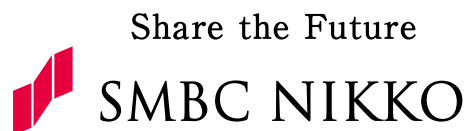


Earnings Announcement for the Second Quarter FY2015 ending March 31, 2016 (JGAAP)

SMBC Nikko Securities Inc.

October 26, 2015



		[Reference Data]	
Summary of business results for the 2Q of FY ending Mar. 2016	2	Consolidated Business Results (Quarterly Trend)	18
Net operating revenue / Product sales	3	Stand-alone Business Results (Quarterly Trend)	19
Business Results (Quarterly Trend)	4	Operational Indicators-1	20
Equity brokerage commissions	5	Operational Indicators-2	21
Commissions on investment trusts	6	Operational Indicators-3	22
Net trading income	7		
Underwriting commissions (Equities / Bonds)	8		
M&A	9		
Business collaboration with Sumitomo Mitsui Banking Corporation	10		
SG&A	11		
Balance sheet / Capital Adequacy Ratio	12		
Client Assets / Net Inflow (Outflow) of Assets	13		
Overseas Network	14		
Business Trends of Overseas Offices (Securities Product Group)	15		
Topics	16		

※Based on the reform of accounting standards, presentation was changed from current fiscal year (see the table). With notes, profit is substituted for Profit attributable to owners of parent .

Preceding fiscal year	Current fiscal year (reformed)
Income before minority interests	Profit
Minority Interests in Income	Profit attributable to non-controlling interests
Net Income	Profit attributable to owners of parent

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

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

Summary of business results for the 2Q of FY ending Mar. 2016

6 months to
Sep. 30 2015

- **Net operating revenue ¥ 162.3 B (+12% Y on Y), Ordinary income ¥ 40.5 B (+11%), Profit (*1) ¥ 29.4 B (+23%).**
Equity brokerage commissions, net trading income and underwriting commissions contributed to increase in income and profit.
- Equity brokerage amount was ¥ 12.6 trillion (+44%).
Aggregate sales of products was ¥ 4.7 trillion (+7%), the second highest level on a half-year basis.
Sale of investment trusts was ¥ 1.4 trillion (+10%), foreign bonds was 1.4 trillion (-7%) and domestic bonds was 1.6 trillion (+17%).
- Underwriting commission was ¥ 19.7 B (+29%).
League table rankings for Apr.–Sep. 2015
3rd place(*2) in Global Equity & Equity-Related-Japan
4th place(*3) in All Bonds in Yen
6th place(*4) in terms of values and 1st in terms of number of deals for M&A announced deals
- SG&A was ¥ 124.3 B (+13%).
- An extraordinary income from stock transfer of Nikko Global Wrap Ltd. ¥ 6.5 B (1Q) and loss on sale of investment securities ¥ 2.3 B (2Q) were posted in extraordinary income and loss.
- As of the end of Sep. 2015, total asset was ¥ 10.0 trillion, net assets was ¥ 694.5 B, capital adequacy ratio (on a stand-alone basis) was 439 %, reflecting a sound financial base of the company.

FY ending
Mar. 2016 2Q

- **Net operating revenue ¥ 73.7B (-17% Q on Q), Ordinary income ¥ 15.0 B (-41%), Profit (*1) ¥ 7.9 B (-63%).**
- Although aggregate sales of products was down to ¥ 2,303.7 B (-8%), domestic bonds was ¥ 947.6 B (+27%), remaining high level.

