

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

SMBC Nikko Securities Inc.

October 27, 2014



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The information contained in this document is based on data available as of October 27th, 2014 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 (October 27th, 2014) 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 2Q of FY ending Mar. 2015

6 months to
Sep.30 2014

- **Net operating revenue ¥ 145.2 B (-20% Y on Y), Ordinary income ¥ 36.5 B (-44%), Net income ¥ 24.0 B (-42%).**
- Aggregate sales of products was ¥ 4.5 trillion (-11%) , the second highest following the previous 1st half fiscal year, with decreases in investment trust ¥ 1.3 trillion (-27%) and foreign bonds ¥ 1.5 trillion (-6%) against an increase in domestic bonds ¥ 1.4 trillion (+3%). Equity brokerage amount decreased to ¥ 8.8 trillion (-6%).
- League table rankings for Apr.2014-Sep.2014: Underwriting commission was up to ¥ 15.2 B (+3%) due to servicing as a lead manager in large issues.
2nd place in Global Equity & Equity-Related-Japan (*1)
4th place in All Bonds in Yen (*2)
14th place in terms of values and 7th in terms of number of deals for M&A announced deals (*3)
- SG&A was ¥ 110.0 B (-5%).
- As of the end of September 2014, total assets was ¥ 9.3 trillion, net assets was ¥ 616.7 B, capital adequacy ratio (on a stand-alone basis) was 427%, reflecting a sound financial base of the company.

FY ending
Mar. 2015 2Q

- **Net operating revenue ¥ 77.6 B (+15% Q on Q), Ordinary income ¥ 21.9 B (+51%), Net income ¥ 14.1 B (+44%)**
- Aggregate sales of products keeps strong with ¥ 2,196.1 B (-4%), including investment trust ¥ 705.3 B (+16%), foreign bonds ¥ 758.9 B (+0%), domestic bonds ¥ 649.5 B (-19%), and equity brokerage amount ¥ 4.6 trillion (+11%).

Billions of Yen	FY2014		Q on Q	6 months to Sep. 30 2013	6 months to Sep. 30 2014	Y on Y
	1Q	2Q				
Operating revenue	73.8	82.6	+12%	193.1	156.4	-19%
Net operating revenue	67.6	77.6	+15%	180.6	145.2	-20%
SG&A	53.7	56.2	+5%	116.1	110.0	-5%
Ordinary income / loss	14.5	21.9	+51%	65.3	36.5	-44%
Income before taxes	14.4	21.8	+51%	65.0	36.2	-44%
Net income / loss	9.8	14.1	+44%	41.2	24.0	-42%
	Mar.-end '14	Sep.-end '14	From Mar.-end '14	Sep.-end '13	Sep.-end '14	Y on Y
Total assets (Trillions of yen)	7.2	9.3	+2.1	6.9	9.3	+2.3
Total net assets (Billions of yen)	589.3	616.7	+27.4	563.4	616.7	+53.3

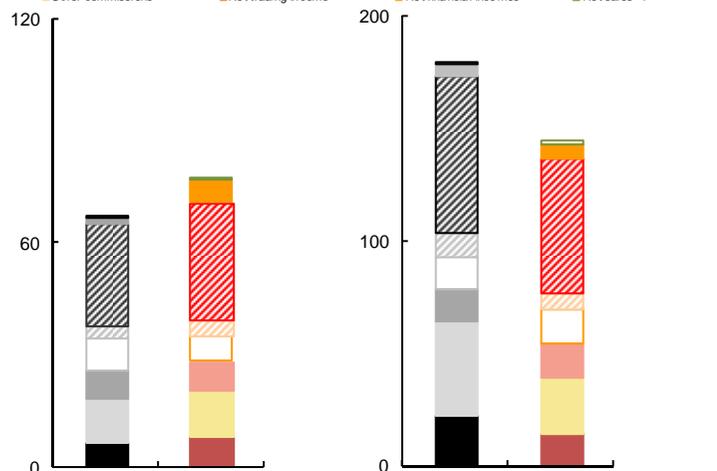
Net operating revenue / Product sales

- ◇ Net operating revenue for the quarter was ¥ 77.6 B (+15% Q on Q), including trading income ¥ 31.6 B (+15%), equity brokerage commission ¥ 8.2 B (+26%) and subscription commissions on investment trusts ¥ 12.6 B (+4%), boosted by the climbing stock market and the yen depreciation throughout the FY2014.
- ◇ For the 6 months ended Sep. 2014, aggregate sales of product was ¥4,480.8 B (-11% Y on Y). Foreign bond was still at a high level of ¥ 1,517.3 B (-6%), domestic bond was up to ¥ 1,448.4 B (+3%), though investment trusts was down to ¥ 1,310.8 B (-27%).

Net operating revenue

(Billions of yen)

■ Equity brokerage commissions ■ Subscription commissions on investment trusts ■ Agent commissions on investment trusts ■ Underwriting commissions
 ■ Other commissions ■ Net trading income ■ Net financial incomes ■ Net sales *1



