

Provisional translation of
the original Japanese version



Earnings Announcement for Second Quarter of FY ending March 2011 (JGAAP)

Nikko Cordial Securities Inc.
October, 2010

The information contained in this document is based on data available as of October 29th, 2010 and this document is intended to provide information on the business results of new Nikko Cordial Securities Inc. Any information and opinions contained in this document reflect our judgment as of the date of preparation of the document and are subject to change without notice. No guarantees, representations or warranties are made as to the accuracy or completeness of such information. Reference information contained and shown in this document for the period before September 2009 are based on the former Nikko Cordial Securities Inc.

Contents

Highlights of business results for 1st half of FY ending March 2011	2
Highlights of business results for 2Q of FY ending March 2011	3
Business Results (Quarterly Trend)	4
Net operating revenue / Product sales	5
Equity brokerage commissions	6
Subscription and agent commissions from investment trusts	7
Net trading income	8
Underwriting commissions (Equities / Bonds)	9
League tables for 1st half of FY ending March 2011	10
M&A	11
Business collaboration with Sumitomo Mitsui Banking Corporation	12
SG&A	13
Balance sheet / Capital Adequacy Ratio	14
Client Assets / Net Inflow (Outflow) of Assets	15
Expansion of overseas network	16
Topics	17
[Reference Data]	
Business Results (Quarterly Trend)	19
Operational Indicators-1	20
Operational Indicators-2	21
Operational Indicators-3	22
Operational Indicators-4	23

Highlights of business results for 1st half of FY ending March 2011

■ Overview of business results for the first half of FY ending March 2011

- ◇ Total operating revenue ¥ 111.3 B (up 30% from the same period of the previous FY) Net operating revenue ¥ 104.6 B (up 24%) Ordinary income ¥ 22.6 B (up 7%)
- ◇ Product sales for the first half of FY ending March 2011 extended to ¥ 3.2 trillion driven by mainly investment trust and bonds (up 76% from the same period of the previous FY and up 20% from the 2nd half of the previous FY)
- ◇ Overall client assets was ¥ 29 trillion at the end of September 2010, up ¥ 3 trillion from the same month-end of the year before.

■ Topics

◇ Retail business

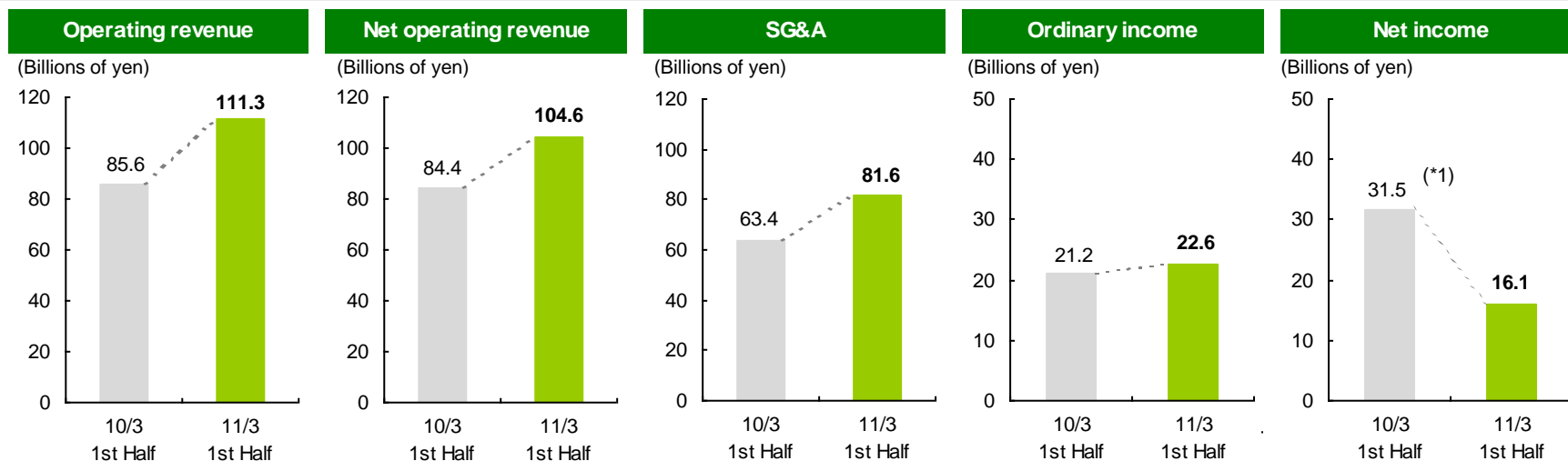
Product sales totaled ¥ 2.2 trillion, up 25% from the same period of the previous FY.

Sales of investment trust ¥ 1.2 trillion, mainly Nikko Dynamic Bond/Equity (newly launched) ¥297.0 B and Nikko Ashmore Emerging Markets Tri-Asset Fund (all currencies totaled): ¥ 254.7 B. Sales of bonds ¥ 0.9 trillion.

◇ Wholesale business

Underwriting on bonds has expanded, resulting in recording the market share of Japanese Corporate Debt proceeds at 17.1% for the period from April - September, 2010. (Source:THOMSON REUTERS)

Market share and ranking on M&A financial advisor (April - September 2010) Transaction value basis 13.1%, ranked in the 7th ; No. of deals basis 31 deals, ranked in the 3rd. (Source:THOMSON REUTERS)



Highlights of business results for 2Q of FY ending March 2011

■ Overview of business results for 2Q of FY ending March 2011

- ◇ Net operating revenue ¥ 49.6 B (down 10% from the prior quarter), SG&A expenses ¥ 41.0 B (up 1%), Ordinary income ¥ 9.3 B (down 30%)
- ◇ Net operating revenue declined by 10% from the prior quarter due to a decrease of both subscription commission revenue on investment trusts to ¥ 15.2 B (down 15%) and net trading income to ¥ 14.8 B (down 16%) from the prior quarter, while underwriting commissions revenue on bonds increased to ¥ 3.1 B, up 29% from the prior quarter.
- ◇ Underwriting on bonds has expanded and contributed to pushing up the market share of Japanese Corporate Debt proceeds for the period from July - September, 2010 to 18.1%, up 2.1 pts from the prior quarter. (Source:THOMSON REUTERS)
- ◇ Market share and ranking on M&A financial advisor(July - September 2010)Transaction value basis 13.9%, ranked in the 8th; No. of deals basis 12 deals, ranked in the 3rd. (Source:THOMSON REUTERS)
- ◇ Total assets at the end of the 2nd quarter 2010 ¥ 7.9 trillion. Capital adequacy ratio at the end of the 2nd quarter 2010 was 515%.

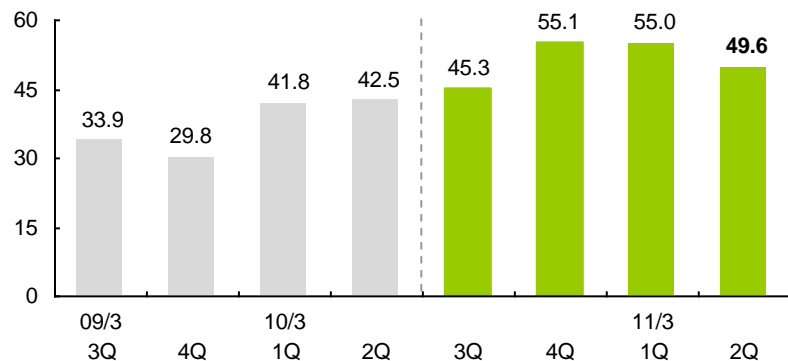
(Billions of yen)

