

Earnings Announcement for FY2012 ended March 31, 2013 (JGAAP)

SMBC Nikko Securities Inc.

April 30, 2013



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The information contained in this document is based on data available as of April 30th, 2013 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 30th, 2013) 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. 2013

| | |
|--------------------------|---|
| FY ended Mar. 2013 | <ul style="list-style-type: none"> ■ Net operating revenue ¥ 274.7 B (+20% Y on Y), Ordinary income ¥ 75.7 B (+70%), Net income ¥ 45.7 B (2.3 times). ■ Net operating revenue was boosted by subscription commissions on investment trust ¥ 64.5 B (+44%) and trading income ¥ 119.7 B (+17%) due to brisk sales of investments trusts and a high turnover of foreign bonds. ■ Aggregate sales of products increased to ¥ 7.1 trillion (+14%), including expanded sales of investment trusts ¥ 2.6 trillion (+42%), mainly investing in foreign stocks due to the stock market recovery. ■ League table rankings for Apr.2012-Mar.2013: maintained stable position in underwriting equities by accumulating REIT deals. 4th place(*1) in Global Equity & Equity-Related-Japan 5th place(*2) in All Bonds in Yen 4th place(*3) in M&A announced deals in terms of values ■ SG&A was ¥ 200.2 B (+8%) due to an increase in variable expenses. ■ As of the end of Mar. 2013, total assets was ¥ 6.7 trillion, net assets was ¥ 516.8 B, capital adequacy ratio (on a stand-alone basis) was 558%, reflecting a sound financial base of the company. |
| FY ended Mar. 2013 4Q | <ul style="list-style-type: none"> ■ Net operating revenue ¥ 99.6 B (+50% Q on Q), Ordinary income ¥ 40.9 B (2.3 times), Net income ¥ 26.8 B (2.2 times). ■ Revenue grew from the market recovery: subscription commissions on investment trust ¥ 27.5 B (+69%), trading income ¥40.9 B (+46%), and equity brokerage commissions ¥8.4 B (+87%). ■ Aggregate sales of products increased to ¥ 2,353.5 B (+26%), particularly in investment trusts and foreign bonds. |

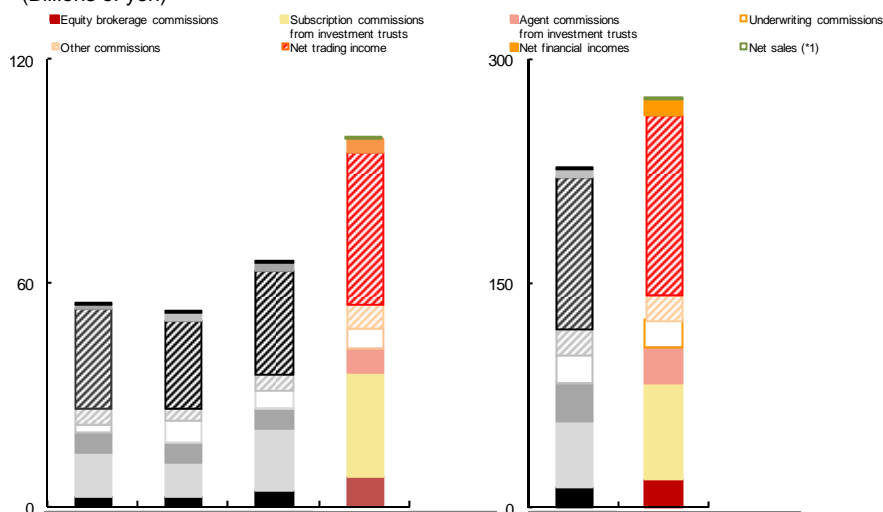
| Billions of Yen | FY ended Mar. 2013 | | Q on Q | FY ended Mar. 31 2012 | FY ended Mar. 31 2013 | Y on Y |
|------------------------------------|--------------------|--------------|--------|--------------------------|--------------------------|--------|
| | 3Q | 4Q | | | | |
| Operating revenue | 72.8 | 104.9 | +44% | 251.2 | 296.6 | +18% |
| Net operating revenue | 66.5 | 99.6 | +50% | 228.8 | 274.7 | +20% |
| SG&A | 49.2 | 59.2 | +20% | 185.1 | 200.2 | +8% |
| Ordinary income / loss | 17.4 | 40.9 | 2.3x | 44.5 | 75.7 | +70% |
| Income before taxes | 18.7 | 42.2 | 2.3x | 43.3 | 73.8 | +70% |
| Net income / loss | 12.2 | 26.8 | 2.2x | 19.4 | 45.7 | 2.3x |
| | Dec.-end '12 | Mar.-end '13 | Q on Q | Mar.-end '12 | Mar.-end '13 | Y on Y |
| Total assets (Trillions of yen) | 7.3 | 6.7 | -0.5 | 8.2 | 6.7 | -1.5 |
| Total net assets (Billions of yen) | 480.2 | 516.8 | +36.6 | 458.6 | 516.8 | +58.1 |

Net operating revenue / Product sales

- ◇ Net operating revenue for the quarter was ¥ 99.6 B (+50% Q on Q), driven by increases in subscription commissions on investment trusts ¥ 27.5 B (+69%) and trading income ¥40.9 B (+46%). Net operating revenue recorded high for two quarters in a row since the company's joining SMFG. Aggregate sales of products was ¥ 2,353.5 B (+26% Q on Q), including investment trusts ¥1,053.2 B (+62%) and foreign bonds ¥ 700.0 B.
- ◇ Net operating revenue for the FY2012 ended Mar. 2013 was ¥274.7 B (+20% Y on Y) mainly due to subscription commissions on investment trusts ¥ 64.5 B (+44%) and trading income ¥119.7 B (+17%).

Net operating revenue

(Billions of yen)

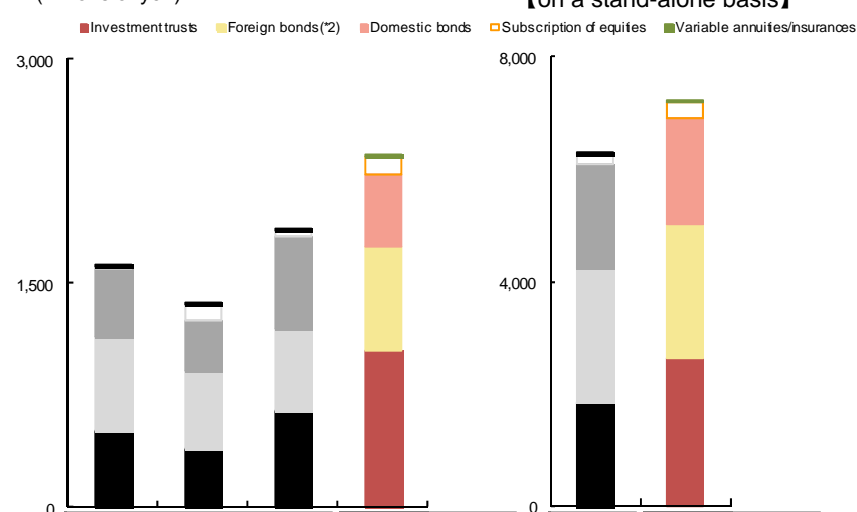


| | FY2012 1Q | 2Q | 3Q | 4Q | Q on Q % | FY ended Mar. 31 2012 | FY ended Mar. 31 2013 | Y on Y % |
|---|-------------|-------------|-------------|-------------|-------------|-----------------------|-----------------------|-------------|
| Equity brokerage commissions | 2.6 | 3.0 | 4.5 | 8.4 | +87% | 13.5 | 18.6 | +38% |
| Subscription commissions from investment trusts | 11.8 | 8.8 | 16.3 | 27.5 | +69% | 44.9 | 64.5 | +44% |
| Agent commissions from investment trusts | 5.6 | 5.6 | 5.8 | 6.5 | +13% | 25.4 | 23.6 | -7% |
| Underwriting commissions | 2.3 | 5.6 | 4.8 | 5.5 | +14% | 18.7 | 18.3 | -2% |
| Other commissions | 4.0 | 3.4 | 4.0 | 6.2 | +54% | 16.8 | 17.8 | +6% |
| Net trading income | 27.1 | 23.5 | 28.0 | 40.9 | +46% | 102.2 | 119.7 | +17% |
| Net financial incomes | 0.9 | 2.5 | 2.3 | 3.8 | +66% | 4.5 | 9.6 | +111% |
| Net sales (*1) | 0.5 | 0.4 | 0.6 | 0.6 | -8% | 2.5 | 2.2 | -12% |
| Total | 55.2 | 53.2 | 66.5 | 99.6 | +50% | 228.8 | 274.7 | +20% |

Product Sales

(Billions of yen)