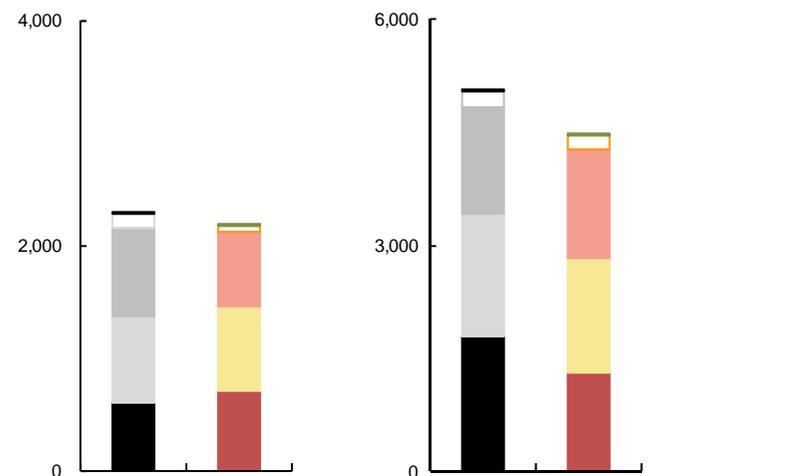
	FY2014 1Q	2Q	Q on Q	6 months to Sep. 30 2013	6 months to Sep. 30 2014	Y on Y
Equity brokerage commissions	6.5	8.2	+26%	22.2	14.7	-34%
Subscription commissions on investment trusts	12.1	12.6	+4%	42.2	24.7	-41%
Agent commissions on investment trusts	7.4	7.6	+4%	14.5	15.0	+4%
Underwriting commissions	8.6	6.6	-23%	14.7	15.2	+3%
Other commissions	3.5	4.3	+24%	10.2	7.9	-23%
Net trading income	27.4	31.6	+15%	69.9	59.1	-15%
Net financial incomes	1.2	5.6	4.4x	5.2	6.9	+31%
Net sales *1	0.6	0.7	+10%	1.3	1.4	+12%
Total	67.6	77.6	+15%	180.6	145.2	-20%

Product Sales

(Billions of yen)

【on a stand-alone basis】

■ Investment trusts ■ Foreign bonds *2 ■ Domestic bonds ■ Subscription of equities ■ Variable annuities/insurances



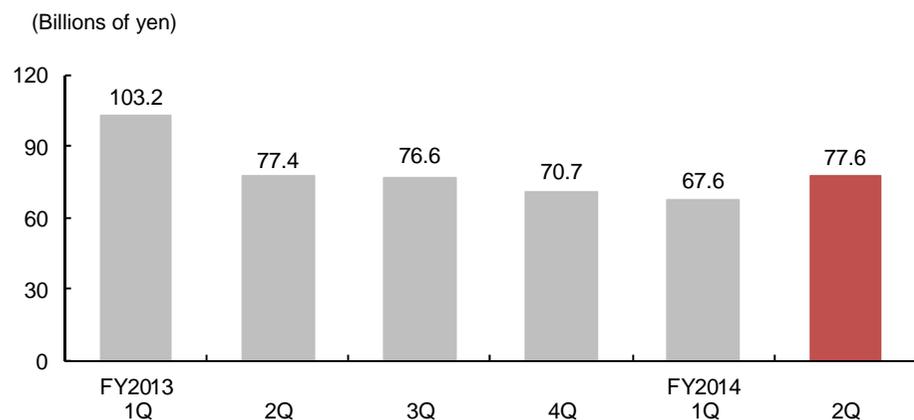
	FY2014 1Q	2Q	Q on Q	6 months to Sep. 30 2013	6 months to Sep. 30 2014	Y on Y
Investment trusts	605.5	705.3	+16%	1,803.7	1,310.8	-27%
Foreign bonds *2	758.3	758.9	+0%	1,622.7	1,517.3	-6%
Domestic bonds	798.9	649.5	-19%	1,402.0	1,448.4	+3%
(Retail - targeted JGBs)	(102.8)	(92.2)	(-10%)	(216.5)	(195.0)	(-10%)
Subscription of equities	117.9	70.1	-41%	202.0	188.1	-7%
Variable annuities/insurances	4.1	12.3	3.0x	3.2	16.4	5.1x
Total	2,284.8	2,196.1	-4%	5,033.5	4,480.8	-11%

(*1) Other sales minus cost of the sales

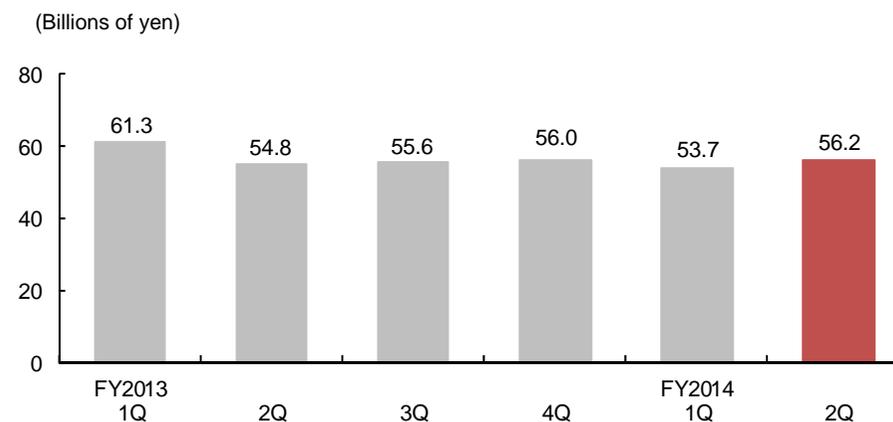
(*2) Foreign bonds sales include already-issued bonds and yen-denominated foreign bonds.