	FY ending	FY ending	Variance		Jun.-end '10	Sep.-end '10	Variance
	Mar. 2011 1Q	Mar. 2011 2Q					
Operating revenue	58.2	53.1	-9%	Total Assets	7.4 T	7.9 T	+0.5 T
Net operating revenue	55.0	49.6	-10%	Net Assets	424.9 B	430.2 B	+5.2 B
SG&A	40.5	41.0	+1%	Capital Adequacy Ratio	515%	515%	+0 pt
Ordinary income	13.3	9.3	-30%				
Net income	10.2	5.8	-42%				

Business Results (Quarterly Trend)

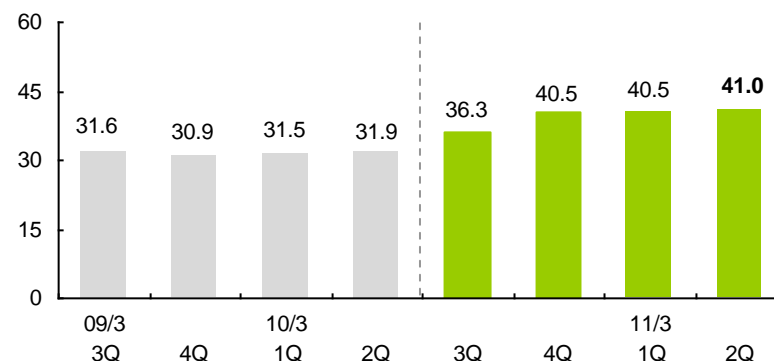
Net operating revenue

(Billions of yen)



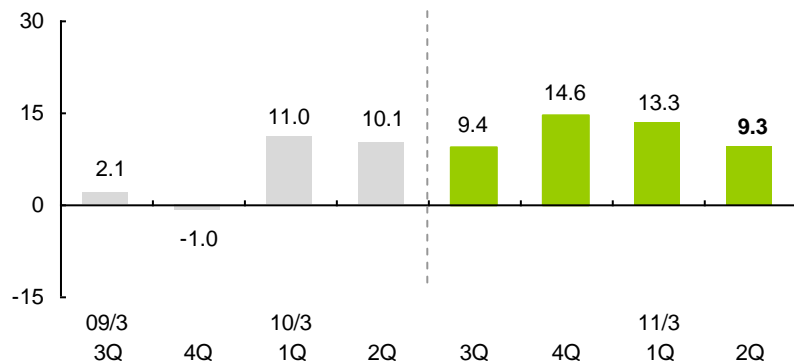
SG&A

(Billions of yen)



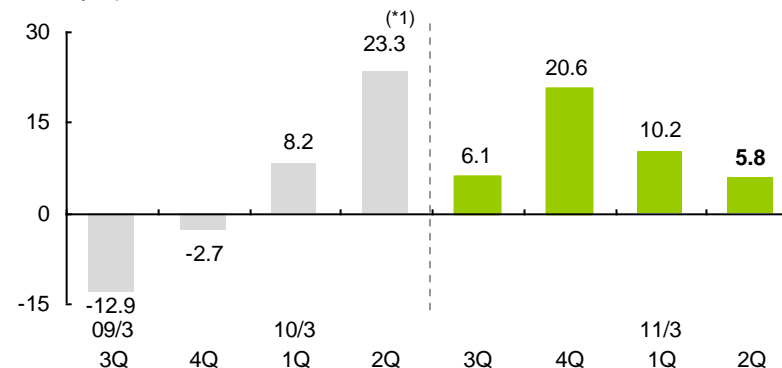
Ordinary income

(Billions of yen)



Net income

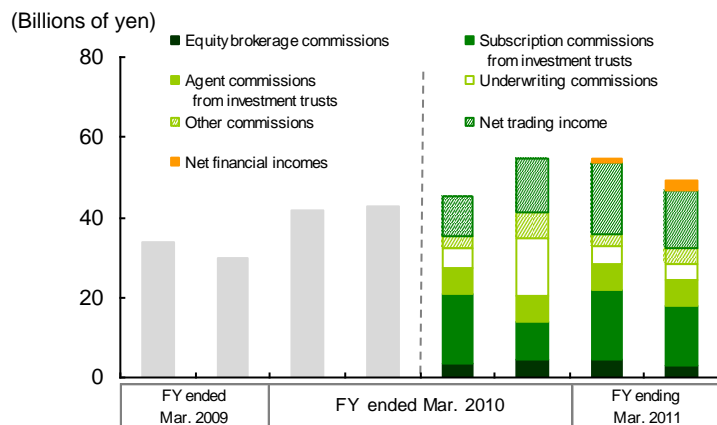
(Billions of yen)



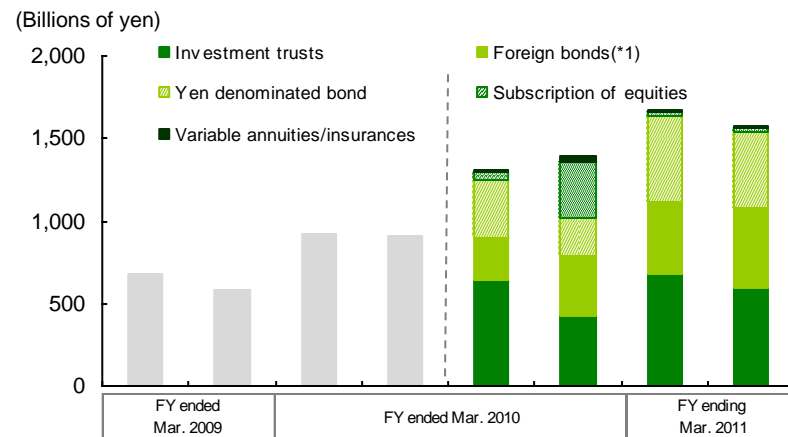
Net operating revenue / Product sales

- ◇ Continued stagnant market conditions and appreciation of the yen affected mainly both subscription commission revenue on investment trust and net trading income, resulting in a decrease of net operating revenue compared with the previous quarter.
- ◇ Product sales remained at a high level as in the prior quarter due to continued sales of investment trusts and foreign / domestic bonds

Net operating revenue



Product Sales



(Billions of yen)

	FY ended Mar. 2009				FY ended Mar. 2010				FY ending Mar. 2011			
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity brokerage commissions	5.7	3.4	4.8	4.5	3.5	4.6	4.3	2.8	3.5	4.6	4.3	2.8
Subscription commissions from investment trusts	2.9	6.0	13.2	15.0	17.5	9.5	17.8	15.2	17.5	9.5	17.8	15.2
Agent commissions from investment trusts	5.3	4.6	5.2	5.7	6.1	6.3	6.3	6.1	6.1	6.3	6.3	6.1
Underwriting commissions	-	-	-	-	5.0	14.4	4.5	4.4	5.0	14.4	4.5	4.4
Other commissions	7.9	5.4	5.9	5.4	3.0	6.5	3.1	3.6	3.0	6.5	3.1	3.6
Net trading income	11.5	10.0	12.1	11.2	10.1	13.6	17.6	14.8	10.1	13.6	17.6	14.8
Net financial incomes	0.3	0.2	0.2	0.4	-0.1	-0.0	1.1	2.5	-0.1	-0.0	1.1	2.5
Total	33.9	29.8	41.8	42.5	45.3	55.1	55.0	49.6	45.3	55.1	55.0	49.6

(Billions of yen)

	FY ended Mar. 2009				FY ended Mar. 2010				FY ending Mar. 2011			
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Investment trusts	269.7	290.4	514.7	549.4	644.1	424.9	682.9	590.0	644.1	424.9	682.9	590.0
Foreign bonds(*1)	234.5	178.6	293.4	268.9	255.9	360.0	433.2	483.3	255.9	360.0	433.2	483.3
Yen denominated bond	150.0	99.0	60.3	54.4	348.9	232.2	515.4	462.7	348.9	232.2	515.4	462.7
(Retail - targeted JGBs)	(5.0)	(2.7)	(5.2)	(1.9)	(1.3)	(6.0)	(51.2)	(6.7)	(1.3)	(6.0)	(51.2)	(6.7)
Subscription of equities	4.8	0.9	45.8	36.0	45.8	344.8	34.3	33.1	45.8	344.8	34.3	33.1
Variable annuities/insurances	21.6	10.6	10.9	6.1	12.1	27.6	1.1	1.8	12.1	27.6	1.1	1.8
Total	680.7	579.5	925.2	914.8	1,306.8	1,389.5	1,666.8	1,571.0	1,306.8	1,389.5	1,666.8	1,571.0