【on a stand-alone basis】

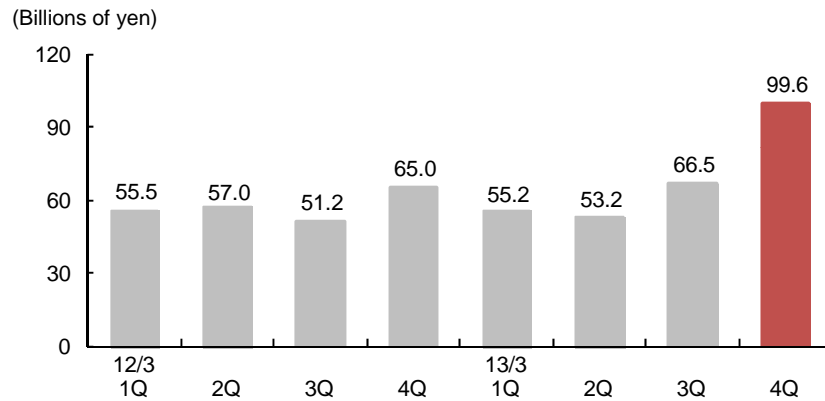


| | FY2012 1Q | 2Q | 3Q | 4Q | Q on Q % | FY ended Mar. 31 2012 | FY ended Mar. 31 2013 | Y on Y % |
|-------------------------------|----------------|----------------|----------------|----------------|-------------|-----------------------|-----------------------|-------------|
| Investment trusts | 521.2 | 395.9 | 649.7 | 1,053.2 | +62% | 1,851.0 | 2,620.1 | +42% |
| Foreign bonds(*2) | 622.0 | 517.9 | 547.8 | 700.0 | +28% | 2,383.7 | 2,387.8 | +0% |
| Domestic bonds | 460.9 | 338.0 | 612.8 | 474.7 | -23% | 1,858.1 | 1,886.4 | +2% |
| (Retail - targeted JGBs) | (181.2) | (24.7) | (88.4) | (45.3) | (-49%) | (298.7) | (339.6) | (+14%) |
| Subscription of equities | 11.4 | 110.3 | 48.7 | 124.0 | +155% | 188.7 | 294.5 | +56% |
| Variable annuities/insurances | 3.0 | 2.3 | 1.5 | 1.5 | -4% | 11.9 | 8.3 | -30% |
| Total | 1,618.5 | 1,364.4 | 1,860.7 | 2,353.5 | +26% | 6,293.3 | 7,197.0 | +14% |

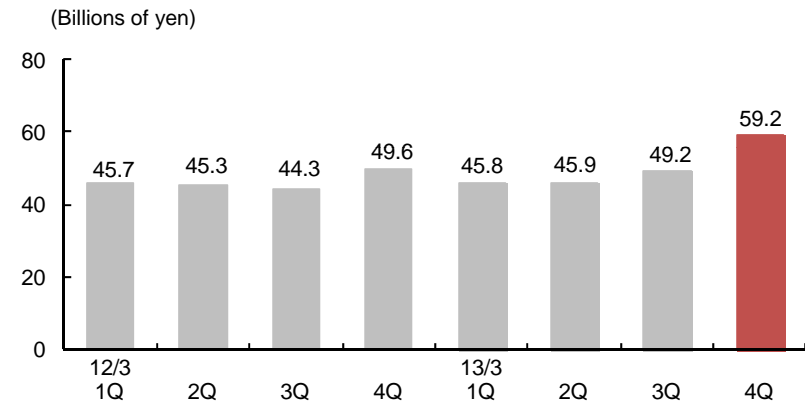
(*2) Foreign bonds sales include already-issued bonds and yen-denominated foreign bonds.

Business Results (Quarterly Trend)

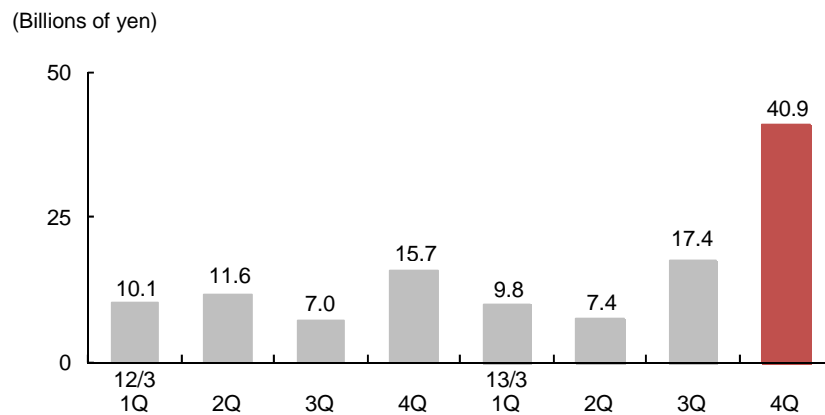
Net operating revenue



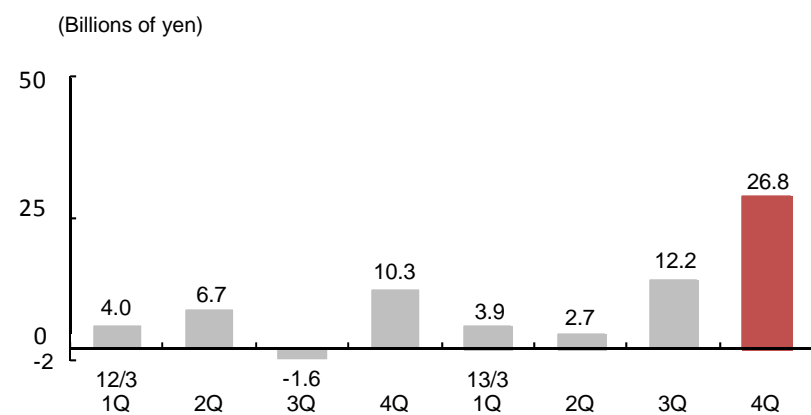
SG&A



Ordinary income



Net income

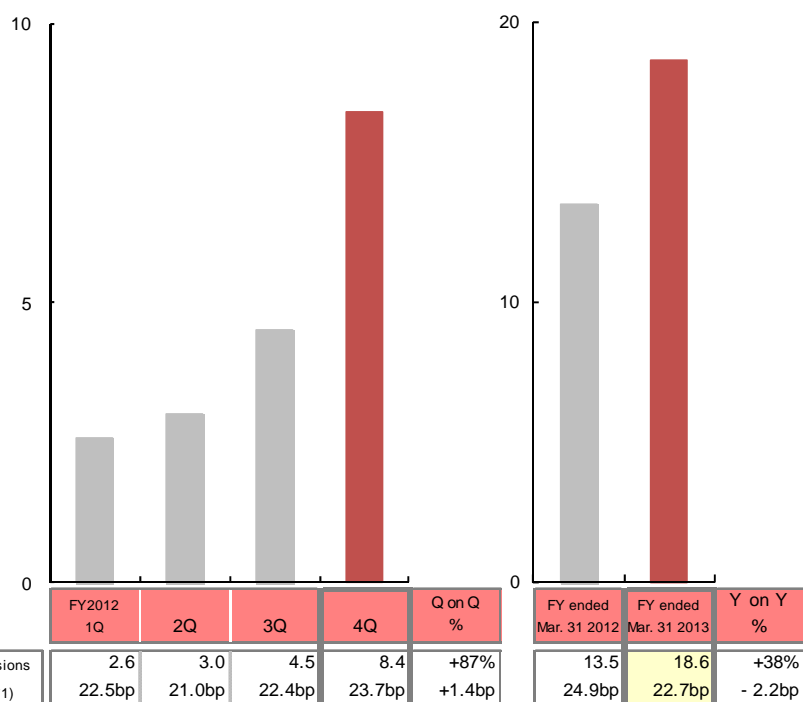


Equity brokerage commissions

- ◇ For this quarter, equity brokerage commissions jumped to ¥ 8.4 B (+87% Q on Q) due to vibrant brokerage activities with the strong recovery in the stock market.
- ◇ For the FY ended Mar. 2013, brokerage amounts was up to ¥ 7.8 trillion (+59% Y on Y); equity brokerage commissions also up to ¥ 18.6 B (+38%).

