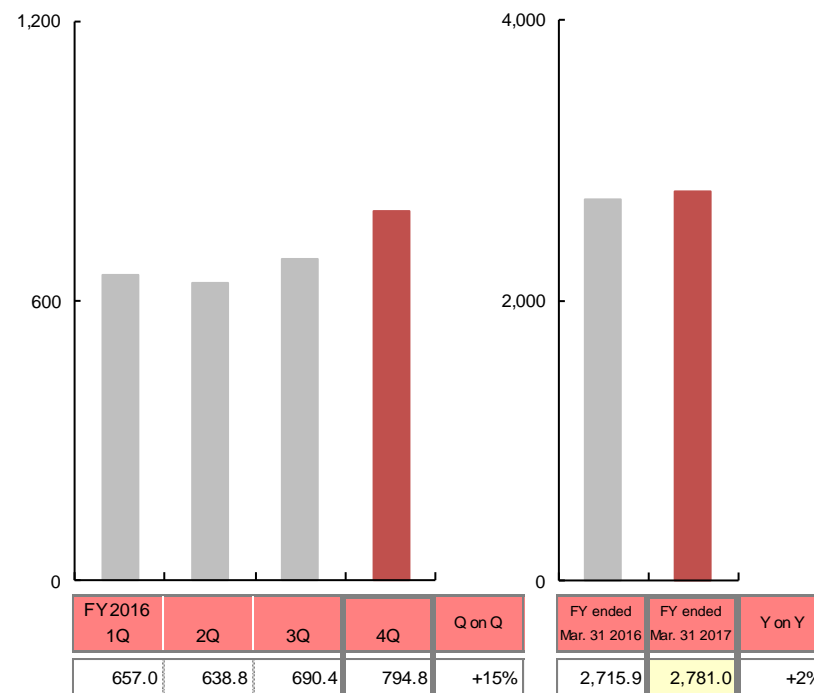
(Billions of yen)



Sale of foreign bonds

(Billions of yen)

【non-consolidated】

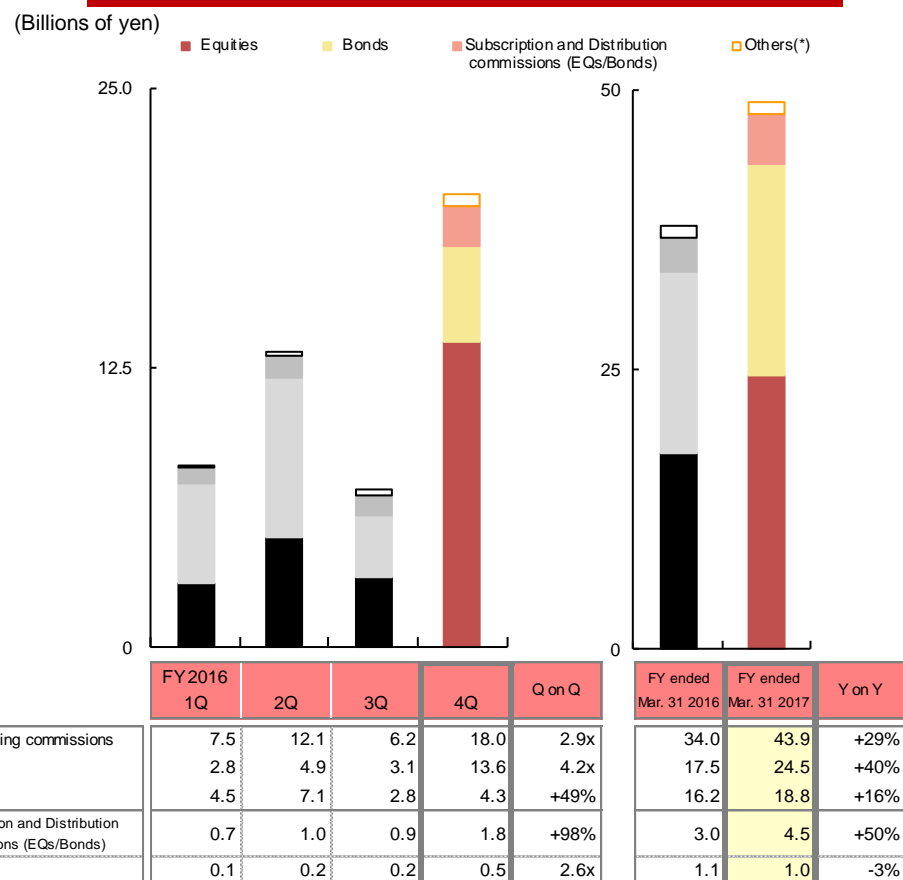


· Net trading income (adjusted net financial incomes) is supplemented with the ex dividend, etc.
 (*1) include dividend from trading position, etc.
 (*2) include interest income from trading position
 (*3) exclude funding costs

Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commissions for this quarter was ¥ 18.0 B (2.9x Q on Q).
- ◇ For the FY 2016 ended Mar. 2017, Underwriting commissions was ¥ 43.9 B (+29% Y on Y), which reached historical high by the commitment for large deal included underwriting from group company. For Apr. 2016 - Mar. 2017, book runner in Global Equity & Equity-Related-Japan: share 19.0% in 2nd place, lead manager in All Bonds in Yen: share 17.2% in 3rd place.