Business Results (Quarterly Trend)

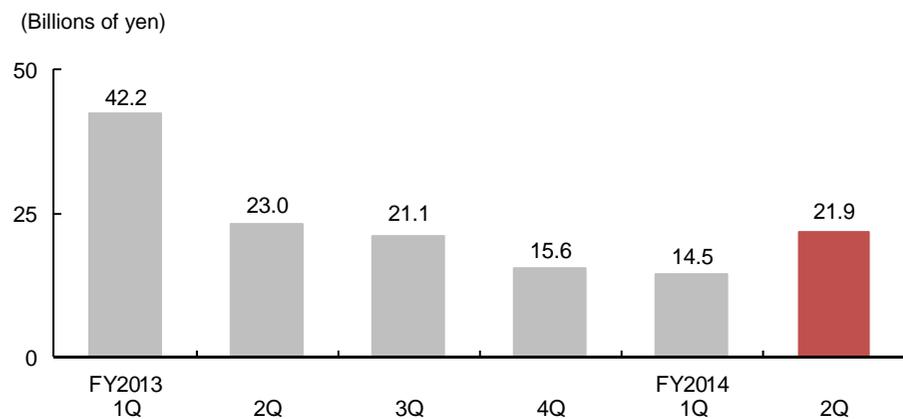
Net operating revenue



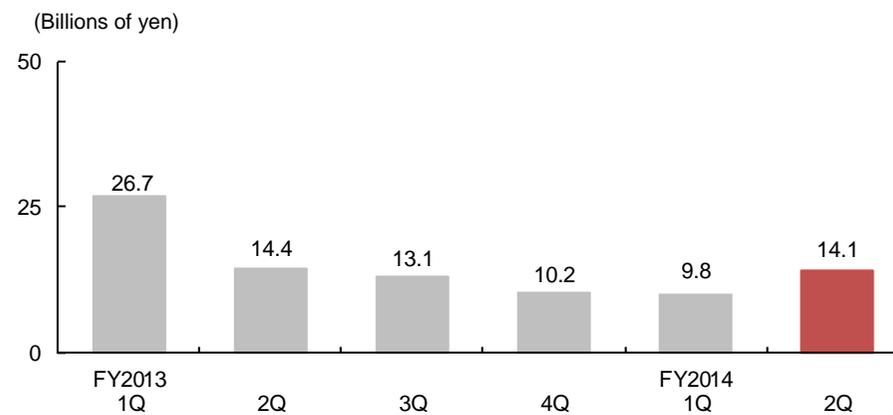
SG&A



Ordinary income



Net income

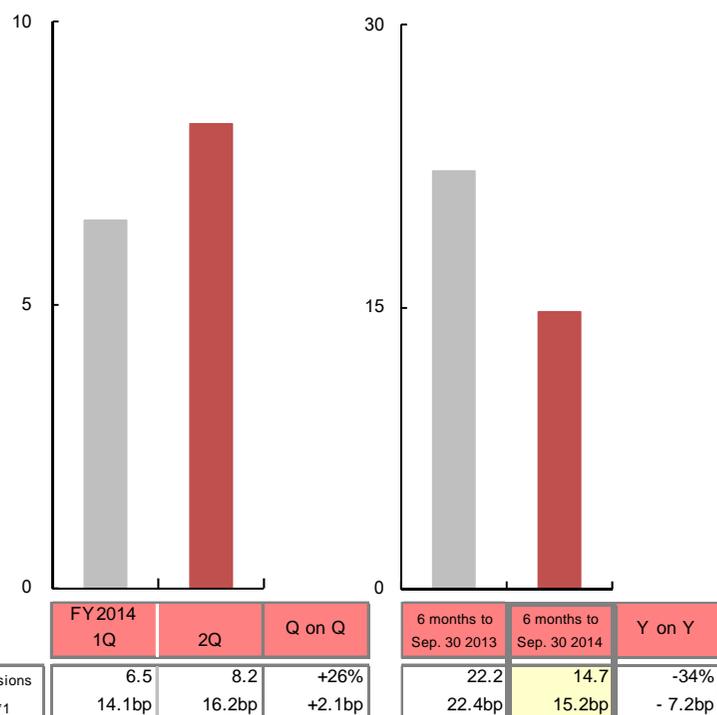


Equity brokerage commissions

- ◇ Equity brokerage amount for this quarter was ¥ 4.6 trillion (+11% Q on Q), pushing brokerage commission to ¥ 8.2 B (+26%).
- ◇ For the 6 months ended Sep. 2014 brokerage amount was down to ¥ 8.8 trillion (-6% Y on Y), while our turnover share in TSE was 1.40% (+0.28pts) staying upward.

Equity brokerage commissions

(Billions of yen)



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

Equity brokerage amount / TSE share

(Billions of yen)

【on a stand-alone basis】



(*2) All stock exchanges

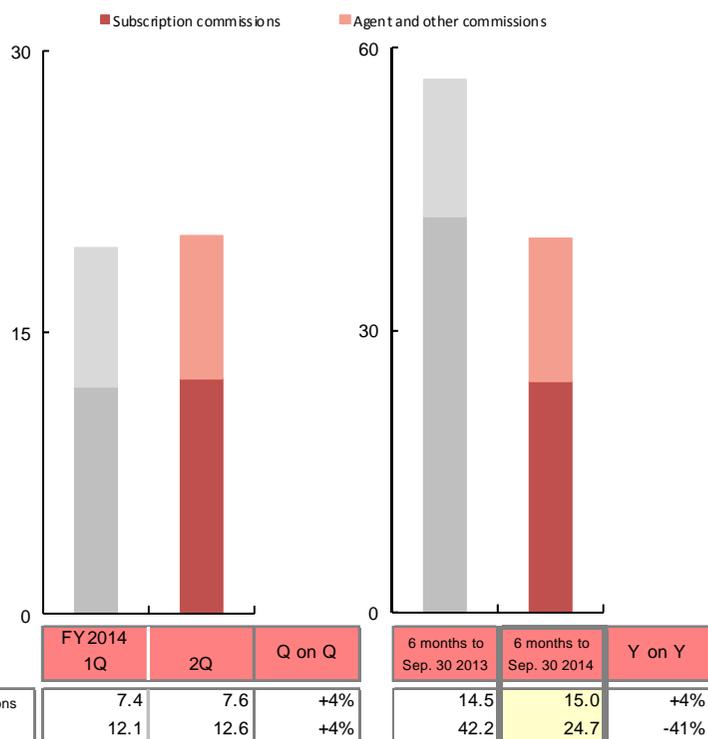
(*3) Total of 1st and 2nd sections of Tokyo and Nagoya stock exchanges