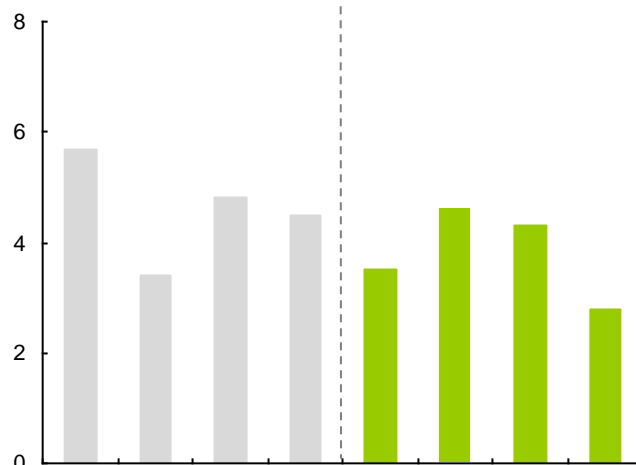
(*1) Foreign bonds sales include already-issued bonds and yen-denominated foreign bonds.

Equity brokerage commissions

- ◇ Brokerage commissions on equity for the quarter declined to ¥ 2.8 B due to sluggish market conditions (down 36% from the prior quarter)
- ◇ Equity brokerage amount totaled to ¥ 558.9 B (down 22% from the prior quarter)

Equity brokerage commissions

(Billions of yen)



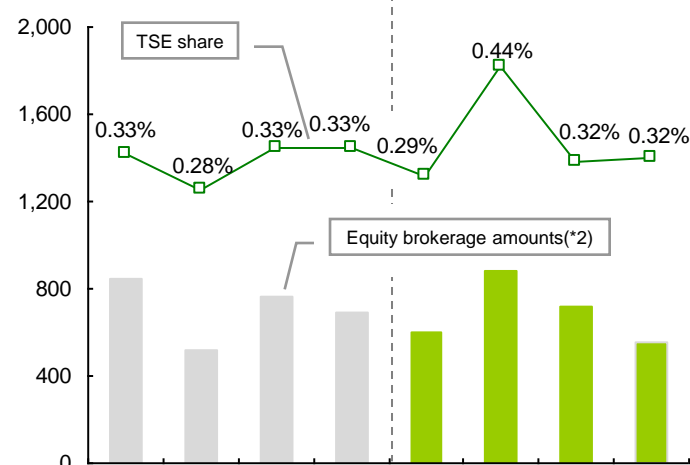
(Billions of yen, bp)

	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity brokerage commissions	5.7	3.4	4.8	4.5	3.5	4.6	4.3	2.8
Equity commissions rate (*1)	67.3bp	65.1bp	62.8bp	64.4bp	58.0bp	51.1bp	59.1bp	48.9bp

(*1) "Equity brokerage commissions"/"Equity brokerage amounts"
(in the table represent the total of cash and margin transactions)

Equity brokerage amount / TSE share

(Billions of yen)



(Billions of yen)

	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity brokerage amounts (*2)	846.7	516.0	764.6	693.9	600.1	881.7	718.3	558.9
TSE share	0.33%	0.28%	0.33%	0.33%	0.29%	0.44%	0.32%	0.32%
Retail market share (*3)	1.7%	1.4%	1.4%	1.5%	1.5%	2.1%	1.6%	1.4%

(*2) All stock exchanges.

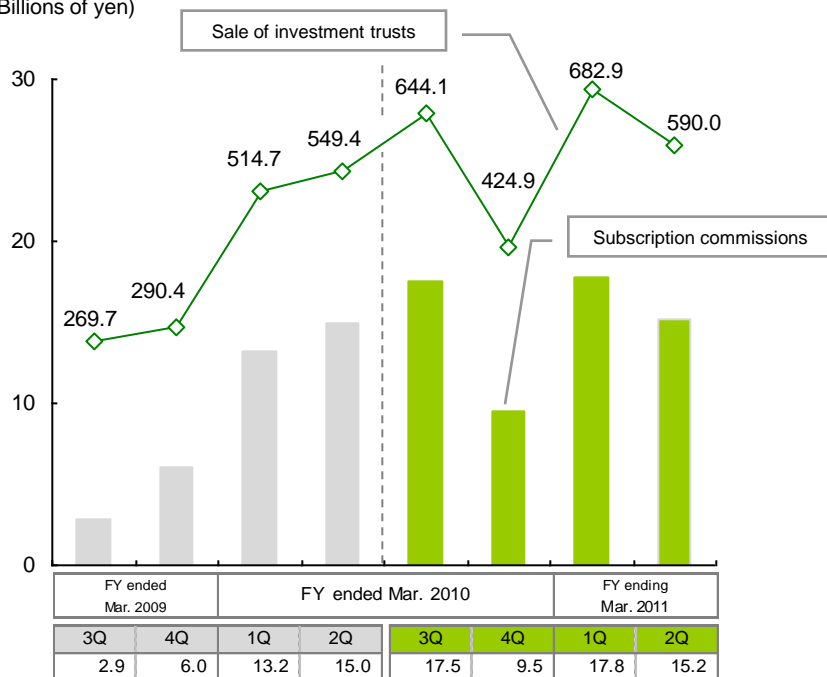
(*3) Total of 1st and 2nd sections of Tokyo, Osaka and Nagoya stock exchanges.

Subscription and agent commissions from investment trusts

- ◇ Subscription commission revenue for the quarter declined to ¥ 15.2 B, down 15% from the prior quarter, client assets of investment trust increased to ¥ 5.2 trillion, up 2% from the prior quarter by providing various customer-driven funds.
- ◇ Sales of investment trusts totaled ¥ 590.0 B, mainly comprised of Nikko Ashmore Emerging Markets Tri-Asset Fund (all currencies totaled): ¥ 252.1 B, and Nikko Next 10 Years Global Equity Fund (newly launched): ¥ 64.8 B

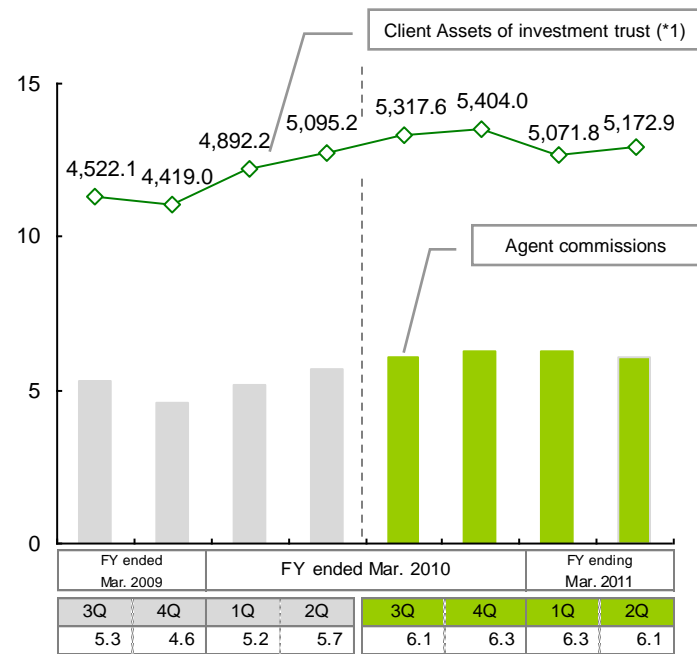
Subscription commissions / Sales

(Billions of yen)