Billions of Yen	FY2015		Q on Q	6 months to Sep. 30 2014	6 months to Sep. 30 2015	Y on Y
	1Q	2Q				
Operating revenue	95.8	79.3	-17%	156.4	175.1	+12%
Net operating revenue	88.6	73.7	-17%	145.2	162.3	+12%
SG&A	64.0	60.2	-6%	110.0	124.3	+13%
Ordinary income / loss	25.4	15.0	-41%	36.5	40.5	+11%
Income before taxes	31.7	12.5	-60%	36.2	44.2	+22%
Profit / loss	21.5	7.9	-63%	24.0	29.4	+23%
	Mar.-end '15	Sep.-end '15	From Mar. -end '15	Sep.-end '14	Sep.-end '15	Y on Y
Total assets (Trillions of yen)	9.3	10.0	+0.6	9.3	10.0	+0.6
Total net assets (Billions of yen)	666.6	694.5	+27.9	616.7	694.5	+77.7

(*1) Profit attributable to owners of parent

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

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

(*4) Source: THOMSON REUTERS, M&A announced deals with any Japanese involvement
League tables changed to be ranked by group performance from FY2015 1Q.

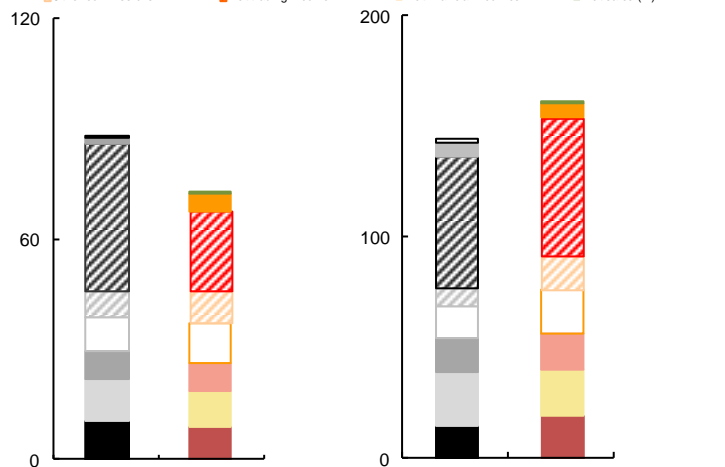
Net operating revenue / Product sales

- ◇ Net operating revenue for this quarter was ¥ 73.7 B (-17% Q on Q). While underwriting commissions ¥ 10.7 B (+20%) and other commissions ¥ 8.4 B (+20%) increased, equity brokerage commissions ¥ 8.9 B (-16%), subscription commissions on investment trusts ¥ 10.1 B (-11%), and net trading income ¥ 22.0 B (-45%) decreased.
- ◇ Net operating revenue for the first half was ¥ 162.3 B (+12% Y on Y), and aggregate sales ¥ 4,796.2 B (+7%) expanded. While foreign bonds were down to ¥ 1,406.4 B (-7%), domestic bonds increased to ¥ 1,693.9 B (+17%) and reached the highest-ever level on a half-year basis, due to the expansion of underwriting business.

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)



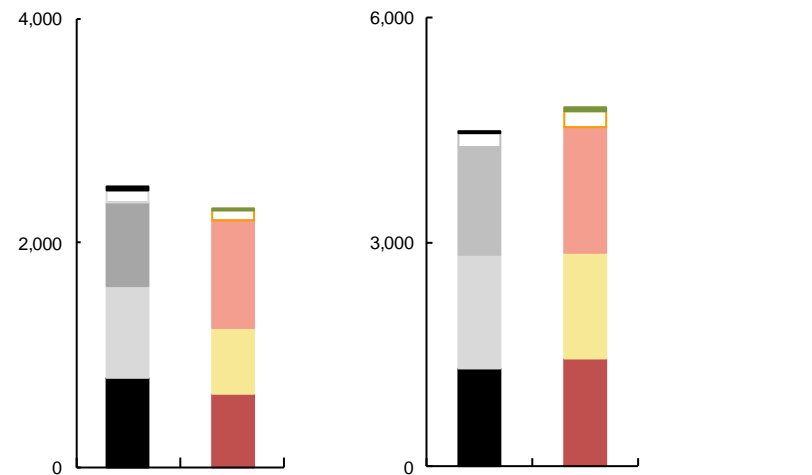
	FY2015 1Q	2Q	Q on Q	6 months to Sep. 30 2014	6 months to Sep. 30 2015	Y on Y
Equity brokerage commissions	10.7	8.9	-16%	14.7	19.6	+34%
Subscription commissions on investment trusts	11.3	10.1	-11%	24.7	21.4	-13%
Agent commissions on investment trusts	8.0	7.7	-4%	15.0	15.8	+5%
Underwriting commissions	8.9	10.7	+20%	15.2	19.7	+29%
Other commissions	7.0	8.4	+20%	7.9	15.4	+96%
Net trading income	40.0	22.0	-45%	59.1	62.1	+5%
Net financial incomes	1.8	4.6	2.4x	6.9	6.4	-6%
Net sales (*1)	0.5	0.8	+60%	1.4	1.4	-4%
Total	88.6	73.7	-17%	145.2	162.3	+12%