Commissions on investment trusts

- ◇ Sale of investment trusts was ¥ 705.3 B (+16% Q on Q); Subscription commissions on investment trust was ¥ 12.6 B (+4%), due to timely offering the funds focusing on the U.S market, global bonds issued under the Basel regulation and others, in response to changing global markets.
- ◇ For the 6 months ended Sep. 2014, sale of investment trusts decreased to ¥ 1,310.8 B (-27% Y on Y).

Subscription commissions / Agent and other commissions

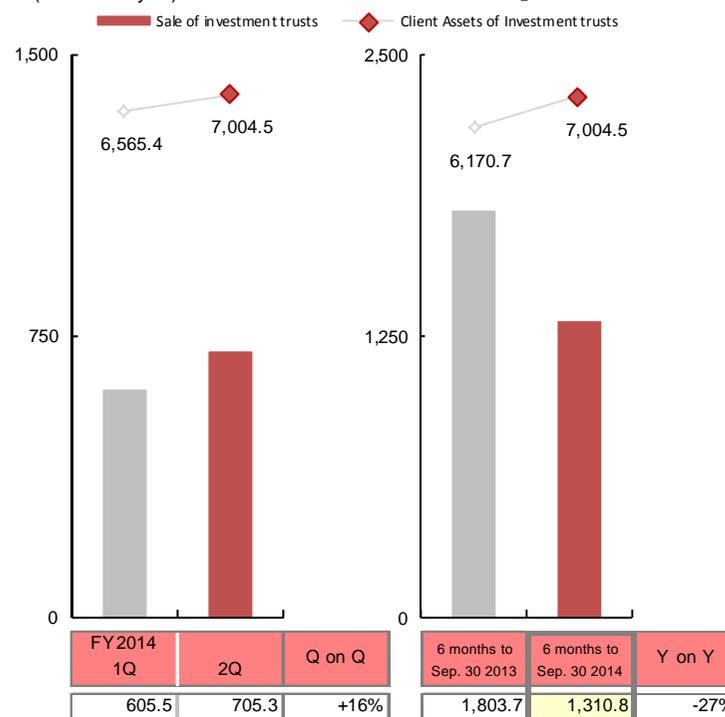
(Billions of yen)



Sales / Client Assets of Invest. trust

(Billions of yen)

【on a stand-alone basis】

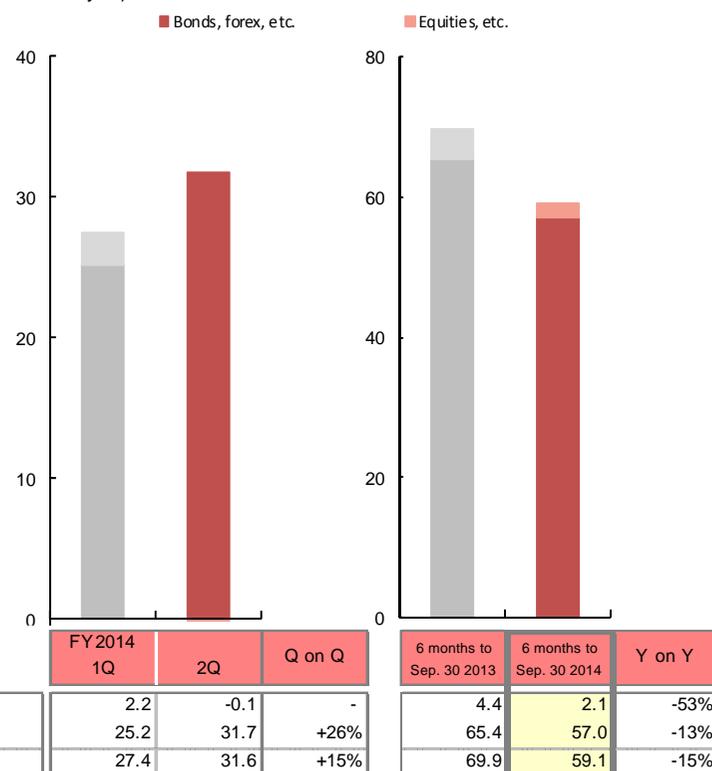


Net trading income

- ◇ Net trading income for the quarter was ¥ 31.6 B (+15% Q on Q) supported by a favorable move in the market.
- ◇ Foreign bond sale for the 6 months ended Sep. 2014 was ¥ 1,517.3 B (-6% Y on Y), maintaining a high level.