Agent commissions / Client Assets of Invest. trust

(Billions of yen)



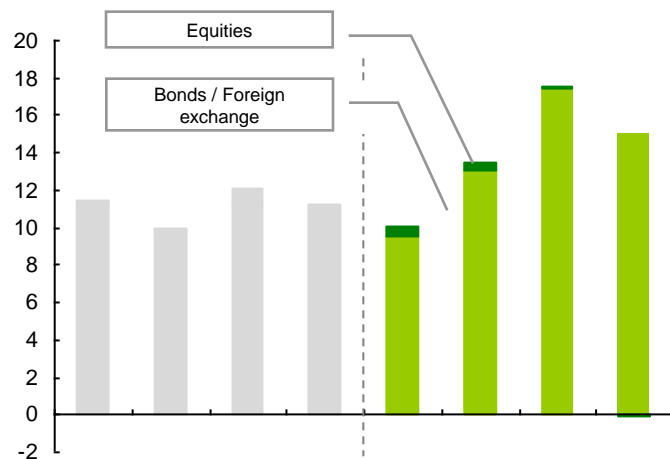
(*1) Client Assets of Invest. Trust is balance at the end of each quarter.

Net trading income

◇ Net trading income on bonds/foreign exchanges for the quarter declined ¥ 15.0 B, down 14% from the prior quarter, while sales of foreign bonds increased to ¥ 483.3 B, up 12% from the prior quarter.

Net trading income

(Billions of yen)



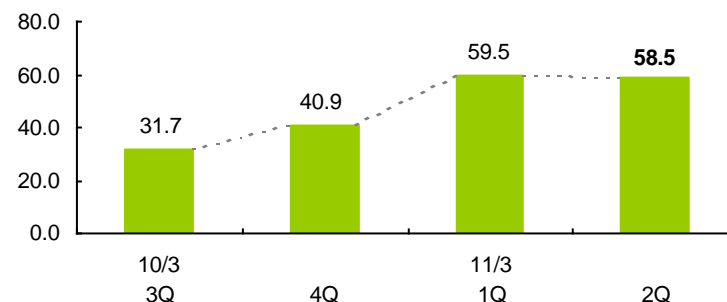
	FY ended Mar. 2009		FY ended Mar. 2010				FY ending Mar. 2011	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equities	0.2	0.2	0.7	0.4	0.6	0.4	0.1	-0.1
Bonds / Foreign exchange	11.3	9.8	11.4	10.8	9.5	13.1	17.4	15.0
Total	11.5	10.0	12.1	11.2	10.1	13.6	17.6	14.8

(Billions of yen)

Equities	0.2	0.2	0.7	0.4
Bonds / Foreign exchange	11.3	9.8	11.4	10.8
Total	11.5	10.0	12.1	11.2

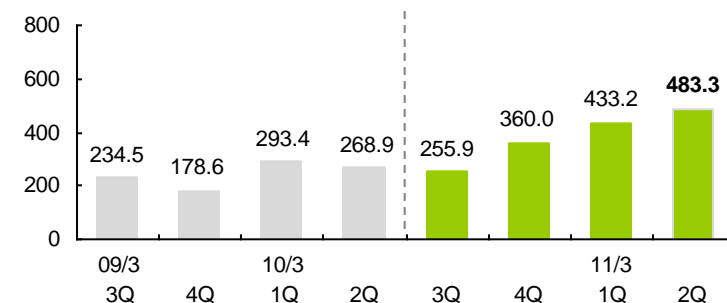
Trading volume on Bond

(Trillions of yen)



Sale of foreign bonds

(Billions of yen)

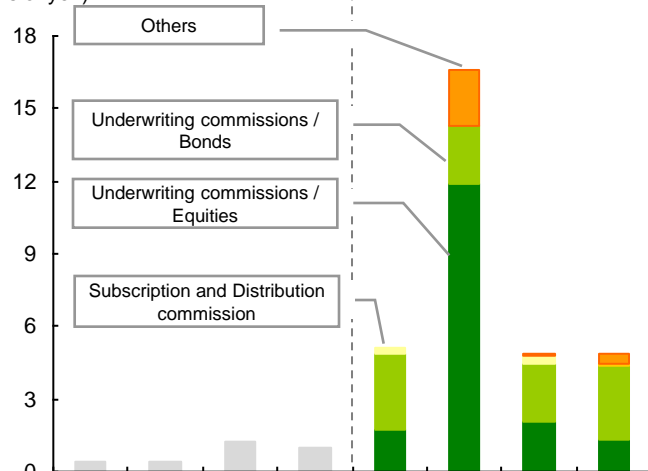


Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commissions revenue on equity for the quarter amounted to ¥ 1.3 B, serving as a lead managing underwriter for public offerings of Nippon Sheet Glass Co., Ltd, Kenedix, Inc, Japan Logistics Fund, Inc and Hiramatsu Inc
- ◇ Underwriting commissions revenue on bond amounted to ¥ 3.1 B. The market share of Japanese Corporate Debt proceeds for the period from July - September, 2010 was 18.1%, up 2.1 pts from the prior quarter. (Source:THOMSON REUTERS)

Underwriting commissions (Equities / Bonds)

(Billions of yen)



(Billions of yen)

	FY ended Mar. 2009		FY ended Mar. 2010				FY ending Mar. 2011	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Underwriting commissions	-	-	-	-	5.0	14.4	4.5	4.4
Equities	-	-	-	-	1.7	11.9	2.1	1.3
Bonds	-	-	-	-	3.2	2.4	2.4	3.1
Subscription and Distribution commissions (EQs/Bonds)	0.4	0.4	1.2	1.0	0.2	0.0	0.3	0.0
Others(*1)	-	-	-	-	-	2.3	0.1	0.4

(*1) Revenues related to securitization arrangements included

Major lead manager deals / Market share

Equities

- Market share (*2): 0.9% (3.3 pts down from the prior quarter)
- Lead managing underwriter (incl. joint lead manager)
 - Nippon Sheet Glass Co., Ltd. • Kenedix, Inc
 - Japan Logistics Fund, Inc • Hiramatsu Inc

Bonds

- Market share (*3): 10.2% (2.4 pts down from the prior quarter)
- Lead managing underwriter (incl. joint lead manager)
 - Domestic Bonds
 - Sumitomo Mitsui Banking Corporation • East Japan Railway Company
 - Tokyo Gas Co., Ltd • SOFTBANK CORP • Oji Paper Co., Ltd
 - The Bank of Fukuoka, Ltd • Odakyu Electric Railway Co., Ltd
 - Hankyu Hanshin Holdings, Inc.
 - Local Governments/Public bonds
 - Japan Finance Organization for Municipalities
 - Tokyo Metropolitan Government
 - Nagoya Expressway Public Corporation
 - FILP agency bonds
 - Japan Housing Finance Agency • Urban Renaissance Agency
 - Kansai International Airport Co., Ltd
 - Japan International Cooperation Agency
 - Samurai bonds
 - Credit Suisse Group Finance (Guernsey) Limited • Barclays Bank PLC

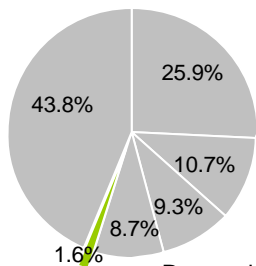
Please refer to P10 and P20 for league tables. More detailed lead underwriting deals on P23

(*2) Global equity & equity related book runner July-September 2010 (Source : THOMSON REUTERS)

(*3) All bonds in Yen book runner July-September 2010 (Source : THOMSON REUTERS)