Product Sales

(Billions of yen)

【on a stand-alone basis】

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



	FY2015 1Q	2Q	Q on Q	6 months to Sep. 30 2014	6 months to Sep. 30 2015	Y on Y
Investment trusts	788.4	654.2	-17%	1,310.8	1,442.6	+10%
Foreign bonds(*2)	817.5	588.8	-28%	1,517.3	1,406.4	-7%
Domestic bonds	746.3	947.6	+27%	1,448.4	1,693.9	+17%
(Retail - targeted JGBs)	(129.7)	(151.7)	(+17%)	(195.0)	(281.3)	(+44%)
Subscription of equities	121.3	94.1	-22%	188.1	215.4	+15%
Variable annuities/insurances	19.1	18.9	-1%	16.4	38.0	2.3x
Total	2,492.5	2,303.7	-8%	4,480.8	4,796.2	+7%

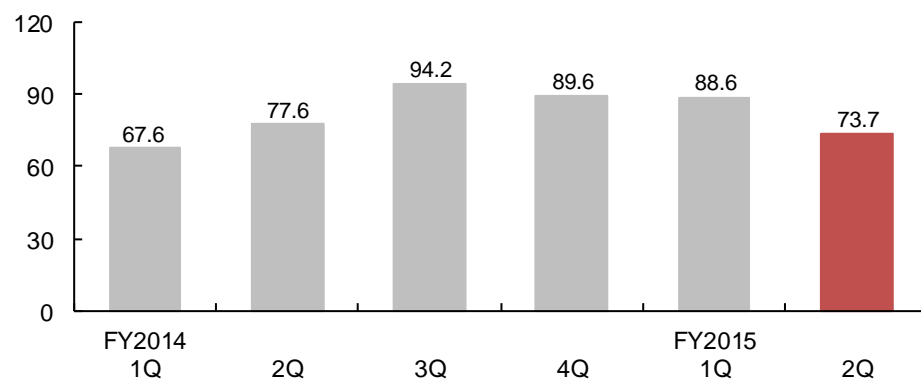
(*1) Other sales minus cost of the sales

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

Business Results (Quarterly Trend)

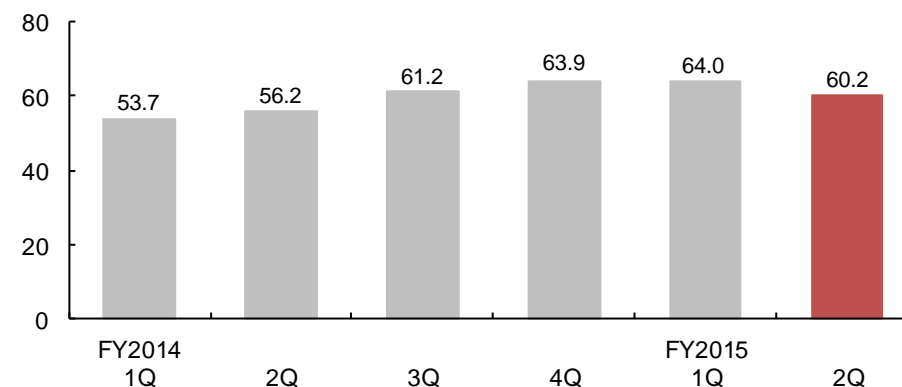
Net operating revenue

(Billions of yen)