Underwriting commissions (Equities / Bonds)



Global Equity & Equity-Related-Japan Apr. 2016 - Mar. 2017

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura Securities	773.5	21.8%
2	SMBC Nikko Securities	669.3	19.0%
3	Mitsubishi UFJ Morgan Stanley	500.8	14.1%
4	Mizuho Securities	458.1	13.0%
5	Daiwa Securities	271.9	7.7%

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

All Bonds in Yen Apr. 2016 - Mar. 2017

【non-consolidated】

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	Mizuho Securities	4,412.6	22.1%
2	Mitsubishi UFJ Morgan Stanley	3,951.9	19.8%
3	SMBC Nikko Securities	3,419.5	17.2%
4	Nomura Securities	3,382.5	17.0%
5	Daiwa Securities	2,937.5	14.7%

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

- ◇ For Apr. 2016 - Mar. 2017 in the league table of M&A financial advisor for Japanese involvement announced deals:
With 147 deals acquired in total, ranked 10th in terms of value (market share 14.3%) and 2nd in terms of number of deals (market share 4.5%).

Financial Advisor Rank value basis Apr. 2016 - Mar. 2017

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Mizuho Financial Group	6,997.6	35.4%
2	Morgan Stanley	5,267.5	26.6%
3	Goldman Sachs	5,262.5	26.6%
4	Lazard	5,049.3	25.5%
10	Sumitomo Mitsui Financial Group	2,836.7	14.3%

Financial Advisor No. of deals Apr. 2016 - Mar. 2017

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Mizuho Financial Group	183	5.6%
2	Sumitomo Mitsui Financial Group	147	4.5%
3	Nomura	112	3.4%
4	Daiwa Securities Group Inc	81	2.5%
5	Plutus Consulting Co Ltd	57	1.7%

Major announced deals Apr. 2016 – Mar. 2017

THE MIE BANK / THE DAISAN BANK

THE MIE BANK and THE DAISAN BANK agreed with business integration via set up a holding company which was established through a joint stock transfer.
(SMBC Nikko serves as an advisor for THE MIE BANK.)

Nojima Corporation / NIFTY Corporation (FUJITSU)

FUJITSU split the consumer business of NIFTY, its wholly-owned subsidiary, into a separate company (via absorption-type split), and transferred all the shares of the split company to Nojima Corporation in exchange for cash.
(SMBC Nikko serves as an advisor for FUJITSU.)

Sumitomo Rubber Industries / Micheldever Group Ltd.

Sumitomo Rubber Industries acquired UK based Micheldever Group Ltd. from Graphite Capital Management LLP.
(SMBC Nikko and SMBC Nikko Capital Markets serve as advisors for Sumitomo Rubber Industries.)

Sumitomo Realty & Development / Sumitomo Real Estate Sales

Sumitomo Real Estate Sales approved the TOB intended to make the company a wholly-owned subsidiary of Sumitomo Realty & Development, and recommended its shareholders to tender their stocks.
(SMBC Nikko serves as an advisor for Sumitomo Real Estate Sales.)

HK Holdings (Kohlberg Kravis Roberts & Co. L.P.) / Hitachi Koki

Hitachi Koki, a subsidiary of Hitachi, approved the TOB intended to make the company a wholly-owned subsidiary of HK Holdings which is owned by Kohlberg Kravis Roberts & Co. L.P., and issued special dividend when the TOB was completed according to the scheme.
(SMBC Nikko serves as an advisor for Hitachi Koki.)

JTEKT Corporation / Sona Koyo Steering Systems Limited

JTEKT Corporation concluded a share purchase agreement to acquire 25.12% shares of Sona Koyo Steering Systems from its largest shareholder, Sona Autocomp. JTEKT Corporation also decided to launch a TOB in accordance with the Indian domestic regulations.
(SMBC Nikko serves as an advisor for JTEKT Corporation.)

Business collaboration with Sumitomo Mitsui Banking Corporation

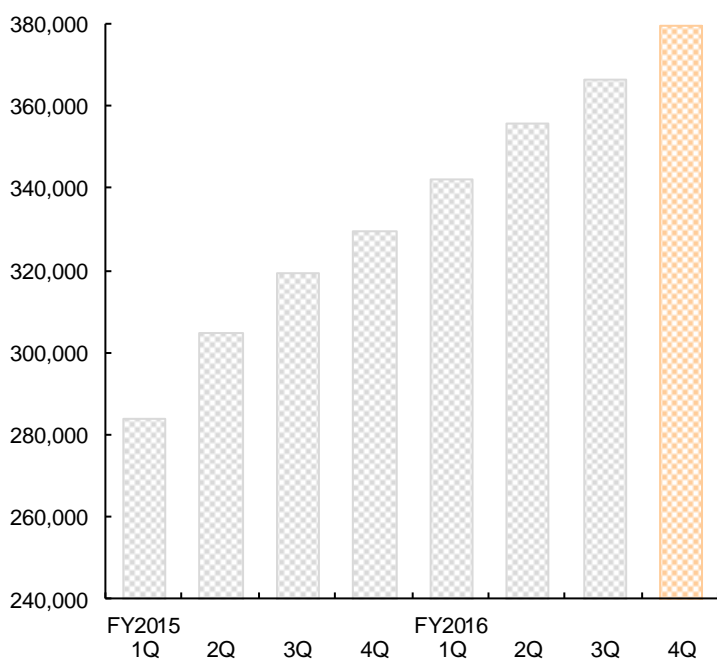
【non-consolidated】

◇ Collaboration with SMBC kept on track as the number of individual customers' accounts and the referral of corporate clients grew steadily.