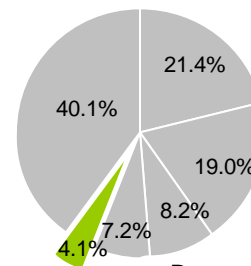
League tables for 1st half of FY ending March 2011

Global Equity & Equity-Related - Japan



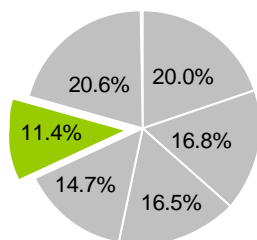
Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)	No.Deals
1	Nomura	560.0	25.9%	24
2	Mizuho Securities	231.5	10.7%	7
3	JP Morgan Securities Ltd	200.6	9.3%	3
4	Goldman Sachs International	187.9	8.7%	2
12	Nikko Cordial Securities Inc	34.9	1.6%	6

Global Equity & Equity-Related – Volume - Japan



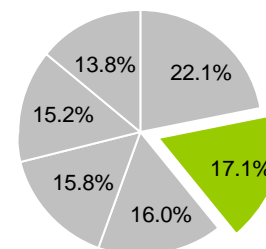
Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)	No.Deals
1	Nomura	462.3	21.4%	34
2	Mizuho Securities	410.3	19.0%	20
3	JP Morgan Securities Ltd	177.5	8.2%	3
4	Goldman Sachs International	156.1	7.2%	2
9	Nikko Cordial Securities Inc	88.5	4.1%	26

All Bonds in Yen



Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)	No.Deals
1	Mizuho Securities	1,946.5	20.0%	144
2	Nomura	1,633.8	16.8%	111
3	Mitsubishi UFJ Morgan Stanley	1,602.6	16.5%	103
4	Daiwa Capital Markets	1,425.4	14.7%	90
5	Nikko Cordial Securities Inc	1,108.2	11.4%	69

Japanese Corporate Debt



Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)	No.Deals
1	Mizuho Securities	1,132.2	22.1%	168
2	Nikko Cordial Securities Inc	877.6	17.1%	140
3	Nomura	822.2	16.0%	146
4	Daiwa Capital Markets	809.8	15.8%	150
5	Mitsubishi UFJ Morgan Stanley	782.7	15.2%	127

Source: THOMSON REUTERS

- ◇ Market share and ranking on M&A financial advisor for any Japanese involvement announced excluding real property deals (April - September 2010) No. of deals basis 31 deals, ranked in the 3rd, Transaction value basis 13.1%.
- ◇ Market share and ranking based on the same conditions mentioned above for the period from July - September 2010 Transaction value basis 13.9%, up 3.2 pts from the prior quarter, No. of deals basis 12 deals, ranked in the 3rd.

(Source:THOMSON REUTERS)

Financial Advisor No. of deals Apr.-Sep. 2010

Rank	Advisor	No.Deals	Mkt.Share (%)
1	Nomura	54	4.4%
2	Mizuho Securities	34	2.7%
3	Nikko Cordial Securities Inc	31	2.5%
4	Mitsubishi UFJ Morgan Stanley	22	1.8%
4	Daiwa Capital Markets	22	1.8%

Financial Advisor Rank value basis Apr.-Sep. 2010

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Nomura	3,073.5	55.2%
2	JP Morgan Securities Ltd	2,019.3	36.3%
3	Mitsubishi UFJ Morgan Stanley	1,056.2	19.0%
4	Bank of America .Merrill Lynch	973.1	17.5%
7	Nikko Cordial Securities Inc	727.1	13.1%

Major announced deals

Cross-border deals

SANYO Electric Co./
SANYO Semiconductor
Co., Ltd/
ON Semiconductor Co.

RENOWN INCORPORATED/
Shandong Ruyi Science &
Technology Group Co., Ltd

Domestic deals

Biscaye Holdings Co., Ltd/
Toyota Tsusho Corporation

TAKEEI Co., Ltd/
JFE Engineering Corporation

Corporation reconstruction

Anabuki Construction Inc/
J-Will Partners /
Daikyo Inc

REIT deal

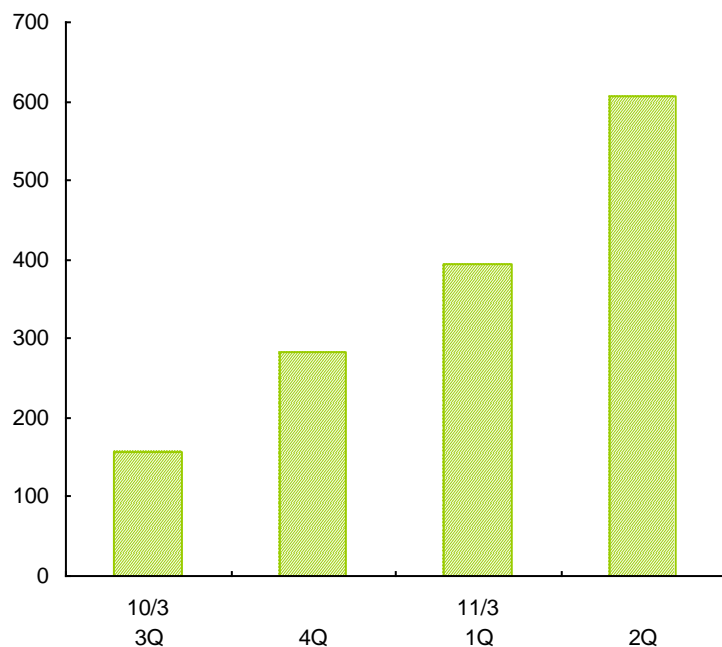
CRESCENDO Investment
Corporation/
Japan Single-residence REIT Inc

Business collaboration with Sumitomo Mitsui Banking Corporation

- ◇ The number of deals referred by SMBC for the bank's customers requesting asset management in bonds and Nikko's investment banking services increased by 54% and by 37% respectively compared with the prior quarter.
- ◇ Commenced bank agency services following business alliance with SMBC in October, 2010

Asset management in bonds *

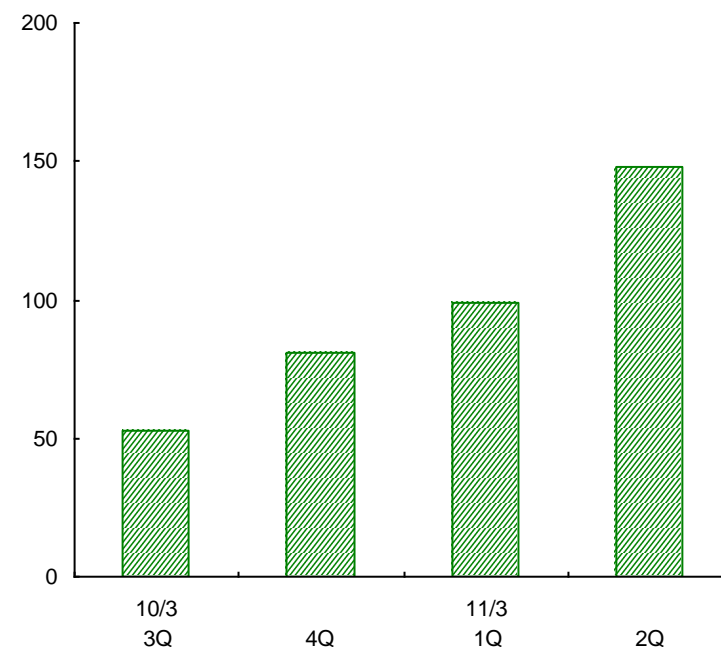
(No. of deals)



*Counting method changed from execution basis to referral basis

Investment banking services

(No. of deals)



◇ SG&A for the quarter increased mainly due to an increase in trading related expenses according with expansion of business collaboration with SMBC and office cost including system renovation.