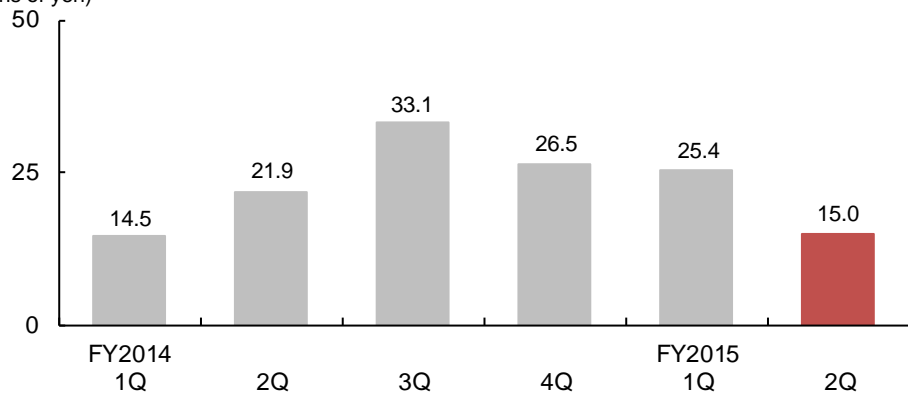
SG&A

(Billions of yen)



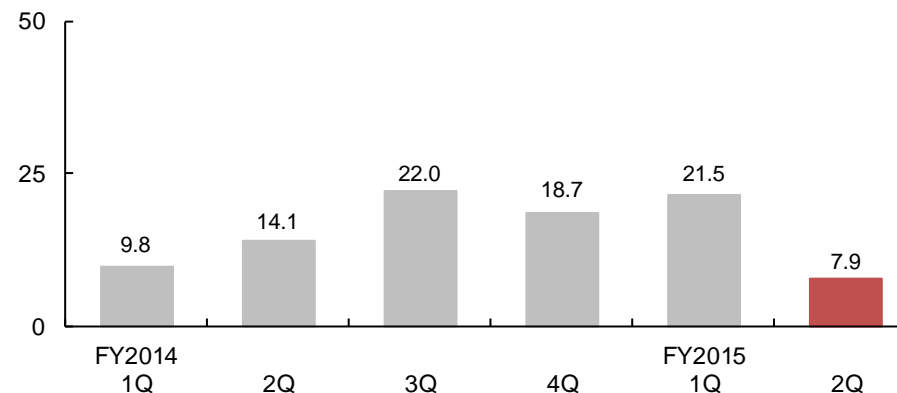
Ordinary income

(Billions of yen)



Profit (*)

(Billions of yen)