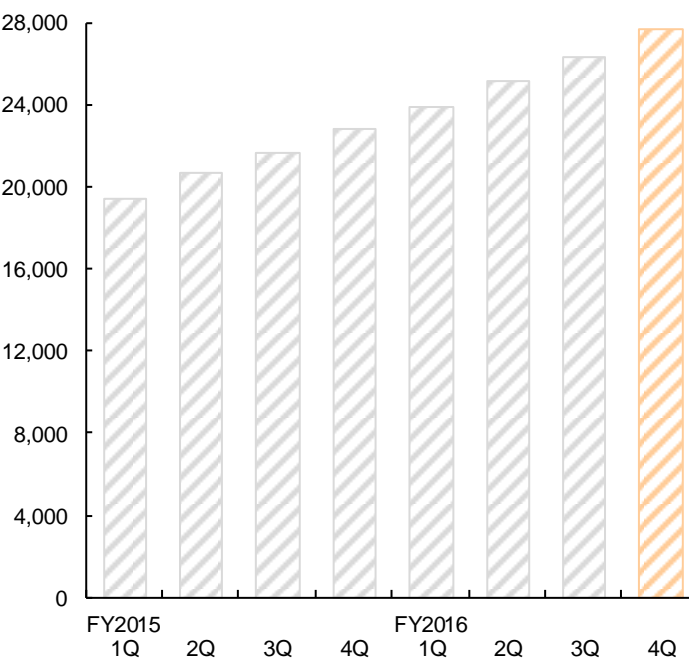
Asset management (Referral service and financial products intermediary service (*1))

Investment banking (Referral service)

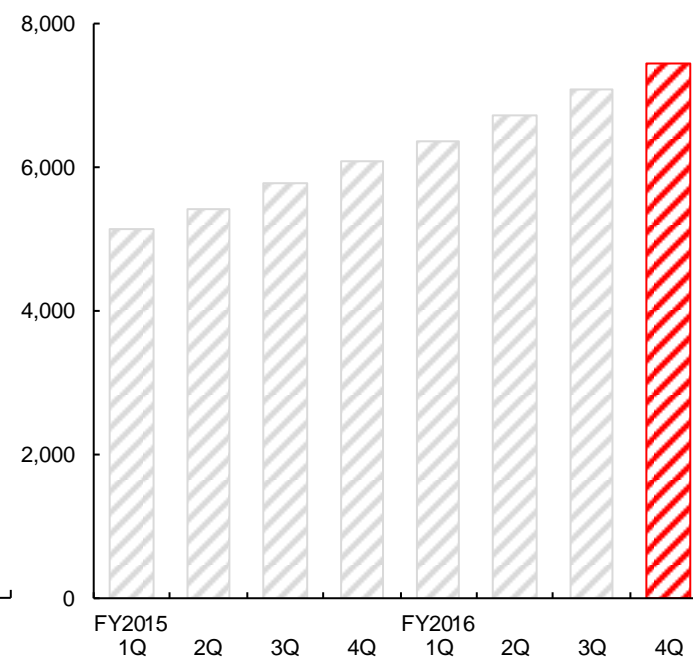
Individual customer (No. of accounts) (*2)



Corporate clients (No. of deals) (*3)



Corporate clients (No. of deals)



Note) No. of accounts 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.