Net trading income

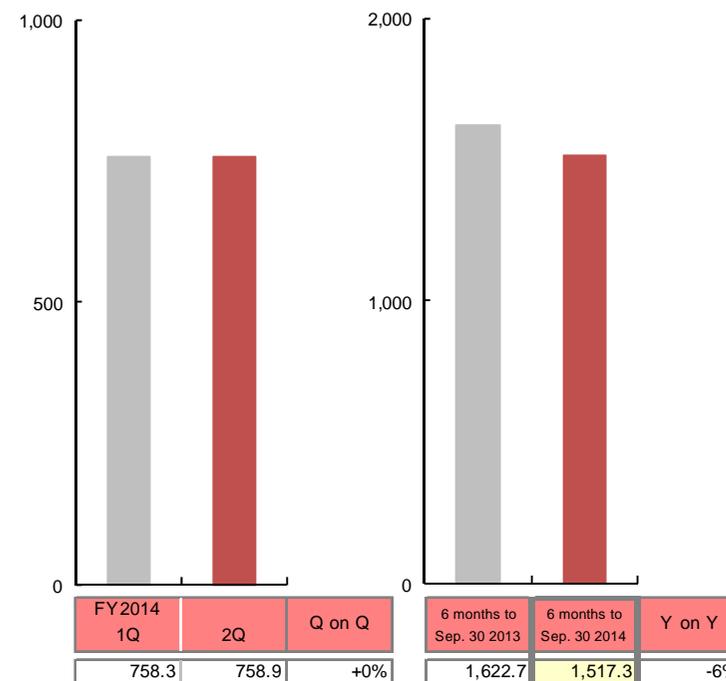
(Billions of yen)



Sale of foreign bonds

(Billions of yen)

【on a stand-alone basis】

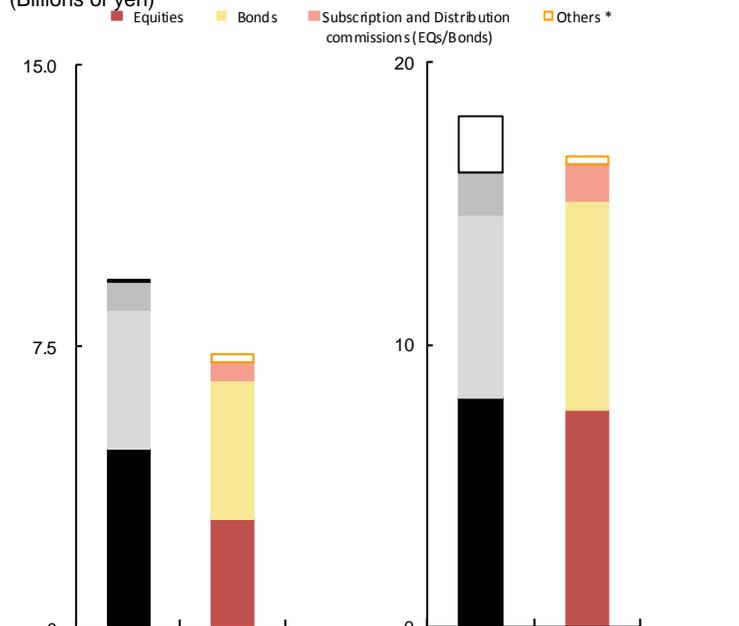


Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commission revenue for the quarter decreased to ¥ 6.6 B (-23% Q on Q), due to the shrunk domestic primary market during the quarter.
- ◇ For Apr. - Sep. 2014, book runner in Global Equity & Equity-Related-Japan: share 17.8 % in 2nd place; Lead manager in All Bonds in Yen: share 16.1% in 4th place.

Underwriting commissions (Equities / Bonds)

(Billions of yen)



	FY2014 1Q	2Q	Q on Q	6 months to Sep. 30 2013	6 months to Sep. 30 2014	Y on Y
Underwriting commissions	8.6	6.6	-23%	14.7	15.2	+3%
Equities	4.8	2.9	-40%	8.1	7.7	-5%
Bonds	3.7	3.7	+1%	6.5	7.4	+13%
Subscription and Distribution commissions (EQs/Bonds)	0.7	0.5	-21%	1.5	1.3	-17%
Others *	0.1	0.2	2.7x	2.0	0.3	-81%

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

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura Securities	611.1	34.2%
2	SMBC Nikko Securities	318.7	17.8%
3	Daiwa Securities	313.9	17.6%
4	Mizuho Securities	178.8	10.0%
5	Mitsubishi UFJ Morgan Stanley	123.8	6.9%

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

All Bonds in Yen Apr. - Sep. 2014

【on a stand-alone basis】

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura Securities	1,906.1	20.4%
2	Mitsubishi UFJ Morgan Stanley	1,799.1	19.3%
3	Mizuho Securities	1,694.5	18.2%
4	SMBC Nikko Securities	1,504.1	16.1%
5	Daiwa Securities	1,457.6	15.6%

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

(*) Revenues related to securitization arrangements included

◇ For Apr. 2014 - Sep. 2014 in the league table of M&A financial advisor for any Japanese involvement announced deals:

With total 23 deals acquired, ranked 14th or 6.4% in terms of deal values, and 7th or 1.8% in terms of number of deals.

Financial Advisor Rank value basis Apr. - Sep. 2014

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Goldman Sachs	1,506.7	29.0%
2	Nomura Securities	1,237.1	23.8%
3	Mitsubishi UFJ Morgan Stanley	1,231.4	23.7%
4	Citi	674.4	13.0%
14	SMBC Nikko Securities	334.8	6.4%

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

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Nomura Securities	43	3.3%
2	Mizuho Securities	42	3.2%
3	Deloitte Tohmatsu FA	35	2.7%
4	Mitsubishi UFJ Morgan Stanley	32	2.5%
7	SMBC Nikko Securities	23	1.8%

Major announced deals Apr. - Sep. 2014

Dunlop Sports Co. Ltd. (Sumitomo Rubber Industries, Ltd.)/KITZ Wellness(KITZ)

Dunlop Sports Co. Ltd. acquires all the shares of KITZ Wellness Co., Ltd. from its parent company KITZ Corporation.