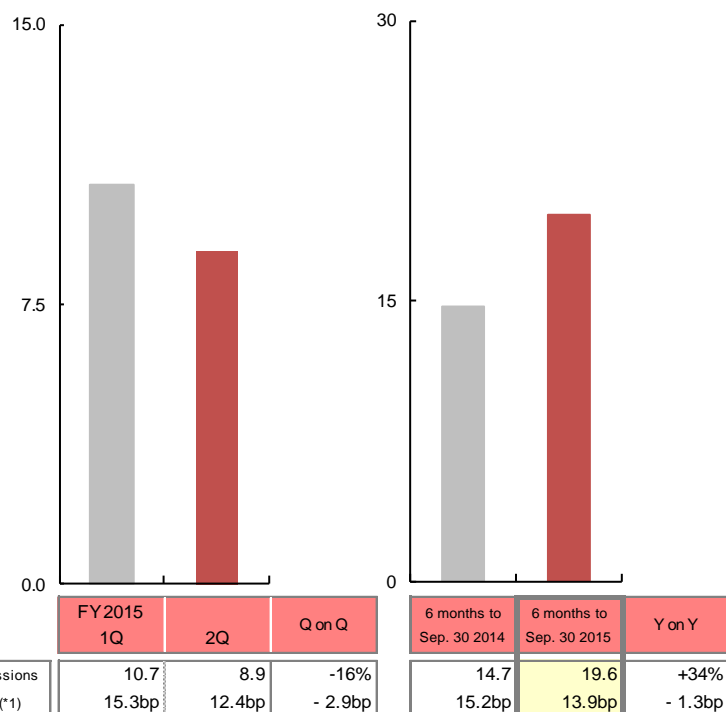


Equity brokerage commissions

- ◇ Equity brokerage amount for this quarter was ¥ 6,285.5 B (-2% Q on Q) and equity brokerage commissions was ¥ 8.9 B (-16%). Uncertain prospects for the global economy lead volatile market, and individual investors were withdrawing from the market.
- ◇ Equity brokerage amount for the first half was ¥12,698.3 B (+44% Y on Y). Equity brokerage commissions was ¥19.6 B (+34%), increasing its revenue significantly.

Equity brokerage commissions

(Billions of yen)

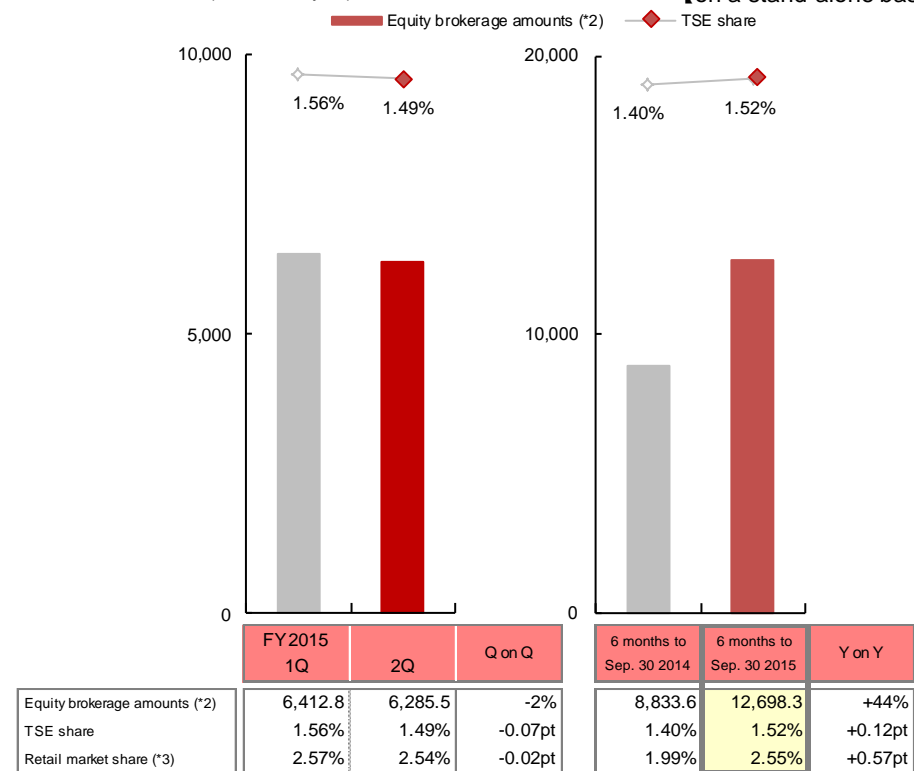


(*1) Adjusted brokerage commissions / brokerage amounts
(Scope: cash and margin transactions)

Equity brokerage amount / TSE share

(Billions of yen)