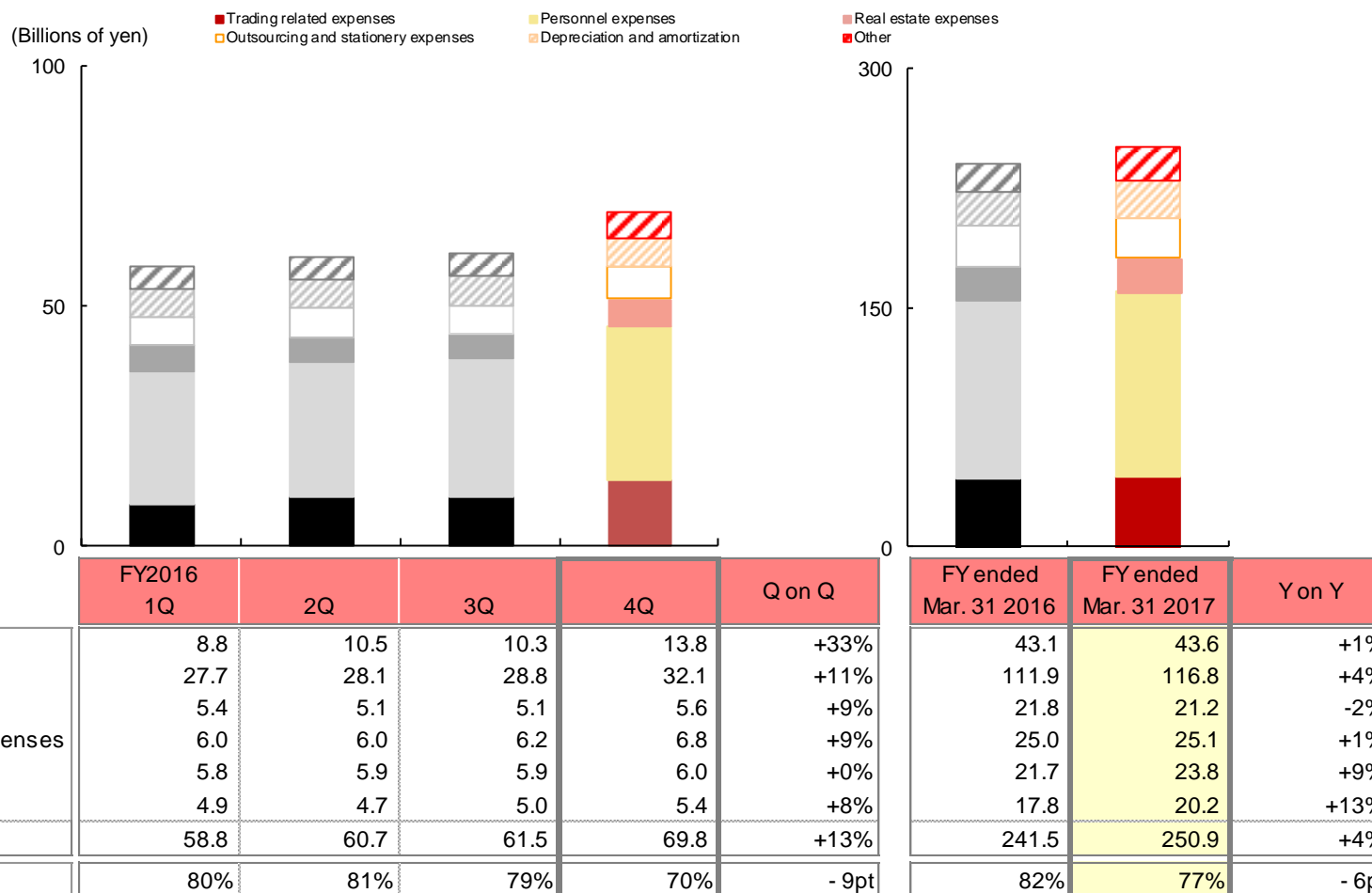
(*1) Financial products intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

(*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 products intermediary service.

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

SG&A

- ◇ SG&A for this quarter was ¥ 69.8 B (+13% Q on Q) , trading related expenses and personnel expenses linked to company operations increase.
- ◇ For the FY 2016 ended Mar. 2017, SG&A was ¥ 250.9 B (+4% Y on Y).



Balance Sheet / Capital Adequacy Ratio

- ◇ At the end of Sep. 2016, ¥ 200.0 B was paid as a dividend to our parent company.
At the same time, subordinated loan was borrowed and capital adequacy ratio has kept its standard which enabled further business expansion.

【non-consolidated】

(Billions of Yen)	Mar.16	Mar.17	Variance
Current assets	10,220.3	11,429.1	+1,208.7
Trading products	3,673.1	4,058.3	+385.1
Loans secured by securities	5,007.4	5,233.1	+225.7
Other current assets	1,539.8	2,137.6	+597.8
Noncurrent assets	258.7	258.3	-0.4
Tangible assets	26.7	25.3	-1.3
Intangible assets	84.6	78.4	-6.1
Investments and other assets	147.4	154.4	+7.0
Total assets	10,479.1	11,687.4	+1,208.2
Current liabilities	9,147.3	10,354.9	+1,207.6
Trading products	2,464.5	2,571.5	+106.9
Loans payable secured by securities	5,104.8	5,444.1	+339.2
Short-term loans payable / Commercial papers	1,054.7	1,438.4	+383.6
Other current liabilities	523.1	900.8	+377.6
Noncurrent liabilities / Reserves under the special laws	634.0	788.2	+154.2
Total liabilities	9,781.3	11,143.1	+1,361.8
Total net assets	697.8	544.2	-153.5
Total liabilities and net assets	10,479.1	11,687.4	+1,208.2

(Billions of Yen)	Mar.16	Mar.17	Variance
Basic items	656.6	496.1	-160.5
Supplementary items	14.9	117.9	+103.0
Deductible assets	162.3	158.6	-3.6
Net capital	509.2	455.4	-53.8
Risk total	128.6	137.6	+9.0
Market Risk	43.8	57.1	+13.2
Counterparty Risk	22.9	21.3	-1.6
Basic Risk	61.7	59.2	-2.5
Capital Adequacy Ratio	396%	331%	-65pt