Equity brokerage commissions

(Billions of yen)

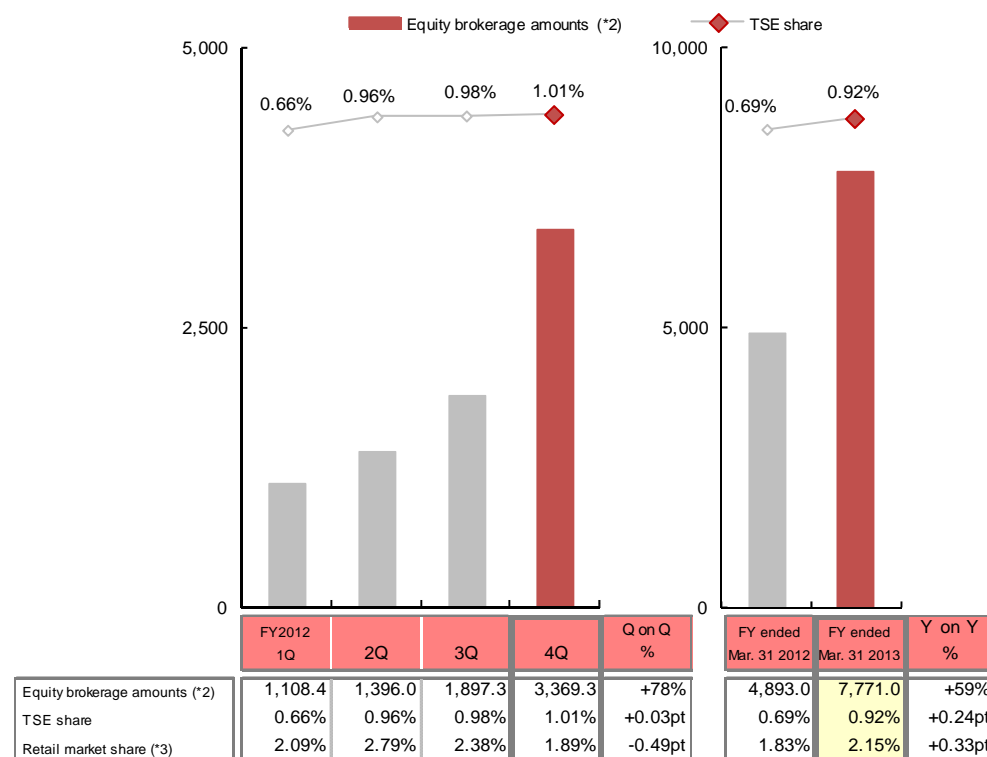


(*1) adjusted brokerage commissions / brokerage amounts
(scope: cash and margin transactions)

Equity brokerage amount / TSE share

(Billions of yen)

【on a stand-alone basis】



(*2) All stock exchanges

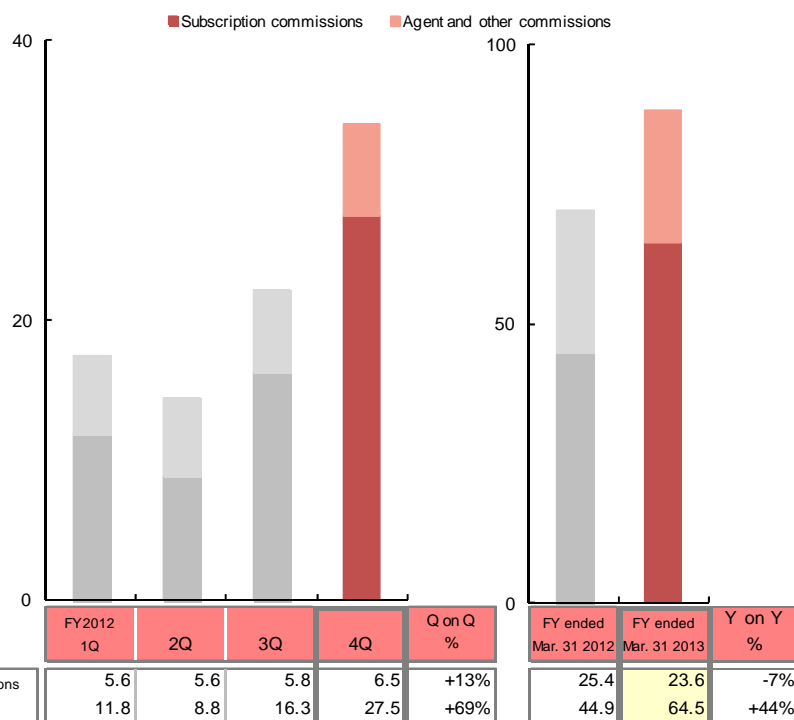
(*3) Total of 1st and 2nd sections of Tokyo, Osaka and Nagoya stock exchanges

Commissions on investment trusts

- ◇ Sales of investment trusts for this quarter was ¥ 1,053.2 B (+62% Q on Q); subscription commissions on them was ¥ 27.5 (+69%) due to an expansion of sales of foreign stock funds. Nikko New Growth Economies Equity Fund (nicknamed "EG5") established in the quarter garnered ¥ 147.4 B as an initial setting amount to become the biggest fund among those launched during the period.
- ◇ Sales of investment trusts for Apr.2012-Mar. 2013 was ¥ 2.6 trillion (+42 % Y on Y); subscription commissions on them was up to ¥ 64.5 B (+44%) thanks to the increased sales of the funds investing in the domestic and/or the overseas stocks against the turnaround in the market and the accelerated yen depreciation over the last half of the fiscal year.

Subscription commissions / Agent and other commissions

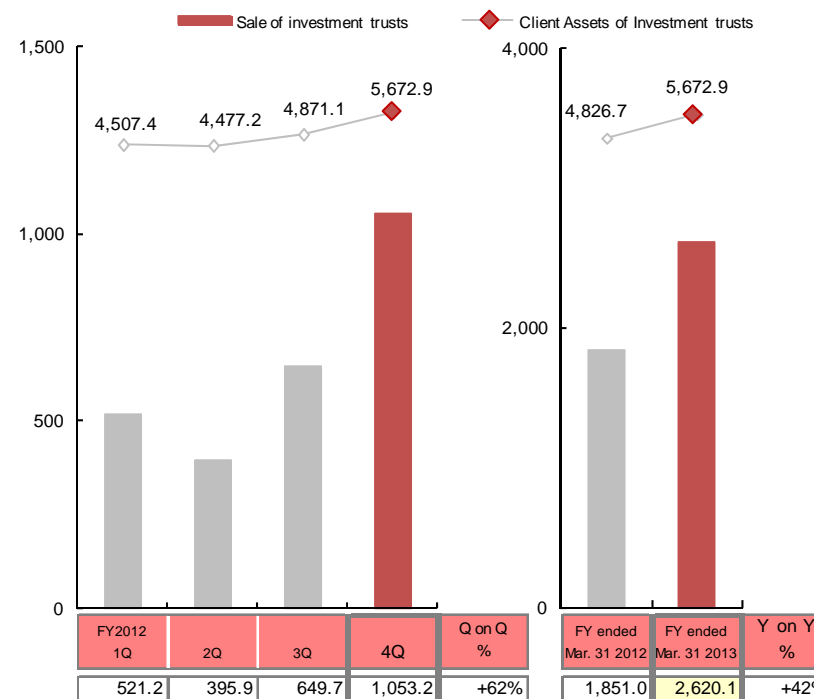
(Billions of yen)



Sales / Client Assets of Invest. trust

(Billions of yen)

【on a stand-alone basis】

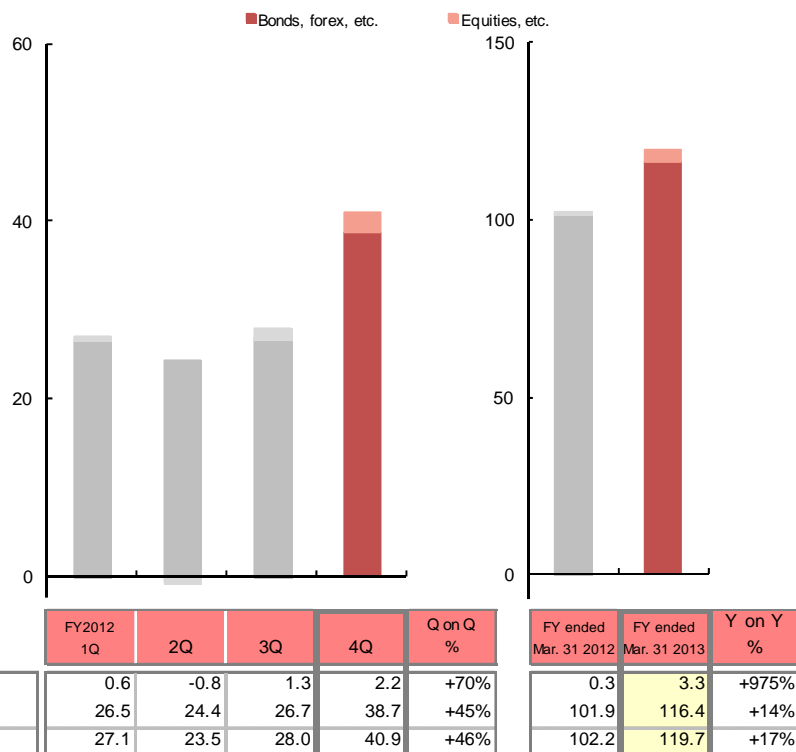


Net trading income

- ◇ Net trading income for the quarter was ¥ 40.9 B (+46% Q on Q) as a result of a high turnover ¥ 700.0 B of foreign bonds for the same period.
- ◇ Net trading income for the FY ended Mar. 2013 was ¥ 119.7 B (+17% Y on Y); the sales of foreign bonds were ¥ 2.4 trillion comparable to that of the previous fiscal year.