【on a stand-alone basis】



(*2) All stock exchanges

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

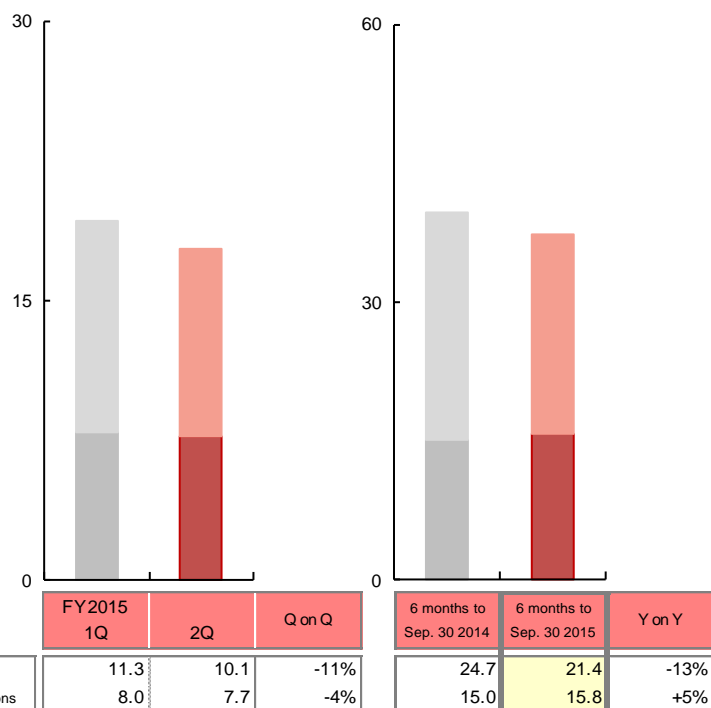
Commissions on investment trusts

- ◇ Sale of investment trusts for this quarter was ¥ 654.2 B (-17% Q on Q). Subscription commissions on investment trust was ¥ 10.1 B (-11%). Although the sale of the new fund investing in robot industry expanded, total sale of investment trusts were decreased due to the volatile market environment.
- ◇ Sale of investment trusts for the first half was ¥ 1,442.6 B (+10% Y on Y). Subscription commissions on investment trust was ¥ 21.4 B (-13%).

Subscription commissions / Agent and other commissions

(Billions of yen)

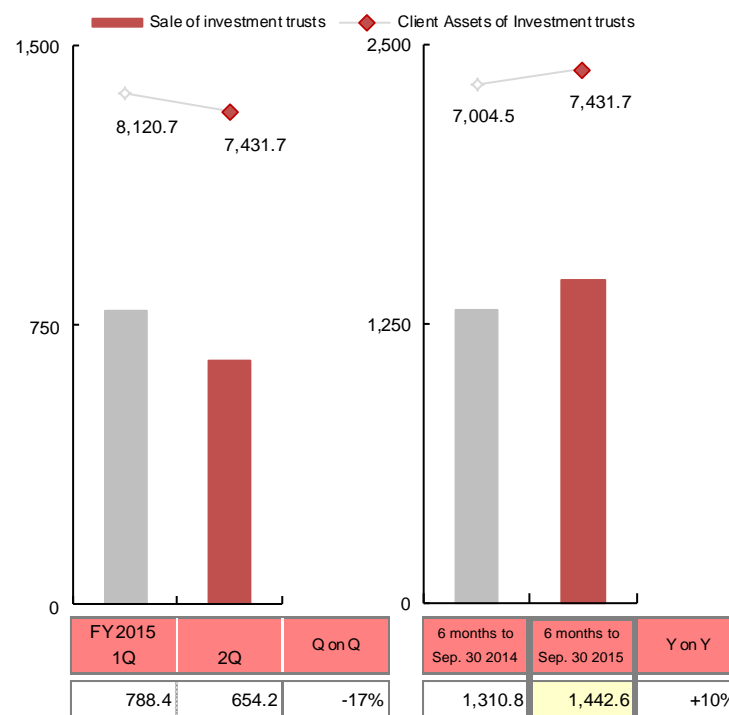
■ Agent and other commissions ■ Subscription commissions



Sales / Client Assets of Invest. trust

(Billions of yen)