【non-consolidated】

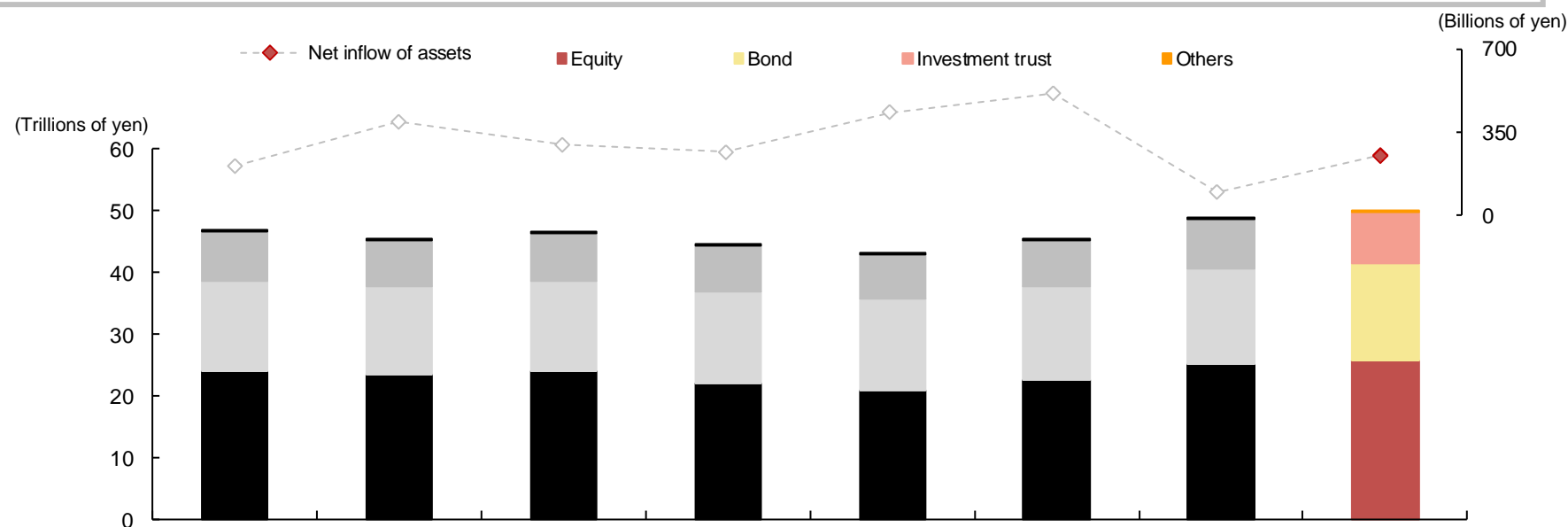
Credit ratings on Long Term (as of April 25, 2017)

Moody's	S&P	R&I	JCR
A1 [Stable]	A [Positive]	AA- [Stable]	AA [Stable]

Client Assets / Net Inflow of Assets

【non-consolidated】

- ◇ Overall client assets at the end of Mar. 2017 was ¥ 50.0 trillion (+2% Q on Q). Continuous effort into expansion of client assets contributed both on equity and bond.
- ◇ Net inflow of assets at sales division for this quarter was ¥ 252.4 B.



(Trillions of yen)	FY2015				FY2016			
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
Equity	24.1	23.3	23.9	22.1	21.0	22.5	25.1	25.7
Bond	14.5	14.6	14.7	14.9	14.9	15.3	15.4	15.9
Investment trust	8.1	7.4	7.7	7.2	7.1	7.4	8.1	8.1
Others	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Client assets(*1)	47.0	45.6	46.6	44.5	43.3	45.5	49.0	50.0

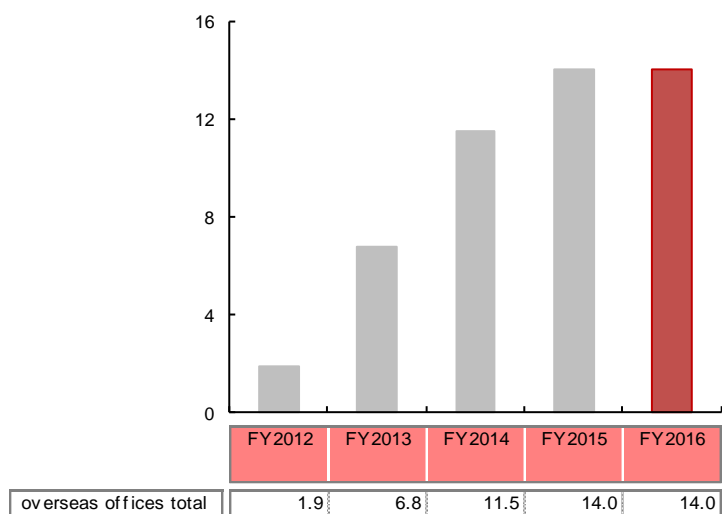
(Billions of yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	Net inflow (outflow) of assets <sales division>	206.9	393.0	296.2	264.9	434.2	513.1	98.1
Inflow of assets	1,380.2	1,376.4	1,316.9	1,392.4	1,409.3	1,347.8	1,107.3	1,575.8
Outflow of assets	-1,173.3	-983.3	-1,020.7	-1,127.5	-975.0	-834.7	-1,009.2	-1,323.4

(*) From this quarter, retrospective adjustment was introduced to client assets(bond) from 1Q FY2014 to 2Q FY 2016. On this table, it is applied from 1Q FY2015 to 2Q FY 2016.