(SMBC Nikko served as an advisor for Dunlop Sports Co. Ltd.)

Otsuka Chemical Co., Ltd. (Otsuka Holdings Co., Ltd.)/Higashiyama Film Co., Ltd.(CITIC Capital Partners)

CITIC Capital Partners sells all the shares of Higashiyama Film Co., Ltd. it holds to Otsuka Chemical Co., Ltd.

(SMBC Nikko served as an advisor for CITIC Capital Partners)

Inui Warehouse Co., Ltd. / Inui Steamship Co., Ltd.

The two companies decided to integrate their operations and entered an agreement to absorb Inui Steamship Co., Ltd. into Inui Warehouse Co., Ltd.

(SMBC Nikko serves as an advisor for Inui Steamship Co., Ltd.)

Nippon Gas Co., Ltd. / Nippon Gas Co., Ltd. (owned by OEP NG LLC)

Nippon Gas Co., Ltd. decided to purchase its own stocks via TOB, and concluded an agreement to take over its own stocks from OEP NG LLC.

(SMBC Nikko serves as an advisor and TOB agent for Nippon Gas Co., Ltd.)

Aeon Co. Ltd./The Daiei, Inc.

Aeon Co. Ltd. decided to make The Daiei, Inc. a wholly own subsidiary.

(SMBC Nikko served as an advisor for Aeon Co. Ltd.)

Solar Japan Holdings (Starbucks Corporation)/Starbucks Coffee Japan, Ltd.

Starbucks Corporation (the U.S) decided to launch a two-staged takeover bid through Solar Japan Holdings to make Starbucks Coffee Japan, Ltd. a wholly owned subsidiary.

(SMBC Nikko serves as an advisor and TOB agent for Solar Japan Holdings)

Cinram Group Inc./ JVC America, Inc. (JVC KENWOOD Corporation)

JVC Kenwood Corporation decided and entered an agreement to sell all the shares of its 100% subsidiary JVC America, Inc. to Cinram Group Inc. based in Canada.

(SMBC Nikko and SMBC Nikko Securities America serve as advisors for JVC KENWOOD Corporation)

Business collaboration with Sumitomo Mitsui Banking Corporation

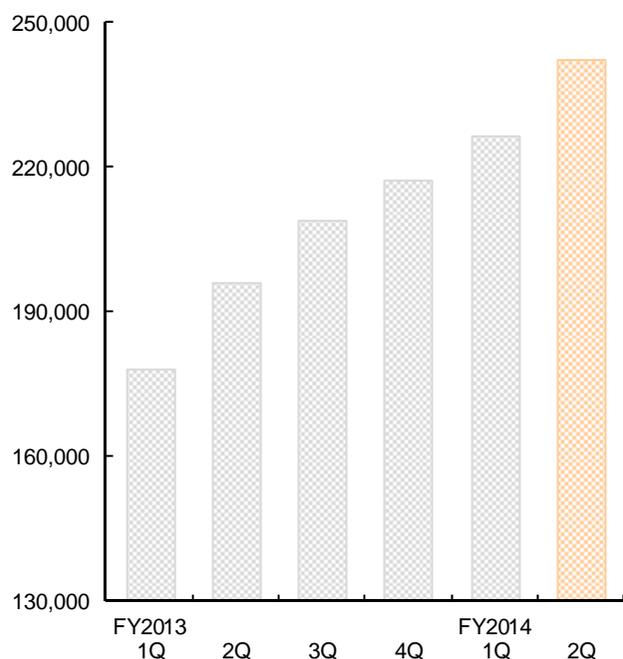
【on a stand-alone basis】

- ◇ Bank-securities retail integration strategy - referral of individual customers operating at the all branches nationwide since May 2014 is showing a steady performance..
- ◇ Collaboration with SMBC keeps on track as the referral service is growing.

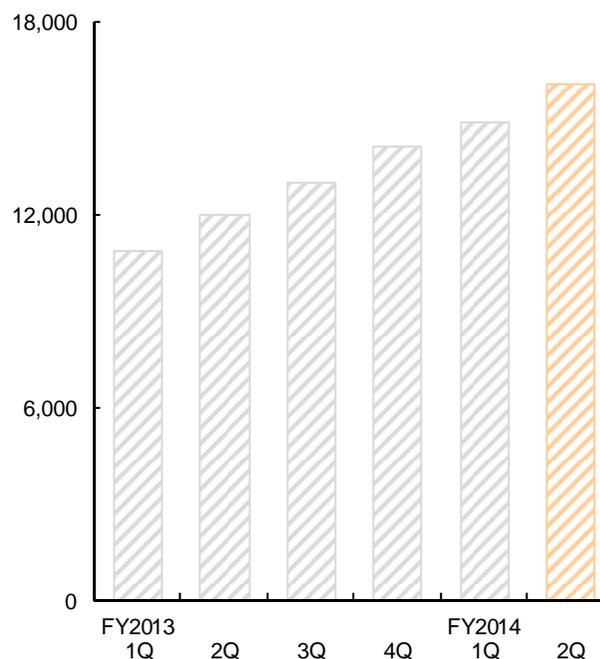
Asset management (Referral service and financial instruments intermediary service (*1))

Investment banking (Referral service)