【on a stand-alone basis】

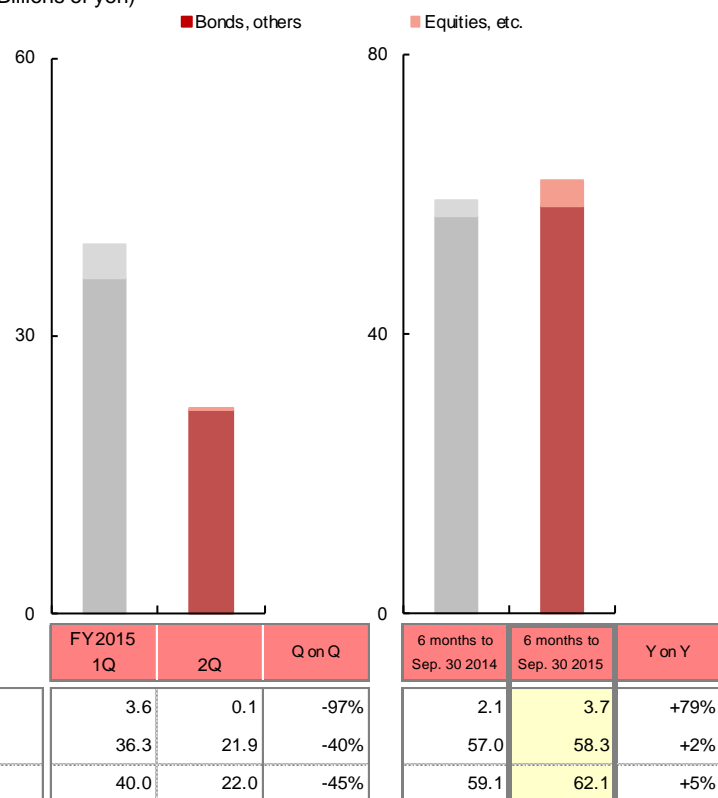


Net trading income

- ◇ Net trading income for this quarter was down to ¥ 22.0 B (-45% Q on Q), due to decrease of the sale of foreign bonds influenced by unstable market environment.
- ◇ Net trading income for the first half was ¥ 62.1 B (+5% Y on Y), keeping an increase in revenue.

Net trading income

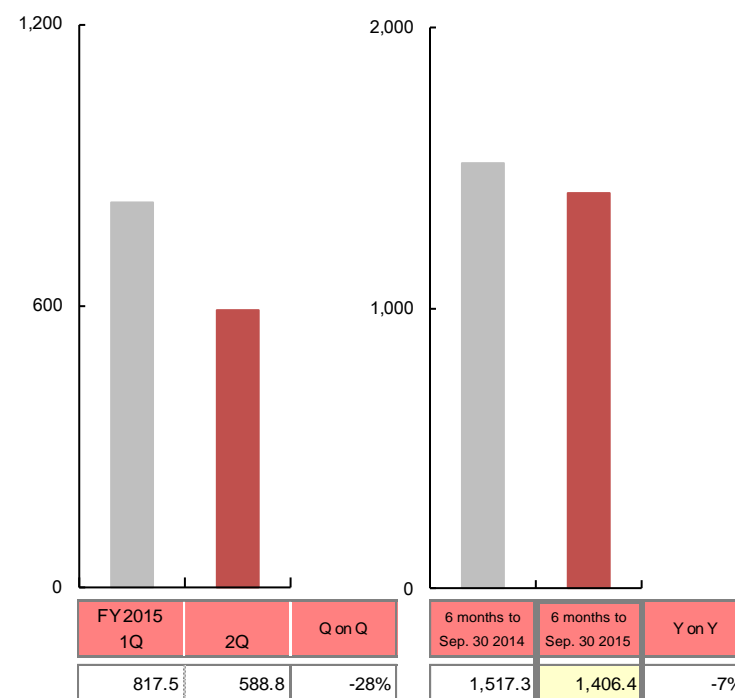
(Billions of yen)



Sale of foreign bonds

(Billions of yen)