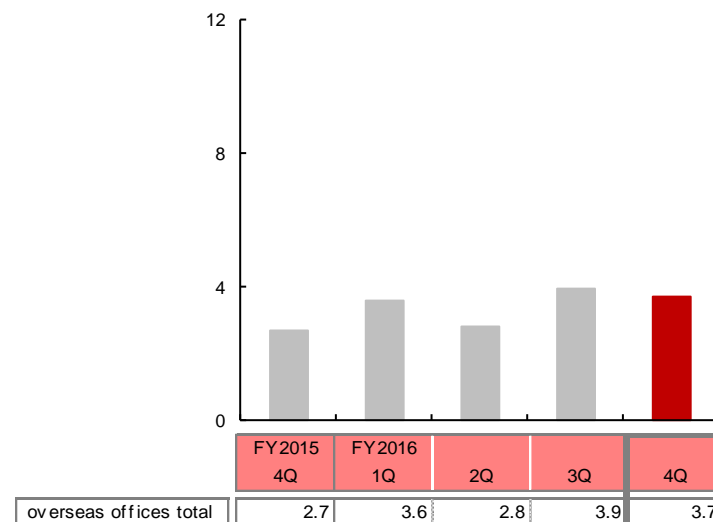
Business Trends of Overseas Offices

- ◇ Earnings based on managerial accounting for this quarter was ¥ 3.7 B (-5% Q on Q).
- ◇ Earnings based on managerial accounting steadily changed due to organizational structure and progress in collaboration with SMBC at overseas offices.

Earnings based on managerial accounting
Annual trend (Billions of yen)



Earnings based on managerial accounting
Quarterly trend (Billions of yen)



- Overseas offices total is defined as the total of:
 - ✓ Earnings of consolidated subsidiaries: SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore) ; and
 - ✓ Earnings of affiliated companies: Securities Product Group of SMBC Nikko Capital Markets (Percentage of voting rights: SMBC Nikko Securities 15.15%, SMBC 84.85%) and SMBC Nikko Securities America (Percentage of voting rights : SMBC Nikko Securities 20.00%, SMBC 77.65%, SMBC Financial Services, Inc.(subsidiary of SMBC) 2.35%)

Overseas Network

SMBC Nikko Capital Markets

- Japanese equity and fixed-income sales and trading
- Equity and bond underwriting
- M&A advisory
- IR arrangement
- Swap related business

SMBC Nikko Bank (Luxembourg)

- Fund custody
- Fund administration

SMBC Nikko Investment Fund Management Company

- Fund management

SMBC Nikko Securities America (San Francisco Branch)

- Japanese / US equity brokerage
- M&A advisory
- IR arrangement

SMBC Nikko Securities (Hong Kong)

- Japanese / Hong Kong equity and fixed-income brokerage
- Coverage of bond underwriting
- M&A advisory
- Market entry consulting for Japanese companies in Greater China
- IR arrangement

SMBC Nikko Investment Consulting (Shanghai)

- M&A advisory related services

SMBC Nikko Securities America

- Japanese / US equity brokerage
- Fixed-income sales and trading
- Equity and bond underwriting
- Structured finance
- M&A advisory
- IR arrangement

Nikko Securities Indonesia

- Indonesian equity brokerage
- Equity and bond underwriting
- M&A advisory
- Market entry consulting for Japanese companies in Indonesia
- Asset management business

SMBC Nikko Securities (Singapore)

- Japanese equity brokerage
- M&A advisory
- Private wealth business
- IR arrangement

SMBC Nikko Capital Markets (Sydney Office)

- Coverage of bond underwriting

Business Partners (Asia)

KB Securities (Seoul)

- Alliance in M&A advisory, DCM and IPO business

First Metro Securities (Manila)

- Alliance in M&A advisory and DCM business

Petro Vietnam Securities (Hanoi)

- Market entry consulting for Japanese companies in Vietnam

Phatra Securities (Bangkok)

- Alliance in M&A advisory and DCM/ECM business

Kotak Mahindra Group (Mumbai)

- Alliance in M&A advisory

Business Partners (Americas)

Citigroup (New York)

- Collaboration in various business worldwide

Moelis & Company (New York)

- Alliance in M&A advisory

BTG Pactual (Rio de Janeiro)

- Alliance in M&A advisory

- SMBC Nikko Group Company
- SMBC Nikko Business Partner

Establishment of fund “Next-Gen Corporation Supporting I Investment Limited Partnership”

SMBC Nikko and SMBC Venture Capital, co., Ltd. have jointly established a fund called “Next-Gen Corporation Supporting I Investment Limited Partnership” on March 29th, 2017. The fund is one billion yen and we are planning to establish series of funds up to three billion yen.

Venture capital companies need financing during their development stages, and in the early stages, risk money supply is required.

By supporting financial solutions for the virtuous cycle from launch, independence to business expansion, and infrastructure of employments, organization, management resource, and system networks, we established this fund to invest mainly to venture capitals at the early stages.

Begin operation of electronic commuting

Aiming for high flexibility of working style and to improve business efficiency, we started to operate of electronic commuting at twelve divisions of Corporate Planning Group and Compliance etc., from this April.

We plan to review and expand for eligible employees and divisions during this fiscal year.

Analyst Rankings

- At the 29th Nikkei the Veritas Analyst Ranking, SMBC Nikko ranked 3rd as a broker for the four consecutive years, and two analysts ranked 1st in the industry sectors.