Net trading income

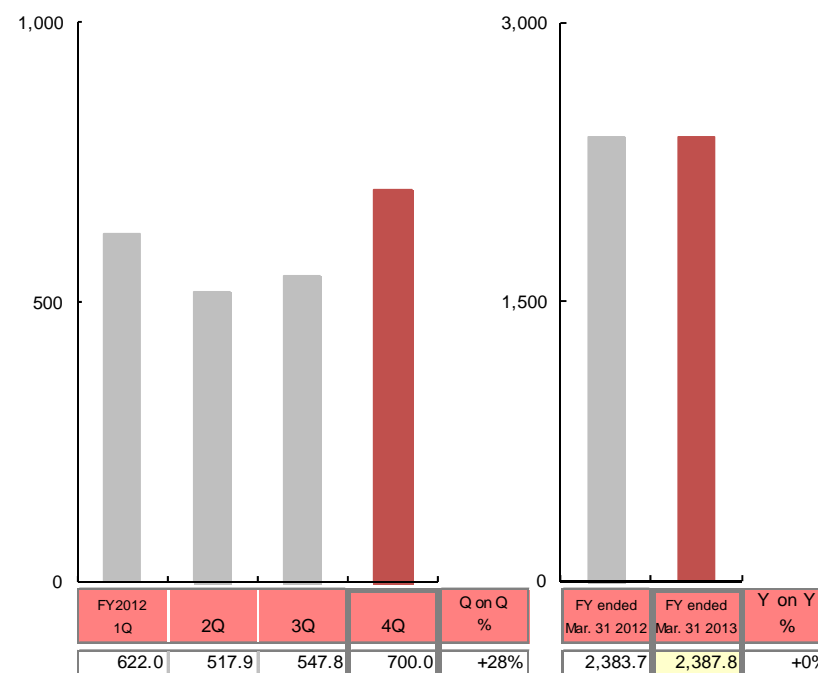
(Billions of yen)



Sale of foreign bonds

(Billions of yen)

【on a stand-alone basis】



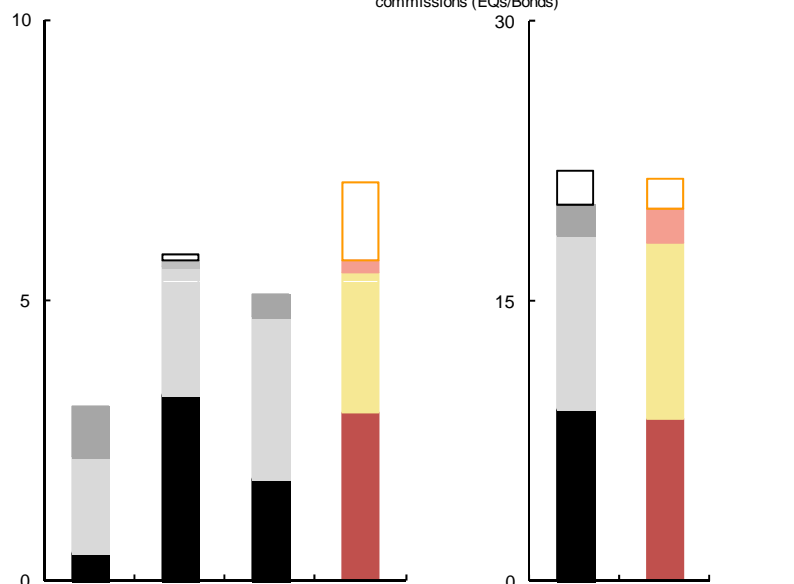
Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commission revenue for the quarter was ¥ 5.5 B (+14% Q on Q) including that on equities ¥ 3.0 B (+63%).
- ◇ For Apr. 2012- Mar. 2013, book runner in Global Equity & Equity-Related-Japan: share 11.9% in 4th place; Lead manager in All Bonds in Yen: share 11.1% in 5th place.

Underwriting commissions (Equities / Bonds)

(Billions of yen)

■ Equities ■ Bonds ■ Subscription and Distribution commissions (EQs/Bonds) ■ Others(*)



Global Equity & Equity-Related-Japan Apr. 2012 - Mar. 2013

| Rank | Book runner | Proceeds (bill of yen) | Mkt.Share (%) |
|------|-------------------------------|------------------------|---------------|
| 1 | Daiwa Securities | 618.6 | 19.6% |
| 2 | Nomura Securities | 581.3 | 18.4% |
| 3 | Mizuho Securities | 445.2 | 14.1% |
| 4 | SMBC Nikko Securities | 376.5 | 11.9% |
| 5 | Mitsubishi UFJ Morgan Stanley | 353.4 | 11.2% |

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

All Bonds in Yen Apr. 2012 - Mar. 2013

【on a stand-alone basis】

| Rank | Manager | Proceeds (bill of yen) | Mkt.Share (%) |
|------|-------------------------------|------------------------|---------------|
| 1 | Mitsubishi UFJ Morgan Stanley | 3,184.6 | 20.8% |
| 2 | Mizuho Securities | 3,123.2 | 20.4% |
| 3 | Nomura Securities | 2,902.6 | 18.9% |
| 4 | Daiwa Securities | 2,249.7 | 14.7% |
| 5 | SMBC Nikko Securities | 1,697.3 | 11.1% |

Source: prepared by SMBC Nikko (corporate bonds, FILP agency/municipality bonds(proportional shares as lead manager) samurai bonds)

(*)Revenues related to securitization arrangements included

- ◇ For Jan. 2013 - Mar. 2013 in the league table of M&A financial advisor for any Japanese involvement announced deals:
With total 21 deals acquired, ranked 8th or 13.2% in terms of deal values, and 3rd or 3.2% in terms of number of deals.
- ◇ For Apr. 2012 - Mar. 2013, 4th or 17.8% in terms of deal values, and 5th or 2.6% in terms of number of deals.

Financial Advisor Rank value basis Apr. 2012- Mar. 2013

| Rank | Advisor | Rank value (bill of yen) | Mkt.Share (%) |
|------|-------------------------------|-----------------------------|------------------|
| 1 | Mizuho Securities | 4,807.6 | 37.8% |
| 2 | Nomura Securities | 4,580.7 | 36.0% |
| 3 | Mitsubishi UFJ Morgan Stanley | 3,149.7 | 24.8% |
| 4 | SMBC Nikko Securities | 2,266.3 | 17.8% |
| 5 | Goldman Sachs Securities | 2,123.1 | 16.7% |

Financial Advisor No. of deals Apr. 2012 - Mar. 2013

| Rank | Advisor | No. Deals | Mkt.Share (%) |
|------|-------------------------------|-----------|------------------|
| 1 | Nomura Securities | 129 | 4.8% |
| 2 | Mizuho Securities | 102 | 3.8% |
| 3 | Mitsubishi UFJ Morgan Stanley | 99 | 3.7% |
| 4 | KPMG FAS | 70 | 2.6% |
| 5 | SMBC Nikko Securities | 69 | 2.6% |

Major announced deals Apr. 2012 - Mar. 2013

| | |
|---|---|
| <p>Innovation Network Corporation of Japan/Subsidiaries of Hitachi Construction Machinery Co., Ltd. and Nissan Motor Co., Ltd. Business integration by INCJ of each subsidiary of Hitachi Construction Machinery Co., Ltd. and Nissan Motor Co., Ltd.</p> | <p>Taisho Pharmaceutical Co., Ltd./TOKUHON Corporation Taisho Pharmaceutical Co., Ltd. resolved to acquire TOKUHON Corporation into a wholly owned subsidiary through a triangular share exchange.</p> |
| <p>BIC CAMERA INC./Kojima Co., Ltd. Kojima Co., Ltd. allocated its new shares to BIC CAMERA INC. and concluded a capital and business tie-up.</p> | <p>Nuclear Damage Liability Facilitation Fund/Tokyo Electric Power Company, Incorporated TEPCO issued preferred stocks totaled ¥1 trillion to Nuclear Damage Liability Facilitation Fund.</p> |
| <p>AEON Co., Ltd./The Daiei, Inc. AEON Co., Ltd. turns The Daiei, Inc. to be a subsidiary via TOB.</p> | <p>Sumitomo Light Metal Industries, Ltd./Furukawa-Sky Aluminum Corp. Business integration of Sumitomo Light Metal Industries, Ltd. and Furukawa-Sky Aluminum Corp.</p> |
| <p>Daikin Industries, Ltd./Goodman Global Group, Inc. Daikin Industries, Ltd. acquires the 100% shares of Goodman Global Group, Inc.</p> | <p>Sony Corporation/Olympus Corporation A third-party allotment of Olympus's shares to Sony</p> |
| <p>Coca-Cola Central Japan Co., Ltd. Business integration via share exchange and incorporation-type company split by the four companies: Coca-Cola Central Japan Co., Ltd., MIKUNI Coca-Cola Bottling Co., Ltd., TOKYO Coca-Cola Bottling Co., Ltd., and TONE Coca-Cola Bottling Co., Ltd.</p> | <p>Temp Holdings Co., Ltd./Intelligence Holdings, Ltd. Temp Holdings Co., Ltd. acquires Intelligence Holdings, Ltd. into a wholly owned subsidiary.</p> |