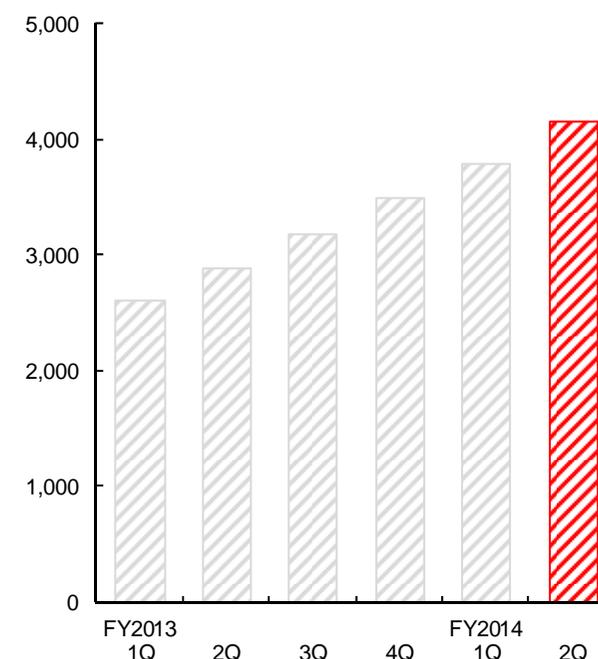
Individual customer (No. of accounts) (*2)



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 instruments intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers..

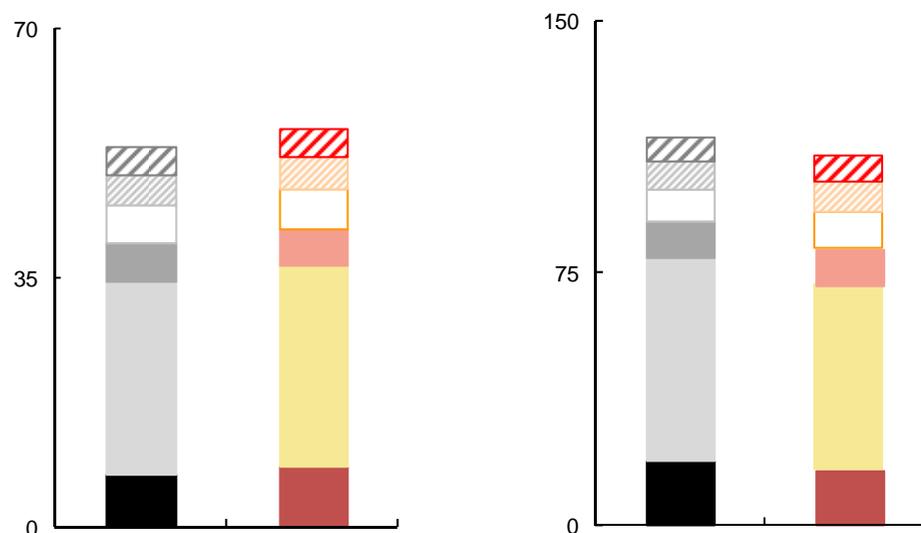
(*2) The number of accounts at the end of each quarter with regards to individual customer who either was referred by SMBC to SMBC Nikko or opened an account with SMBC Nikko via SMBC's financial instruments intermediary service.

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

SG&A

- ◇ SG&A for the quarter was ¥ 56.2 B (+5% Q on Q), due to increases in trade-related and personnel expenses according to an increase in our performance.
- ◇ For the 6 months ended Sep. 2014 SG&A was ¥ 110.0 B (-5% Y on Y).

(Billions of yen) ■ Trading related expenses ■ Personnel expenses ■ Real estate expenses ■ Outsourcing and stationery expenses ■ Depreciation and amortization ■ Other



(Billions of yen)	FY2014 1Q	2Q	Q on Q	6 months to Sep. 30 2013	6 months to Sep. 30 2014	Y on Y
Trading related expenses	7.5	8.7	+15%	19.3	16.3	-16%
Personnel expenses	27.1	28.3	+4%	60.7	55.4	-9%
Real estate expenses	5.3	5.1	-3%	10.3	10.4	+2%
Outsourcing and stationery expenses	5.4	5.6	+3%	9.8	11.0	+12%
Depreciation and amortization	4.3	4.5	+5%	8.1	8.8	+9%
Other	3.9	3.8	-2%	7.6	7.8	+2%
SG&A/ Fixed expense	53.7	56.2	+5%	116.1	110.0	-5%
SG&A/ Net operating revenue	79%	73%	- 6pt	64%	76%	+11pt

Balance sheet / Capital Adequacy Ratio

(Billions of Yen)	Mar.14	Sep.14	Variance
Current assets	7,001.2	9,139.0	+2,137.7
Trading products	3,053.6	3,523.6	+470.0
Loans secured by securities	2,864.8	4,486.7	+1,621.8
Other current assets	1,082.7	1,128.5	+45.8
Noncurrent assets	203.6	212.1	+8.4
Tangible assets	25.8	25.9	+0.0
Intangible assets	71.4	73.7	+2.3
Investments and other assets	106.3	112.4	+6.0
Total assets	7,204.9	9,351.1	+2,146.1
Current liabilities	6,128.7	8,193.4	+2,064.7
Trading products	1,871.3	2,242.2	+370.8
Loans payable secured by securities	2,526.1	3,967.0	+1,440.9
Short-term loans payable / Commercial papers	1,300.2	1,560.4	+260.2
Other current liabilities	431.0	423.8	-7.2
Noncurrent liabilities / Reserves under the special laws	486.9	540.9	+54.0
Total liabilities	6,615.6	8,734.3	+2,118.7
Total net assets	589.3	616.7	+27.4
Total liabilities and net assets	7,204.9	9,351.1	+2,146.1