•Auto Parts : Kunihiro Matsumoto

•REIT : Hiroshi Torii

- SMBC Nikko ranked 4th for three consecutive years as a broker at the 22nd Nikkei Veritas Analyst Rankings for Bond/Currency Analysts and Economists”

Chotaro Morita analyst ranked 1st in the category of Bond Analysts for the first time.

•Bond Analyst : Chotaro Morita

Reference Data



Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2015					FY2016				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Operating revenue	95,827	79,319	79,570	64,074	318,791	81,013	82,070	87,298	110,849	361,232
Commissions received	46,160	46,153	44,403	29,787	166,504	35,335	42,582	40,261	58,983	177,163
Brokerage commissions	11,435	10,297	9,602	7,859	39,195	7,390	6,753	10,167	9,136	33,447
Underwriting and distribution commissions	8,962	10,799	10,001	4,237	34,000	7,518	12,182	6,237	18,061	43,999
Flotation and distribution fees	12,223	11,023	10,490	4,692	38,430	7,529	9,192	8,854	14,687	40,263
Other commissions	13,539	14,032	14,309	12,996	54,877	12,898	14,452	15,002	17,098	59,452
Net trading income	40,067	22,079	25,813	23,263	111,224	36,757	27,294	35,706	35,621	135,379
Equities	3,684	104	3,877	2,611	10,278	4,313	161	5,756	6,741	16,972
Bonds / Others	36,382	21,974	21,936	20,651	100,945	32,444	27,132	29,950	28,880	118,407
Financial revenue	7,120	7,914	6,549	7,607	29,191	5,385	8,511	7,633	10,731	32,262
Other sales	2,479	3,172	2,803	3,416	11,871	3,534	3,683	3,696	5,512	16,426
Financial expenses	5,241	3,303	4,520	3,604	16,671	4,653	4,101	6,269	6,506	21,530
Cost of sales	1,938	2,306	2,174	2,801	9,221	2,674	2,547	2,943	4,767	12,932
Net operating revenue	88,647	73,708	72,875	57,667	292,899	73,685	75,422	78,085	99,576	326,769
SG&A	64,095	60,298	59,878	57,276	241,548	58,814	60,720	61,599	69,830	250,965
Operating income / loss	24,552	13,410	12,996	390	51,350	14,870	14,701	16,485	29,745	75,804
Ordinary income / loss	25,478	15,076	13,456	1,816	55,826	15,750	15,750	17,195	31,368	80,064
Extraordinary income / loss	6,246	-2,506	-18	-253	3,468	-497	298	-11,277	-2,103	-13,578
Income before income taxes	31,724	12,569	13,438	1,563	59,294	15,252	16,049	5,917	29,265	66,485
Income taxes-current	708	6,464	5,878	398	13,450	585	5,272	6,945	11,659	24,462
Income taxes-deferred	9,418	-1,808	-3,089	-804	3,715	3,913	-512	-5,312	-3,024	-4,935
Profit / loss	21,597	7,912	10,648	1,969	42,128	10,753	11,289	4,285	20,630	46,958
Profit attributable to owners of parent	21,593	7,904	10,639	1,969	42,106	10,750	11,281	4,279	20,631	46,943

Non-consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2015					FY2016				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Operating revenue	90,922	73,941	74,431	58,633	297,929	75,119	75,977	80,448	102,913	334,458
Commissions received	44,041	44,169	42,256	27,913	158,380	33,132	40,334	37,326	56,737	167,530
Brokerage commissions	10,636	9,516	8,854	7,191	36,198	6,679	6,081	9,155	8,606	30,522
Underwriting and distribution commissions	8,962	10,799	10,001	4,237	34,000	7,518	12,182	6,237	18,061	43,999
Flotation and distribution fees	12,037	10,982	10,489	4,665	38,175	7,459	9,178	8,834	14,633	40,105
Other commissions	12,405	12,870	12,911	11,818	50,005	11,475	12,892	13,098	15,435	52,902
Net trading income	40,067	22,079	25,813	23,263	111,223	36,757	27,294	35,706	35,619	135,377
Equities	3,684	104	3,877	2,611	10,278	4,313	161	5,756	6,741	16,972
Bonds / Others	36,382	21,974	21,935	20,651	100,945	32,444	27,132	29,950	28,878	118,405
Financial revenue	6,813	7,693	6,361	7,456	28,324	5,228	8,349	7,416	10,556	31,550
Financial expenses	4,962	3,111	4,360	3,483	15,918	4,535	3,987	6,123	6,342	20,988
Net operating revenue	85,959	70,830	70,070	55,149	282,010	70,584	71,990	74,325	96,570	313,470
SG&A	62,816	58,885	58,269	55,057	235,029	57,762	59,099	59,207	68,349	244,418
Operating income / loss	23,143	11,945	11,801	91	46,981	12,821	12,890	15,118	28,221	69,051
Ordinary income / loss	23,390	12,507	11,804	611	48,313	13,097	13,402	15,115	28,937	70,551
Extraordinary income / loss	4,611	-4,588	-15	-243	-236	-500	302	-11,277	-1,926	-13,402
Income before income taxes	28,001	7,919	11,788	367	48,077	12,596	13,704	3,837	27,010	57,149
Income taxes-current	561	5,932	5,518	-2,086	9,925	421	4,957	6,891	11,392	23,663
Income taxes-deferred	8,548	-3,201	-1,703	1,390	5,034	3,466	-723	-5,682	-3,008	-5,947
Profit / loss	18,892	5,187	7,973	1,064	33,117	8,709	9,470	2,628	18,625	39,433