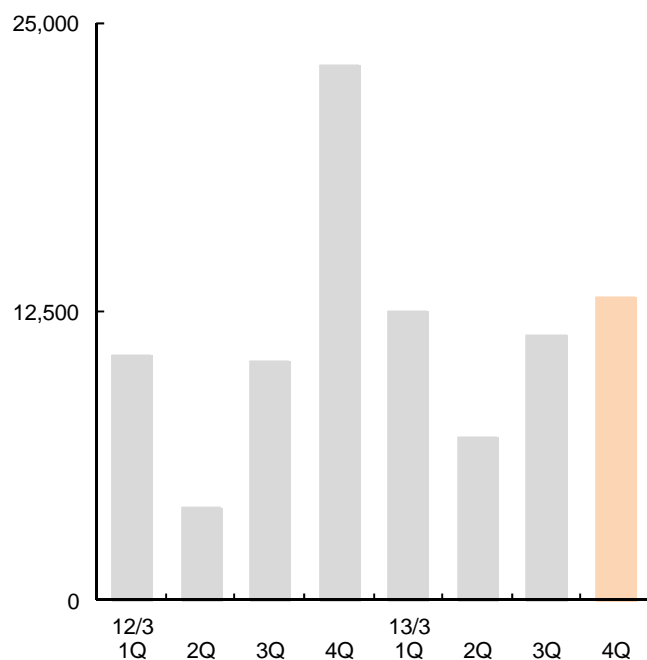
Business collaboration with Sumitomo Mitsui Banking Corporation

【on a stand-alone basis】

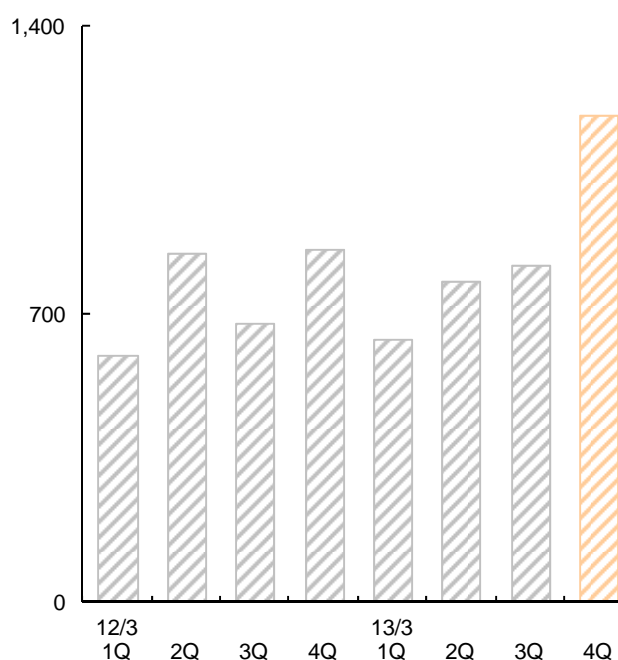
- ◇ Collaboration with SMBC, namely intermediary services and referral services by SMBC in favor of us, has been on the track.
- ◇ Client Assets introduced by SMBC intermediary services surpassed ¥ 1 trillion as of the end of Mar. 2013.

Asset management

Financial product intermediary service (No. of deals)

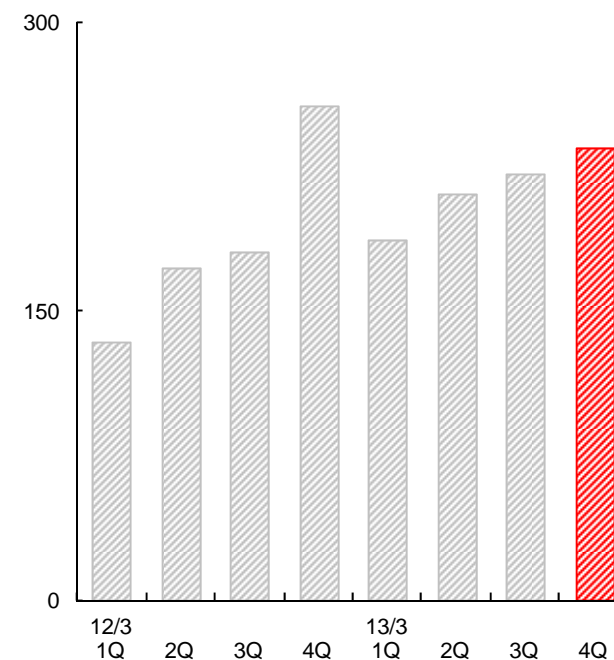


Referral service in asset management (No. of deals)



Investment banking

Referral service in investment banking (No. of deals)

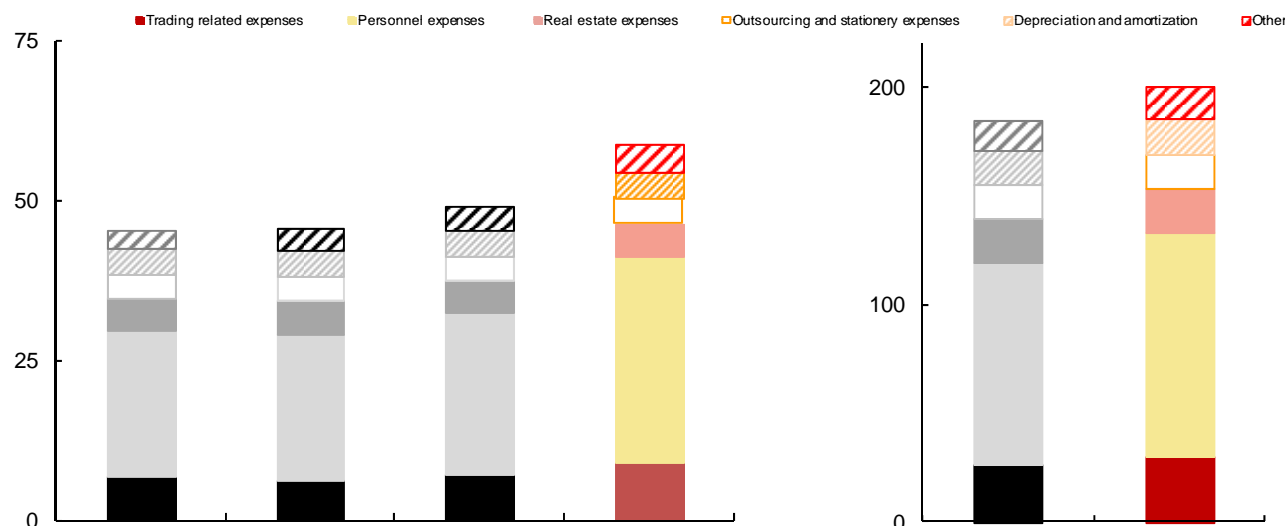


SG&A

◇ SG&A for the quarter was ¥ 59.2 B (+20% Q on Q) mainly due to an increase in variable expenses linked to performance and volume of transactions.

Fixed expenses, such as personnel and system expenses, are increasing gradually in accordance with an ongoing groundwork aimed at a full line securities firm.