(Billions of yen)



(Billions of yen)	FY ended Mar. 2009				FY ended Mar. 2010				FY ending Mar. 2011			
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Trading related expenses	3.2	2.8	2.5	2.9	3.9	4.6	4.5	5.6	3.9	4.6	4.5	5.6
Personal expenses	13.7	14.0	15.6	15.5	17.3	20.3	20.0	18.8	17.3	20.3	20.0	18.8
Real estate expenses	4.1	3.8	3.9	3.8	4.6	4.4	4.4	4.4	4.6	4.4	4.4	4.4
Office cost	7.4	6.9	6.5	6.6	6.6	6.9	7.0	7.3	6.6	6.9	7.0	7.3
Others	3.1	3.2	2.8	2.9	3.8	4.2	4.3	4.7	3.8	4.2	4.3	4.7
SG&A Total	31.6	30.9	31.5	31.9	36.3	40.5	40.5	41.0	36.3	40.5	40.5	41.0
SG&A / Net operating revenue	93%	104%	75%	75%	80%	74%	74%	83%	80%	74%	74%	83%

Balance sheets / Capital Adequacy Ratio

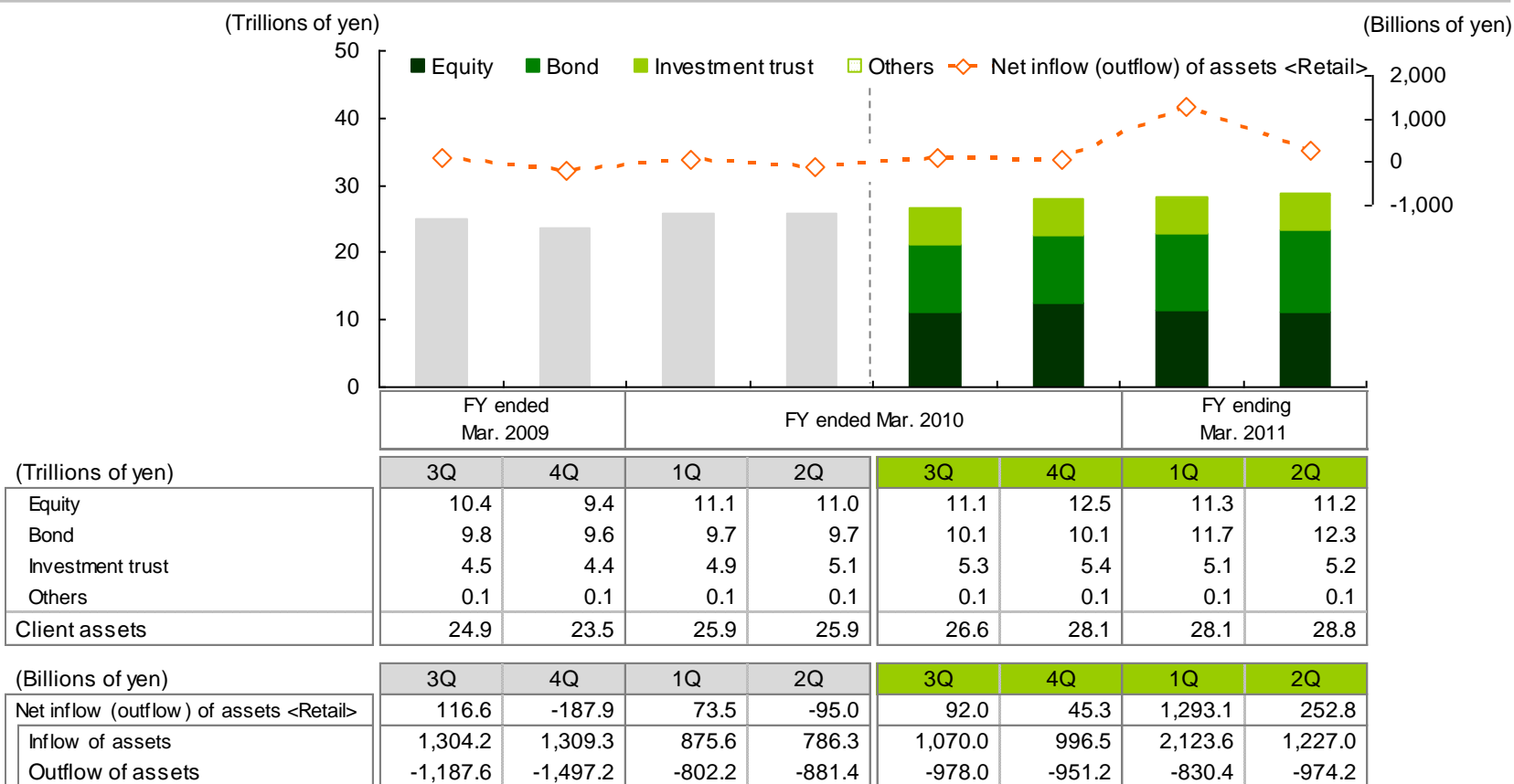
◇ Capital adequacy ratio at the end of September 2010 was 515%

(Billion of Yen)	Sep.10	Jun.10	Variance	(Billion of Yen)	Sep.10	Jun.10	Variance
Current assets	7,724.2	7,185.1	539.0	Basic items	430.2	424.9	5.2
Trading products	3,281.9	3,488.1	-206.1	Supplementary items	200.0	200.0	0.0
Loans secured by securities	3,945.7	3,303.8	641.9	Deductible assets	220.6	230.4	-9.7
Other current assets	496.5	393.1	103.3	Net capital	409.6	394.5	15.0
Noncurrent assets	235.7	240.9	-5.1	Risk total	79.4	76.6	2.8
Property, plant and equipment	7.5	6.9	0.6	Market Risk	29.2	28.0	1.2
Intangible assets	47.7	48.8	-1.1	Counterparty Risk	12.2	12.7	-0.5
Investments and other assets	180.4	185.1	-4.6	Basic Risk	37.9	35.8	2.1
Total assets	7,959.9	7,426.0	533.8	Capital Adequacy Ratio	515%	515%	0 pt
Current liabilities	7,267.3	6,762.3	505.0				
Trading products	2,141.8	2,121.5	20.3				
Loans payable secured by securities	1,038.4	1,731.4	-692.9				
Short-term loans payable / Commercial papers	3,916.9	2,527.4	1,389.5				
Other current liabilities	170.1	381.9	-211.7				
Noncurrent liabilities / Reserves under the special laws	262.3	238.8	23.5				
Total liabilities	7,529.7	7,001.1	528.6				
Total net assets	430.2	424.9	5.2				
Total liabilities and net assets	7,959.9	7,426.0	533.8				

Credit ratings on Long Term			
S&P	Moody's	R&I	JCR
A	Aa3	A+	AA-
[Positive]	[Stable]	[Positive]	[Stable]