Operational Indicators -1

【non-consolidated】

◇ Sales of Products

(Billions of yen)	FY2015					FY2016				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Investment trusts	788.4	654.2	739.4	497.2	2,679.2	561.9	583.2	560.6	647.9	2,353.6
(Equity investment trusts)	(531.6)	(436.7)	(453.4)	(298.4)	(1,720.1)	(392.8)	(471.3)	(420.0)	(512.4)	(1,796.4)
(Foreign registered investment trusts)	(126.7)	(92.9)	(112.8)	(63.9)	(396.3)	(68.4)	(80.5)	(74.5)	(108.3)	(331.8)
Foreign bonds (*)	817.5	588.8	687.9	621.6	2,715.9	657.0	638.8	690.4	794.8	2,781.0
(Foreign currency bonds)	(236.7)	(193.5)	(276.3)	(200.5)	(907.0)	(214.0)	(219.8)	(239.9)	(202.2)	(875.9)
Domestic bonds	746.3	947.6	740.9	491.9	2,926.7	1,021.8	1,357.8	794.8	1,094.1	4,268.5
(Retail target JGBs)	(129.7)	(151.7)	(115.3)	(143.7)	(540.3)	(132.0)	(184.4)	(178.3)	(349.4)	(844.1)
Public offering	121.3	94.1	186.4	37.4	439.3	51.1	117.5	88.8	238.0	495.5
Annuity / insurance	19.1	18.9	18.0	16.2	72.2	10.0	4.3	11.6	8.9	34.8
Total	2,492.5	2,303.7	2,372.6	1,664.4	8,833.2	2,301.7	2,701.7	2,146.3	2,783.7	9,933.5

(*) Sale of foreign bonds includes already-issued bonds and yen-denominated foreign bonds.

◇ Market Share

	FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
ECM Global Equity (*1)	12.5%	13.7%	14.0%	13.2%	19.9%	19.3%	18.6%	19.0%
DCM All bonds in Yen (*2)	15.9%	16.8%	16.9%	15.7%	20.4%	18.2%	16.8%	17.2%
M&A Japan related (*3)	18.0%	17.4%	28.4%	24.8%	6.7%	14.7%	15.0%	14.3%

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

(*2) All Bonds in Yen, Lead manager

(*3) Any Japanese involvement announced : Rank value

Source: prepared by SMBC Nikko based on the information published by THOMSON REUTERS

Source: prepared by SMBC Nikko based on the information published by THOMSON REUTERS

Source: prepared by THOMSON REUTERS

◇ Direct Channel Ratio (*1)

	FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Based on number of transaction (Nikko EZ Trade)	90.0% (83.8%)	91.5% (85.9%)	85.8% (81.1%)	93.2% (88.5%)	92.9% (89.0%)	92.4% (88.8%)	91.1% (86.5%)	90.9% (86.7%)
Based on commissions (Nikko EZ trade)	43.0% (27.8%)	44.4% (29.5%)	36.0% (23.8%)	47.4% (32.0%)	38.0% (26.2%)	28.3% (19.8%)	33.5% (22.6%)	24.9% (17.0%)

(*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)	FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Equity brokerage amount	6,412.8	6,285.5	5,923.6	6,326.4	6,178.5	6,226.4	7,197.9	6,952.2
Equity brokerage commissions (*3)	10.7	8.9	8.7	7.0	6.6	6.3	9.4	8.7
Equity commissions rate	15.3bp	12.4bp	13.3bp	9.7bp	9.4bp	8.9bp	11.5bp	11.1bp

(*2) "Equity brokerage amount" 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

【non-consolidated】

(Thousands of accounts)	FY2015				FY2016			
	Jun. 15	Sep. 15	Dec. 15	Mar. 16	Jun. 16	Sep. 16	Dec. 16	Mar. 17
Total accounts	2,629	2,666	2,712	2,731	2,739	2,759	2,775	2,801
Cash management accounts	2,294	2,332	2,372	2,396	2,405	2,426	2,446	2,473
Newly opened accounts	42	55	59	37	33	39	37	42

◇ Number of Branches

【non-consolidated】

	FY2015				FY2016			
	Jun. 15	Sep. 15	Dec. 15	Mar. 16	Jun. 16	Sep. 16	Dec. 16	Mar. 17
Number of branches	123	123	123	123	123	124	124	124

◇ Number of Employees

	FY2015				FY2016			
	Jun. 15	Sep. 15	Dec. 15	Mar. 16	Jun. 16	Sep. 16	Dec. 16	Mar. 17
Number of employees	10,022	9,936	9,829	9,685	10,352	10,325	10,198	10,112
Number of 4 overseas employees	378	396	413	427	443	457	467	480

- Overseas offices total is defined as the total of:
 - ✓ Employees of consolidated subsidiaries which are SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore).
 - ✓ Employees of affiliated companies which are Securities Product Group of SMBC Nikko Capital Markets and SMBC Nikko Securities America.