(Billions of yen)



(Billions of yen)

| | FY2012 1Q | 2Q | 3Q | 4Q | Q on Q | FY ended Mar. 31 2012 | FY ended Mar. 31 2013 | Y on Y |
|-------------------------------------|--------------|------|------|------|--------|--------------------------|--------------------------|--------|
| Trading related expenses | 7.0 | 6.3 | 7.1 | 9.2 | +29% | 26.6 | 29.8 | +12% |
| Personnel expenses | 22.8 | 22.8 | 25.5 | 32.2 | +26% | 93.2 | 103.5 | +11% |
| Real estate expenses | 4.9 | 5.2 | 4.9 | 4.9 | +0% | 19.7 | 20.1 | +2% |
| Outsourcing and stationery expenses | 3.8 | 4.0 | 3.8 | 4.1 | +6% | 15.4 | 15.7 | +2% |
| Depreciation and amortization | 3.9 | 4.0 | 4.1 | 4.1 | +1% | 15.8 | 16.2 | +3% |
| Other | 3.1 | 3.4 | 3.6 | 4.4 | +24% | 14.1 | 14.7 | +4% |
| SG&A/ Fixed expense | 45.8 | 45.9 | 49.2 | 59.2 | +20% | 185.1 | 200.2 | +8% |
| SG&A/ Net operating revenue | 83% | 86% | 74% | 59% | - 15pt | 81% | 73% | - 8pt |

Balance sheet / Capital Adequacy Ratio

| (Billions of Yen) | Mar.12 | Mar.13 | Variance |
|---|----------------|----------------|-----------------|
| Current assets | 8,058.2 | 6,561.3 | -1,496.8 |
| Trading products | 3,723.4 | 2,913.5 | -809.8 |
| Loans secured by securities | 3,766.8 | 2,752.6 | -1,014.2 |
| Other current assets | 567.8 | 895.1 | +327.3 |
| Noncurrent assets | 218.5 | 191.7 | -26.7 |
| Tangible assets | 27.5 | 26.4 | -1.1 |
| Intangible assets | 67.6 | 66.4 | -1.2 |
| Investments and other assets | 123.3 | 98.8 | -24.4 |
| Total assets | 8,276.7 | 6,753.0 | -1,523.6 |
| Current liabilities | 7,409.8 | 5,936.2 | -1,473.6 |
| Trading products | 1,987.3 | 1,863.0 | -124.2 |
| Loans payable secured by securities | 2,320.4 | 2,049.1 | -271.3 |
| Short-term loans payable / Commercial papers | 2,768.9 | 1,673.1 | -1,095.7 |
| Other current liabilities | 333.2 | 350.9 | +17.7 |
| Noncurrent liabilities / Reserves under the special laws | 408.1 | 299.9 | -108.1 |
| Total liabilities | 7,818.0 | 6,236.1 | -1,581.8 |
| Total net assets | 458.6 | 516.8 | +58.1 |
| Total liabilities and net assets | 8,276.7 | 6,753.0 | -1,523.6 |

【on a stand-alone basis】

| (Billions of Yen) | Mar.12 | Mar.13 | Variance |
|-------------------------------|-------------|-------------|---------------|
| Basic items | 455.3 | 500.2 | +44.9 |
| Supplementary items | 200.4 | 209.5 | +9.1 |
| Deductible assets | 191.2 | 151.4 | -39.8 |
| Net capital | 464.4 | 558.3 | +93.9 |
| Risk total | 92.1 | 100.1 | +8.0 |
| Market Risk | 34.4 | 35.1 | +0.6 |
| Counterparty Risk | 12.5 | 17.6 | +5.0 |
| Basic Risk | 45.1 | 47.3 | +2.2 |
| Capital Adequacy Ratio | 504% | 558% | +53 pt |

【on a stand-alone basis】

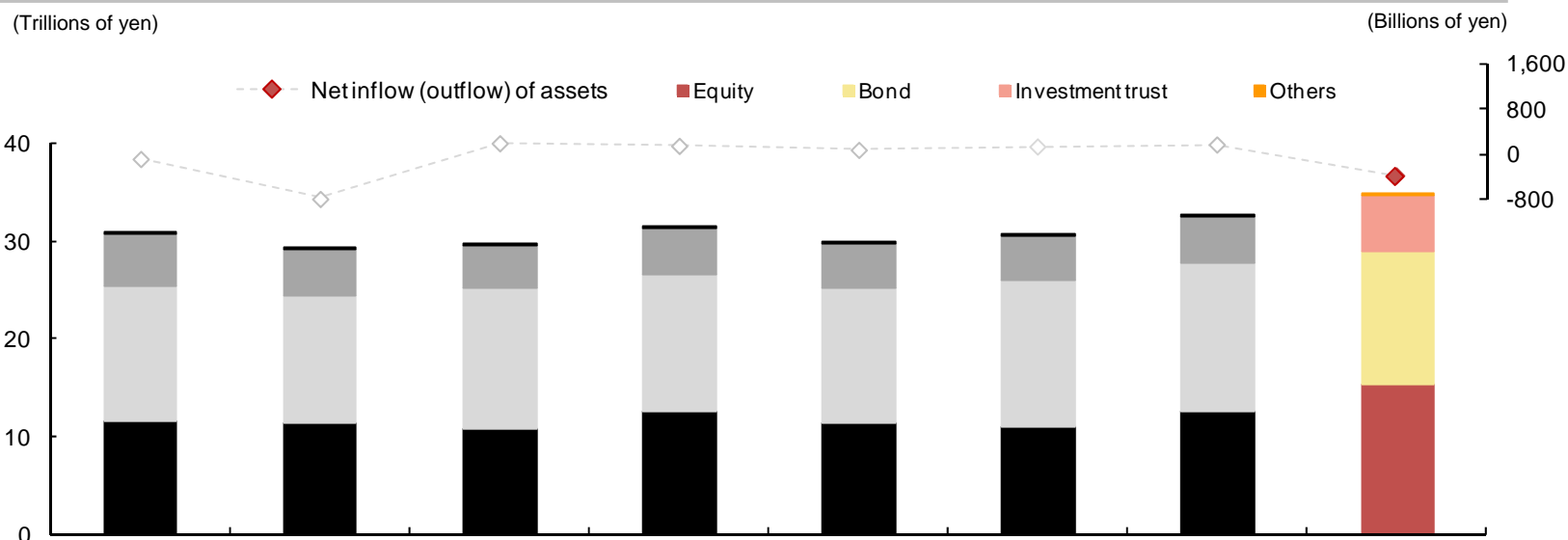
Credit ratings on Long Term (as of April 30th, 2013)

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

Client Assets / Net Inflow (Outflow) of Assets

【on a stand-alone basis】

- ◇ Overall client assets at the end of Mar.2013 was ¥ 34.7 trillion (+6% Q on Q, +10% Y on Y).
- ◇ Although net inflow of retail client assets for this quarter was negative ¥ -37.04 B., that for the entire fiscal year was almost balanced.



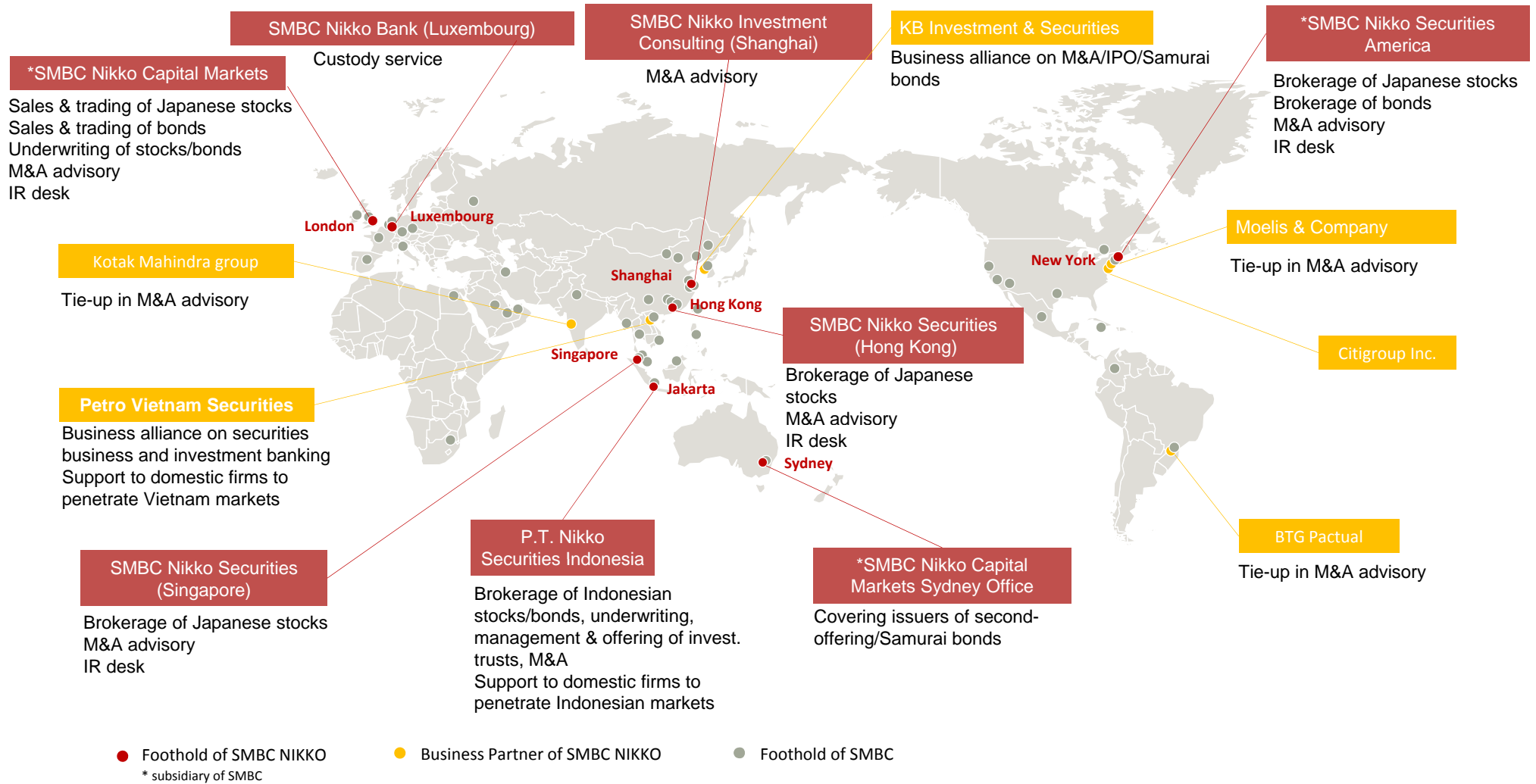
(Trillions of yen)