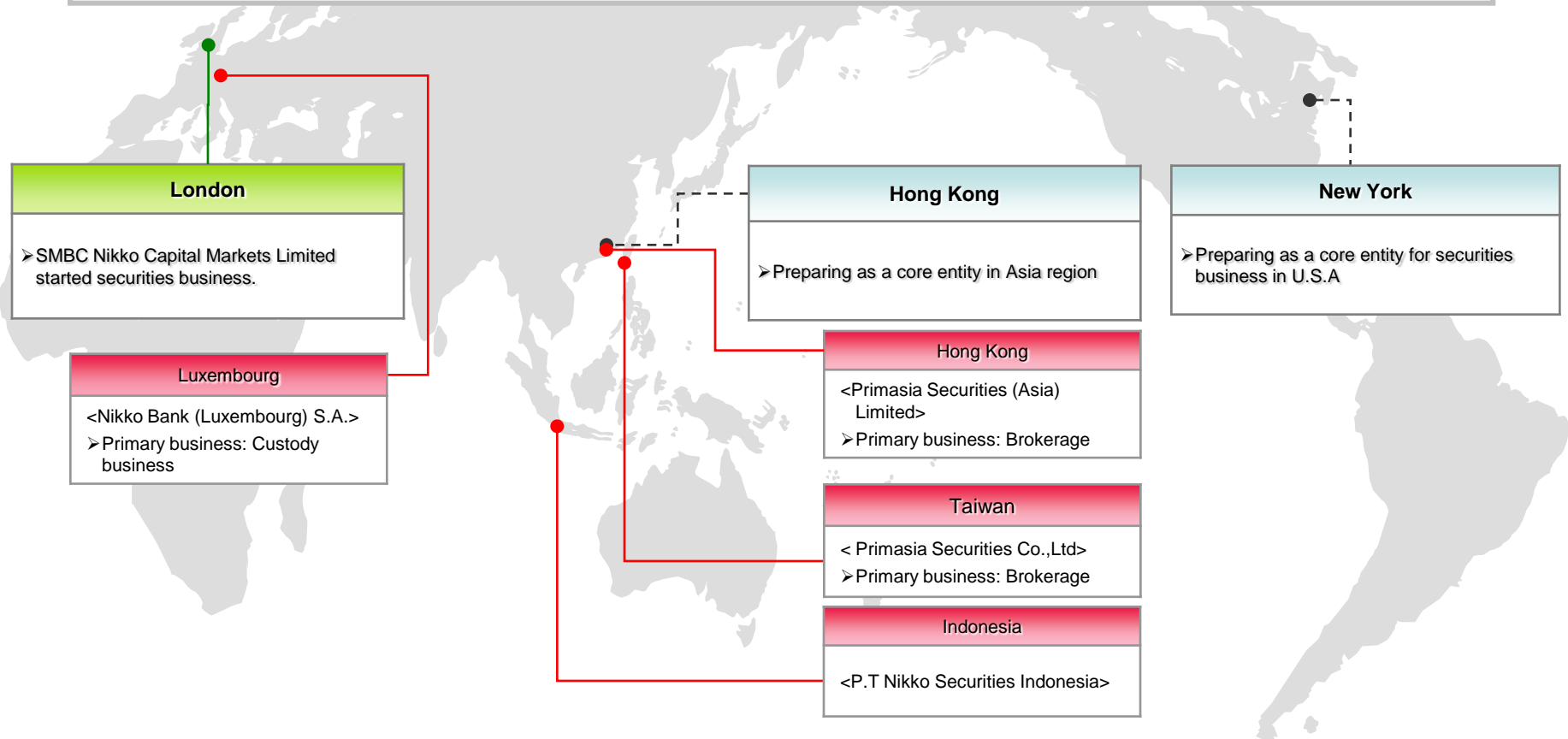
Client Assets / Net Inflow (Outflow) of Assets

◇ Overall client assets at the end of September 2010 increased to ¥ 28.8 trillion, up ¥ 0.6 trillion from the end of June 2010, mainly driven by an increase of bond assets.



Expansion of overseas network

- ◇ SMBC Nikko Capital Markets Limited started securities business in the UK from October, 2010. Preparing for securities business in both New York and Hong Kong.
- ◇ Supporting of underwriting/issuance of bonds, broking of Japanese stocks and bonds and offering M&A advisory services



Topics

- ◇ The grand prix and first-time winner among financial institutions at the "Best Contact Center of The Year 2010" sponsored by Japan Institute of Information Technology (July 2010)
- ◇ Established Equity Research Division and started research activities on individual companies and sectors (August 2010)

The grand prix and First-time winner

Best Contact Center of The Year 2010



Awarded for both Customer Service Center and Front Service Center. Those 2 centers have been playing very important role as a contact point with clients through providing high-quality services via telephone and have been greatly contributing to company's business, which was highly evaluated at this award.

CRM Best Practice Award for 3 consecutive years

2010 CRM Best Practice Award

The award is presented to any organization and corporation which have implemented advanced CRM(Customer Relationship Management) and achieved outstanding performance by employing cutting-edge information technologies.

Nikko was highly acclaimed for its multiple support system through one-stop retail branches, Nikko Contact Center and other channels to meet various clients' needs.

Expansion of research

- Expanded research activities by recruiting highly ranked analysts covering major industries
- The number of ranked analysts : 14

Covering industries (As of Oct.29,2010)

- (1) Warehousing & Transportation Services
- (2) Trading houses
- (3) Electric/Gas utilities & Petroleum
- (4) Telecommunications
- (5) Steel & Non-ferrous metals
- (6) Electric Appliances
- (7) Industrial electronics devices
- (8) Pulp & Paper
- (9) Automobiles
- (10) REIT
- (11) Retailing
- (12) Construction/Real estate
- (13) Machinery/Shipbuilders, plant equipment
- (14) Electronic component
- (15) Amusement, Broadcasters, ad agencies

[Reference Data]

Business Results (Quarterly Trend)

(Millions of yen)	FY ended Mar. 2009		FY ended Mar. 2010		FY ended Mar. 2010		FY ending Mar. 2011	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	35,177	30,524	42,496	43,135	47,148	57,777	58,251	53,119
Commissions received	22,049	19,554	29,392	30,927	35,379	41,555	36,236	32,277
Brokerage commissions	6,282	3,683	5,224	4,845	3,788	5,097	4,612	2,928
Commissions for underwriting, secondary distribution and solicitation for selling and others for professional investors	-	-	-	-	5,052	14,433	4,595	4,469
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	3,402	6,509	14,572	16,081	17,737	9,612	18,137	15,299
Other commissions	12,365	9,361	9,596	9,999	8,801	12,412	8,891	9,580
Net trading income	11,562	10,074	12,170	11,227	10,161	13,602	17,605	14,853
Other net gain on goods trading	0	0	0	-	0	0	0	0
Financial revenue	1,565	895	933	980	1,607	2,619	4,408	5,988
[Net financial income]	[378]	[213]	[295]	[404]	[-187]	[-1]	[1,170]	[2,517]
Financial expenses	1,186	681	637	576	1,794	2,620	3,237	3,471
Net operating revenue	33,990	29,842	41,859	42,559	45,354	55,157	55,013	49,647
SG&A	31,673	30,968	31,563	31,922	36,381	40,590	40,543	41,069
Operating income / loss	2,317	-1,126	10,295	10,637	8,972	14,566	14,470	8,578
Ordinary income / loss	2,177	-1,034	11,031	10,191	9,482	14,607	13,344	9,311
Extraordinary income / loss	-21,534	-1,850	-346	-145	-2,202	639	-2,328	-430
Income taxes-current	-4,790	341	2,668	6,646	1,160	1,894	371	40
Income taxes-deferred	-1,584	-450	-236	-19,920	-	-7,272	399	2,947
Net income / loss	-12,981	-2,776	8,253	23,320	6,119	20,624	10,245	5,893

Operational Indicators -1

Sales of Products

(Billions of yen)	FY ended Mar. 2009		FY ended Mar. 2010		FY ended Mar. 2010		FY ending Mar. 2011	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Investment trusts	269.7	290.4	514.7	549.4	644.1	424.9	682.9	590.0
(Equity investment trusts)	(113.3)	(106.6)	(223.5)	(346.0)	(489.8)	(271.5)	(253.0)	(455.7)
(Foreign registered investment trusts)	(111.0)	(152.9)	(251.6)	(164.1)	(100.1)	(104.9)	(388.6)	(97.2)
Foreign bonds	234.5	178.6	293.4	268.9	255.9	360.0	433.2	483.3
(Foreign currency bonds)	(55.7)	(26.9)	(69.3)	(68.0)	(60.8)	(88.4)	(70.2)	(79.2)
Domestic bond	150.0	99.0	60.3	54.4	348.9	232.2	515.4	462.7
(Retail target JGBs)	(5.0)	(2.7)	(5.2)	(1.9)	(1.3)	(6.0)	(51.2)	(6.7)
Public offering	4.8	0.9	45.8	36.0	45.8	344.8	34.3	33.1
Annuity / insurance	21.6	10.6	10.9	6.1	12.1	27.6	1.1	1.8
Total	680.7	579.5	925.2	914.8	1,306.8	1,389.5	1,666.8	1,571.0