【on a stand-alone basis】

(Billions of Yen)	Mar.14	Sep.14	Variance
Basic items	561.7	582.3	+20.6
Supplementary items	93.2	97.0	+3.8
Deductible assets	143.7	141.6	-2.0
Net capital	511.1	537.7	+26.5
Risk total	105.9	125.8	+19.9
Market Risk	36.0	47.2	+11.1
Counterparty Risk	14.8	21.9	+7.0
Basic Risk	55.0	56.7	+1.6
Capital Adequacy Ratio	482%	427%	-55pt

【on a stand-alone basis】

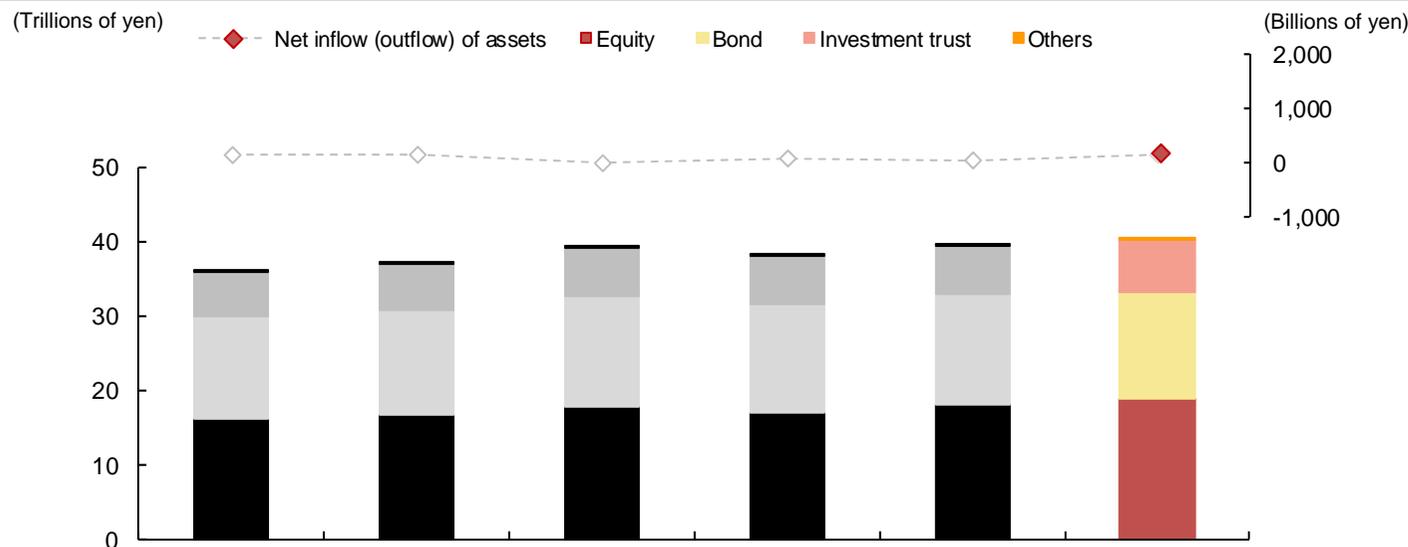
Credit ratings on Long Term (as of October 27th, 2014)

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 Sep. 2014 was ¥ 40.3 trillion (+2% Q on Q).
- ◇ Net inflow of retail client assets for this quarter increased by ¥ 148.6 B.



(Trillions of yen)

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

(Billions of yen)

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

New Branches Open

- Following new branches are adding up to 121 branches in the country.

<Opening schedule>

Amagasaki br.	2014/9/9
Funabashi br.	2014/10/4
Ikebukuro Nishiguchi	2014/10/21
Mizonokuchi br.	2014/10/28 (planned)
Higashi Osaka br.	2014/11/18 (planned)
Kyobashi br.	2014/11/26 (planned)

Analyst Rankings

- Ranked 4th (5th last year) as the category of broker at 2014 Japanese stock analyst ranking in THOMSON REUTERS StarMine Analyst Awards in September 2014.
Our 4 analysts were selected as top analysts (2 ones last year) as follows:
 - Top stock pickers (overall)
Hiroharu Watanabe
 - Top stock pickers (industry)
Financial - Koichi Niwa
Technology/Hardware - Hirotsugu Takayama
 - Top Earnings Estimators
Construction - Hiroki Kawashima.

Co-sponsored IBSA Blind Soccer World Championship 2014

- As a CSR activity, participated sponsorship to IBSA Blind Soccer World Championship 2014 to be held from Nov.16 2014 (Sun.) to Nov. 24 2014(Mon. holiday).

-IBSA: International Blind Sports Federation



Quality service to elder customers and their family

- Make all our sales people across the organization go through "Training Course to be Supporters of Elderly with Dementia (*1)" aimed at helping the community and gaining more confidence as a financial firm rooted in the community.
- Will allocate staff qualified for "Service Care Attendant (*2)" to branches and head office, to be able to offer service and information to customers on a fair basis with careful and thoughtful consideration.

"Welcome Back system" Set Up

- October 2014, introduced a personnel policy called "Welcome Back system" that allows employees who retired for the reasons of nursing infants or elders within past 10 years to get reinstated to promote diversity and inclusion.

Reference Data



Consolidated Business Results (Quarterly Trend)

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

Stand-alone Business Results (Quarterly Trend)

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

Operational Indicators -1

【on a stand-alone basis】

◇ Sales of Products

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

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

◇ Underwriting Share (Book runner)

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

(*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

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Operational Indicators -2

【on a stand-alone basis】

◇ Direct Channel Ratio (*1)

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

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

◇ Brokerage Commissions Rate (*2)

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

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

(*3) On a consolidated basis

Operational Indicators -3

◇ Number of Accounts

【on a stand-alone basis】

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

◇ Number of Branches

【on a stand-alone basis】

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

◇ Number of Employees

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