| | FY2011 Jun. | Sep. | Dec. | Mar. | FY2012 Jun. | Sep. | Dec. | Mar. |
|------------------|----------------|------|------|------|----------------|------|------|------|
| Equity | 11.7 | 11.5 | 11.0 | 12.7 | 11.5 | 11.2 | 12.7 | 15.2 |
| Bond | 13.8 | 13.1 | 14.2 | 14.0 | 13.9 | 14.9 | 15.1 | 13.7 |
| Investment trust | 5.4 | 4.6 | 4.4 | 4.8 | 4.5 | 4.5 | 4.9 | 5.7 |
| Others | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| Client assets | 31.0 | 29.3 | 29.7 | 31.6 | 30.0 | 30.7 | 32.8 | 34.7 |

(Billions of yen)

| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
|---|----------|----------|----------|----------|---------|----------|----------|----------|
| Net inflow (outflow) of assets <Retail> | -66.6 | -774.0 | 209.7 | 163.7 | 93.2 | 123.9 | 152.8 | -370.4 |
| Inflow of assets | 1,712.1 | 1,209.0 | 1,313.5 | 1,279.0 | 1,084.4 | 1,191.3 | 1,188.6 | 1,433.6 |
| Outflow of assets | -1,778.7 | -1,982.9 | -1,103.8 | -1,115.3 | -991.2 | -1,067.4 | -1,035.8 | -1,803.9 |

Overseas Network Extended



Investment Trusts Offered

- During the FY 2012 ended Mar. 2013, we established the top four funds in terms of an initial setting amount, such as "Nikko UBS the Unites States Growth Equity Risk-Controlled Fund" with ¥ 121.1 B on Feb. 15, 2013 and "Nikko New Growth Economies Equity Fund" with ¥ 147.4 B on Mar. 26 2013.
- Ranking of investment trusts launched in FY 2012 ended Mar. 2013

(Billions of yen)

| Rank | Name of Product | Sales company | Amount |
|------|--|-----------------------|--------|
| 1st | Nikko Gravity Americas Fund | SMBC NIKKO Securities | 200.1 |
| 2nd | Nikko New Growth Economies Equity Fund | SMBC NIKKO Securities | 147.4 |
| 3rd | Nikko JF Asia Discovery Fund | SMBC NIKKO Securities | 131.3 |
| 4th | Nikko UBS the Unites States Growth Equity Risk-Controlled Fund | SMBC NIKKO Securities | 121.1 |

(Source: prepared by SMBC Nikko)

Analyst Ranking

- Ranked in 2nd at "the 25th analyst popularity ranking" conducted by Nikkei Veritas, jumped from 7th in the previous year.
- Ranked in 6th at "the 18th bonds analyst/economist popularity ranking" conducted by Nikkei Veritas.
- Ranked in 5th at the Institutional Investor "The 2013 All-Japan Research Team" as a firm.

Reference Data



Consolidated Business Results (Quarterly Trend)

| (Millions of yen) | FY2011 | | | | | FY2012 | | | | |
|---|--------|--------|--------|--------|---------|--------|--------|--------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total |
| Operating revenue | 61,180 | 62,464 | 57,053 | 70,593 | 251,291 | 60,584 | 58,189 | 72,872 | 104,977 | 296,623 |
| Commissions received | 33,573 | 25,605 | 22,003 | 38,249 | 119,432 | 26,598 | 26,747 | 35,528 | 54,234 | 143,108 |
| Brokerage commissions | 3,045 | 3,610 | 2,831 | 4,410 | 13,898 | 2,773 | 3,191 | 4,638 | 8,641 | 19,244 |
| Underwriting and distribution commissions | 3,320 | 3,679 | 3,782 | 7,976 | 18,758 | 2,313 | 5,667 | 4,849 | 5,531 | 18,362 |
| Flotation and distribution fees | 17,417 | 8,524 | 6,141 | 14,615 | 46,699 | 12,734 | 9,055 | 16,787 | 27,799 | 66,376 |
| Other commissions | 9,790 | 9,790 | 9,247 | 11,247 | 40,075 | 8,776 | 8,833 | 9,252 | 12,262 | 39,125 |
| Net trading income | 20,935 | 29,591 | 27,716 | 24,054 | 102,298 | 27,177 | 23,562 | 28,038 | 40,985 | 119,764 |
| Equities | 455 | -313 | 144 | 23 | 309 | 664 | -859 | 1,307 | 2,219 | 3,332 |
| Bonds / Foreign exchange | 20,479 | 29,905 | 27,572 | 24,031 | 101,988 | 26,513 | 24,421 | 26,730 | 38,766 | 116,432 |
| Financial revenue | 4,335 | 4,947 | 3,920 | 5,677 | 18,881 | 4,569 | 5,670 | 6,583 | 6,848 | 23,671 |
| Other sales | 2,336 | 2,319 | 3,412 | 2,610 | 10,679 | 2,239 | 2,209 | 2,721 | 2,908 | 10,078 |
| Financial expenses | 3,795 | 3,528 | 3,562 | 3,433 | 14,320 | 3,640 | 3,157 | 4,257 | 2,993 | 14,049 |
| Cost of sales | 1,845 | 1,892 | 2,241 | 2,109 | 8,088 | 1,694 | 1,752 | 2,061 | 2,302 | 7,811 |
| Net operating revenue | 55,539 | 57,042 | 51,249 | 65,049 | 228,882 | 55,249 | 53,279 | 66,553 | 99,680 | 274,762 |
| SG&A | 45,717 | 45,339 | 44,394 | 49,676 | 185,127 | 45,833 | 45,990 | 49,249 | 59,206 | 200,279 |
| Operating income / loss | 9,822 | 11,703 | 6,855 | 15,373 | 43,754 | 9,415 | 7,288 | 17,304 | 40,474 | 74,483 |
| Ordinary income / loss | 10,137 | 11,691 | 7,035 | 15,734 | 44,598 | 9,880 | 7,495 | 17,457 | 40,917 | 75,750 |
| Extraordinary income / loss | -1,037 | 36 | -1,398 | 1,180 | -1,219 | -2,840 | -1,758 | 1,289 | 1,370 | -1,939 |
| Net income before income taxes | 9,099 | 11,727 | 5,636 | 16,915 | 43,378 | 7,039 | 5,736 | 18,746 | 42,288 | 73,810 |
| Income taxes-current | 161 | 241 | 777 | 598 | 1,778 | 163 | 242 | 608 | 5,574 | 6,588 |
| Income taxes-deferred | 4,908 | 4,755 | 6,463 | 5,967 | 22,094 | 2,895 | 2,781 | 5,923 | 9,848 | 21,448 |
| Minority interests in income/(losses) | 8 | 3 | 1 | -4 | 9 | 1 | 0 | 6 | 6 | 14 |
| Net income / loss | 4,021 | 6,727 | -1,606 | 10,353 | 19,496 | 3,978 | 2,711 | 12,208 | 26,859 | 45,759 |

Stand-alone Business Results (Quarterly Trend)