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

Underwriting Share (Book runner)

	FY ended Mar. 2009		FY ended Mar. 2010		FY ended Mar. 2010		FY ending Mar. 2011	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity Equity etc	-	-	-	-	1.2%	2.2%	4.2%	0.9%
Bond Domestic yen bond	-	-	-	-	15.3%	6.7%	12.6%	10.2%
(Japanese corporate bond)	-	-	-	-	(25.9%)	(11.8%)	(15.6%)	(18.2%)

Source: THOMSON REUTERS

Operational Indicators -2

Direct Channel (*1)

Direct Channel (*1)	FY ended Mar 2009		FY ended Mar 2010		FY ended Mar 2010		FY ending Mar. 2011	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(%)								
Based on number of transaction (Nikko EZ Trade)	77.1% (56.3%)	82.3% (63.8%)	82.1% (65.8%)	80.1% (64.2%)	78.0% (61.9%)	72.5% (58.2%)	81.0% (65.2%)	78.8% (62.9%)
Based on commissions (Nikko EZ trade)	52.7% (30.2%)	55.6% (34.5%)	46.9% (30.2%)	45.8% (29.2%)	39.9% (24.5%)	18.7% (12.0%)	47.1% (29.2%)	41.0% (24.8%)

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

Brokerage Commissions Rate (*2)

Brokerage Commissions Rate (*2)	FY ended Mar 2009		FY ended Mar 2010		FY ended Mar 2010		FY ending Mar. 2011	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Billions of yen, bp)								
Equity brokerage amounts	846.7	516.0	764.6	693.9	600.1	881.7	718.3	558.9
Equity brokerage commissions	5.7	3.4	4.8	4.5	3.5	4.6	4.3	2.8
Equity commissions rate	67.3bp	65.1bp	62.8bp	64.4bp	58.0bp	51.1bp	59.1bp	48.9bp

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

Operational Indicators -3

Number of Accounts (Thousands of accounts)	FY ended Mar. 2009		FY ended Mar. 2010		FY ended Mar. 2010		FY ending Mar. 2011	
	Dec.08	Mar.09	Jun.09	Sep.09	Dec.09	Mar.10	Jun.10	Sep.10
Total accounts	2,440	2,461	2,470	2,481	2,491	2,511	2,524	2,533
Cash management accounts	1,904	1,919	1,927	1,937	1,945	1,952	1,963	1,971
Newly opened accounts	62	24	20	22	19	22	20	16

Number of Branches	FY ended Mar. 2009		FY ended Mar. 2010		FY ended Mar. 2010		FY ending Mar. 2011	
	Dec.08	Mar.09	Jun.09	Sep.09	Dec.09	Mar.10	Jun.10	Sep.10
Number of branches	111	109	109	109	109	109	109	109

Number of Employees	FY ended Mar. 2009		FY ended Mar. 2010		FY ended Mar. 2010		FY ending Mar. 2011	
	Dec.08	Mar.09	Jun.09	Sep.09	Dec.09	Mar.10	Jun.10	Sep.10
Number of Employees		5,939		6,090	6,479	6,533	6,831	6,903

Operational Indicators -4 (July - September 2010)

Sales of investment trusts

	Sales
➤ Nikko Ashmore Emerging Markets Tri-Asset Fund/all currencies totaled	252.1 B yen
➤ Nikko Next 10 Years Global Equity Fund(launched on 9/30)	64.8 B yen
➤ SMBC Nikko New World Bond Fund/all currencies totaled	24.3 B yen
➤ Nikko AMP Global REIT Fund	19.5 B yen
➤ Nikko BNY Mellon Tri-Sector High Income Bond Fund	16.3 B yen
➤ Fidelity US REIT Fund	12.8 B yen

M&A

- Acquisition of SANYO Semiconductor Co., Ltd, a subsidiary of SANYO Electric Co., Ltd, by ON Semiconductor Corporation
(Acted as an adviser for SANYO Electric Co., Ltd)
- Allocation of new shares to a major Chinese textile company, Shandong Ruyi Science & Technology Group Co., Ltd by RENOWN INCORPORATED
(Acted as an adviser for RENOWN INCORPORATED)
- Toyota Tsusho Corporation to make Biscaye Holdings Co., Ltd its wholly-owned subsidiary through a share exchange
(Acted as an adviser for Biscaye Holdings Co., Ltd)
- Capital and business alliance through allocation of new shares to JFE Engineering Corporation by TAKEEI Co., Ltd
(Acted as an adviser for TAKEEI Co., Ltd)
- Financial support of Anabuki Construction Inc by J-Will Partners and business alliance between Anabuki Construction Inc and Daikyo Inc
(Acted as an adviser for Anabuki Construction Inc)
- Absorption-type merger of Japan Single-residence REIT Inc by CRESCENDO Investment Corporation
(Acted as an adviser for CRESCENDO Investment Corporation)

Major lead Underwriting Equity

■ PO	Amount of issue
➤ Nippon Sheet Glass Co., Ltd.	42.4 B yen
➤ Kenedix, Inc	15.4 B yen
➤ Japan Logistics Fund, Inc	10.5 B yen
➤ Hiramatsu Inc	1.2 B yen

Major lead Underwriting Bonds

■ Domestic Straight Bonds	Amount of issue
➤ Sumitomo Mitsui Banking Corporation # 22, # 50	Total 200.0 B yen
➤ SOFTBANK CORP. # 33	130.0 B yen
➤ The Tokyo Electric Power Company, Incorporated # 566, 567, 568	Total 80.0 B yen
➤ Nissan Financial Services Co., Ltd. # 13, 14	Total 50.0 B yen
➤ East Japan Railway Company # 70, 71	Total 40.0 B yen
➤ Oji Paper Co., Ltd. # 25, 26	Total 40.0 B yen
➤ Suntory Holdings Limited # 3, 4	Total 35.0 B yen
➤ The Bank of Fukuoka, Ltd # 4	30.0 B yen
➤ Odakyu Electric Railway Co., Ltd. # 52, 53	Total 30.0 B yen
➤ Tokyo Gas Co., Ltd # 33	20.0 B yen
➤ Sumitomo Mitsui Finance and Leasing Company, Limited # 1	20.0 B yen
➤ Sotetsu Holdings, Inc. # 20, 21	Total 20.0 B yen
➤ JTEKT Corporation # 2	20.0 B yen
➤ Kajima Corporation # 35	20.0 B yen
➤ Electric Power Development Co., Ltd. # 31	20.0 B yen
➤ KYUSHU ELECTRIC POWER CO. INC # 412	20.0 B yen
➤ Hankyu Hanshin Holdings, Inc. # 41	7.0 B yen
■ Local Governments/Public bonds	
➤ Japan Finance Organization for Municipalities # 9, F28	Total 23.5 B yen
➤ Tokyo Metropolitan Government #11	30.0 B yen
➤ Nagoya Expressway Public Corporation # 104	10.0 B yen
■ FILP agency bonds	
➤ Japan Housing Finance Agency # 41	140.0 B yen
➤ Urban Renaissance Agency # 40, 41, 42, 43	Total 60.0 B yen
➤ Kansai International Airport Co., Ltd # 23, 24, 25	Total 40.0 B yen
➤ Japan International Cooperation Agency #5	20.0 B yen
■ Samurai bonds	
➤ Credit Suisse Group Finance (Guernsey) Limited # 4, 5	Total 103.7 B yen
➤ Barclays Bank PLC # 4, 5, 3FRN, 4FRN	Total 143.0 B yen