【on a stand-alone basis】

| (Millions of yen) | FY2011 | | | | | FY2012 | | | | |
|---|--------|--------|--------|--------|---------|--------|--------|--------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total |
| Operating revenue | 57,093 | 58,806 | 51,944 | 65,773 | 233,618 | 56,947 | 54,699 | 68,478 | 100,377 | 280,503 |
| Commissions received | 32,336 | 24,718 | 20,834 | 36,680 | 114,570 | 25,602 | 25,842 | 34,337 | 52,926 | 138,709 |
| Brokerage commissions | 2,991 | 3,509 | 2,691 | 4,215 | 13,408 | 2,679 | 3,085 | 4,445 | 8,323 | 18,533 |
| Underwriting and distribution commissions | 3,320 | 3,674 | 3,781 | 7,976 | 18,753 | 2,313 | 5,663 | 4,849 | 5,531 | 18,357 |
| Flotation and distribution fees | 17,357 | 8,508 | 6,140 | 14,597 | 46,604 | 12,734 | 9,041 | 16,785 | 27,741 | 66,303 |
| Other commissions | 8,666 | 9,026 | 8,220 | 9,890 | 35,804 | 7,874 | 8,053 | 8,257 | 11,330 | 35,515 |
| Net trading income | 20,935 | 29,591 | 27,716 | 24,054 | 102,298 | 27,177 | 23,562 | 28,038 | 40,985 | 119,764 |
| Equities | 455 | -313 | 144 | 23 | 309 | 664 | -859 | 1,307 | 2,219 | 3,332 |
| Bonds / Foreign exchange | 20,479 | 29,905 | 27,572 | 24,031 | 101,988 | 26,513 | 24,421 | 26,730 | 38,766 | 116,432 |
| Financial revenue | 3,822 | 4,496 | 3,393 | 5,037 | 16,749 | 4,167 | 5,294 | 6,101 | 6,465 | 22,029 |
| Financial expenses | 3,311 | 3,100 | 3,061 | 2,823 | 12,296 | 3,260 | 2,802 | 3,801 | 2,642 | 12,506 |
| Net operating revenue | 53,782 | 55,706 | 48,883 | 62,949 | 221,321 | 53,687 | 51,897 | 64,676 | 97,735 | 267,996 |
| SG&A | 44,760 | 44,676 | 43,771 | 48,142 | 181,350 | 45,067 | 44,986 | 47,993 | 57,237 | 195,285 |
| Operating income / loss | 9,021 | 11,030 | 5,111 | 14,806 | 39,970 | 8,619 | 6,911 | 16,682 | 40,497 | 72,710 |
| Ordinary income / loss | 8,982 | 11,166 | 5,207 | 14,945 | 40,303 | 8,895 | 7,015 | 16,615 | 40,910 | 73,435 |
| Extraordinary income / loss | -876 | 179 | -971 | 210 | -1,458 | -2,533 | -1,696 | 924 | 1,414 | -1,891 |
| Net income before income taxes | 8,105 | 11,346 | 4,235 | 15,156 | 38,844 | 6,361 | 5,318 | 17,540 | 42,324 | 71,544 |
| Income taxes-current | 10 | 39 | 64 | 30 | 144 | 23 | 34 | 35 | 5,016 | 5,109 |
| Income taxes-deferred | 4,661 | 4,554 | 6,669 | 6,175 | 22,059 | 2,606 | 2,711 | 5,976 | 10,205 | 21,498 |
| Net income / loss | 3,434 | 6,753 | -2,497 | 8,951 | 16,641 | 3,732 | 2,572 | 11,528 | 27,103 | 44,936 |

Operational Indicators -1

[on a stand-alone basis]

◇ Sales of Products

| (Billions of yen) | FY2011 | | | | | FY2012 | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total |
| Investment trusts | 646.7 | 403.7 | 266.9 | 533.7 | 1,851.0 | 521.2 | 395.9 | 649.7 | 1,053.2 | 2,620.1 |
| (Equity investment trusts) | (466.9) | (244.5) | (134.6) | (286.5) | (1,132.6) | (350.9) | (252.3) | (476.1) | (741.4) | (1,820.6) |
| (Foreign registered investment trusts) | (130.9) | (113.3) | (90.8) | (207.3) | (542.3) | (123.6) | (103.0) | (126.9) | (256.5) | (610.0) |
| Foreign bonds (*) | 614.9 | 597.0 | 575.3 | 596.4 | 2,383.7 | 622.0 | 517.9 | 547.8 | 700.0 | 2,387.8 |
| (Foreign currency bonds) | (136.7) | (239.6) | (223.1) | (159.3) | (758.7) | (224.2) | (218.3) | (223.2) | (239.0) | (904.7) |
| Domestic bond | 534.6 | 451.1 | 447.6 | 424.8 | 1,858.1 | 460.9 | 338.0 | 612.8 | 474.7 | 1,886.4 |
| (Retail target JGBs) | (117.0) | (31.8) | (145.2) | (4.6) | (298.7) | (181.2) | (24.7) | (88.4) | (45.3) | (339.6) |
| Public offering | 22.5 | 28.0 | 20.8 | 117.3 | 188.7 | 11.4 | 110.3 | 48.7 | 124.0 | 294.5 |
| Annuity / insurance | 1.6 | 3.9 | 3.1 | 3.3 | 11.9 | 3.0 | 2.3 | 1.5 | 1.5 | 8.3 |
| Total | 1,820.5 | 1,483.8 | 1,313.6 | 1,675.5 | 6,293.3 | 1,618.5 | 1,364.4 | 1,860.7 | 2,353.5 | 7,197.0 |

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

◇ Underwriting Share (Book runner)

| | FY2011 | | | | FY2012 | | | |
|--------------------------|--------|-------|-------|-------|--------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| ECM Global Equity (*1) | 27.2% | 14.3% | 4.8% | 27.1% | 5.7% | 14.6% | 24.0% | 13.2% |
| DCM All bond in Yen (*2) | 11.5% | 22.8% | 12.5% | 12.8% | 6.4% | 8.3% | 14.3% | 8.3% |
| M&A Japan related (*3) | 0.8% | 55.8% | 12.4% | 6.2% | 32.6% | 22.2% | 6.4% | 13.2% |

(*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

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

source: prepared by SMBC Nikko

source: prepared by THOMSON REUTERS

Operational Indicators -2

[on a stand-alone basis]

◇ Direct Channel Ratio(*1)

| | FY2011 | | | | FY2012 | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Based on number of transaction | 86.6% | 88.2% | 89.3% | 88.0% | 92.4% | 88.4% | 90.0% | 89.7% |
| (Nikko EZ Trade) | (73.1%) | (77.3%) | (80.7%) | (79.5%) | (85.0%) | (81.7%) | (82.9%) | (81.4%) |
| Based on commissions | 52.6% | 50.8% | 49.5% | 27.5% | 56.4% | 28.1% | 41.0% | 49.8% |
| (Nikko EZ trade) | (29.6%) | (29.9%) | (29.6%) | (17.1%) | (34.1%) | (16.6%) | (25.4%) | (32.1%) |

(*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) | FY2011 | | | | FY2012 | | | |
|-----------------------------------|--------|---------|--------|---------|---------|---------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Equity brokerage amounts | 860.3 | 1,375.7 | 945.1 | 1,711.9 | 1,108.4 | 1,396.0 | 1,897.3 | 3,369.3 |
| Equity brokerage commissions (*3) | 2.9 | 3.4 | 2.7 | 4.3 | 2.6 | 3.0 | 4.5 | 8.4 |
| Equity commissions rate | 33.0bp | 22.6bp | 24.7bp | 22.8bp | 22.5bp | 21.0bp | 22.4bp | 23.7bp |

(*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

【on a stand-alone basis】

| ◇ Number of Accounts (Thousands of accounts) | FY2011 | | | | FY2012 | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| | Jun.11 | Sep.11 | Dec.11 | Mar.12 | Jun.12 | Sep.12 | Dec.12 | Mar.13 |
| Total accounts | 2,604 | 2,562 | 2,531 | 2,501 | 2,461 | 2,419 | 2,386 | 2,390 |
| Cash management accounts | 2,128 | 2,120 | 2,111 | 2,102 | 2,091 | 2,069 | 2,053 | 2,060 |
| Newly opened accounts | 28 | 24 | 31 | 35 | 27 | 22 | 24 | 32 |

【on a stand-alone basis】

| ◇ Number of Branches | FY2011 | | | | FY2012 | | | |
|----------------------|--------|--------|--------|--------|--------|--------|--------|-------|
| | Jun.11 | Sep.11 | Dec.11 | Mar.12 | Jun.12 | Sep.12 | Dec.12 | Mar.3 |
| Number of branches | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 |

| ◇ Number of Employees | FY2011 | | | | FY2012 | | | |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|-------|
| | Jun.11 | Sep.11 | Dec.11 | Mar.12 | Jun.12 | Sep.12 | Dec.12 | Mar.3 |
| Number of Employees | 8,556 | 8,557 | 8,510 | 8,445 | 8,872 | 8,803 | 8,703 | 8,634 |