【on a stand-alone basis】

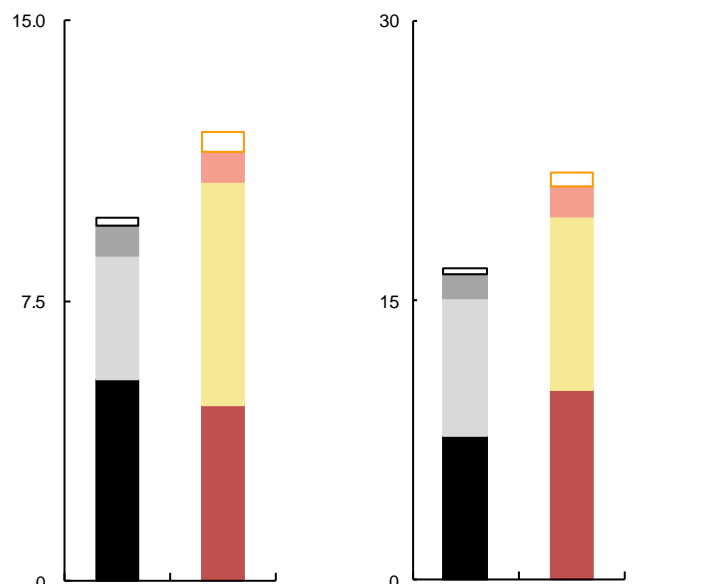


Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commissions for this quarter was ¥ 10.7 B (+20% Q on Q), keeping high revenue.
- ◇ For Apr. - Sep. 2015, book runner in Global Equity & Equity-Related-Japan: share 13.7% in 3rd place, lead manager in All Bonds in Yen: share 16.8% in 4th place.

Underwriting commissions (Equities / Bonds)

(Billions of yen)
 ■ Equities ■ Bonds ■ Subscription and Distribution... ■ Others(*)



	6 months to Sep. 30 2014	6 months to Sep. 30 2015	Y on Y
Underwriting commissions	15.2	19.7	+29%
Equities	7.7	10.2	+32%
Bonds	7.4	9.3	+26%
Subscription and Distribution commissions (EQs/Bonds)	1.3	1.6	+27%
Others(*)	0.3	0.8	2.1x

Global Equity & Equity-Related-Japan Apr. - Sep. 2015

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura Securities	872.7	31.5%
2	Mitsubishi UFJ Morgan Stanley	518.6	18.7%
3	SMBC Nikko Securities	378.6	13.7%
4	Daiwa Securities	363.7	13.1%
5	Mizuho Securities	247.6	8.9%

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

All Bonds in Yen Apr. - Sep. 2015

【on a stand-alone basis】

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	Mitsubishi UFJ Morgan Stanley	1,546.8	20.0%
2	Nomura Securities	1,435.9	18.6%
3	Daiwa Securities	1,302.8	16.9%
4	SMBC Nikko Securities	1,300.6	16.8%
5	Mizuho Securities	1,264.1	16.4%

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

- ◇ For Apr. - Sep. 2015 in the league table of M&A financial advisor for any Japanese involvement announced deals:
With 80 deals acquired in total, ranked 6th or 17.4% in terms of value, and 1st or 5.4 % in terms of number of deals.

Financial Advisor Rank value basis Apr. - Sep. 2015 (*)

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Goldman Sachs	3,425.5	36.4%
2	Morgan Stanley	3,397.0	36.1%
3	Nomura Securities	2,330.9	24.8%
4	Mizuho Financial Group	1,901.2	20.2%
6	Sumitomo Mitsui Financial Group	1,641.2	17.4%

Financial Advisor No. of deals Apr. - Sep. 2015 (*)

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Sumitomo Mitsui Financial Group	80	5.4%
1	Mizuho Financial Group	80	5.4%
2	Nomura Securities	63	4.3%
4	Morgan Stanley	26	1.8%
4	PricewaterhouseCoopers	26	1.8%

Major announced deals Apr. - Sep. 2015

**COCA-COLA WEST COMPANY, LIMITED
/ SHIKOKU COCA-COLA BOTTLING CO., LTD.
(Nippon Paper Industries Co., Ltd.)**
Nippon Paper Industries Co., Ltd. transferred all the shares of its wholly owned subsidiary SHIKOKU COCA-COLA BOTTLING CO., LTD. to COCA-COLA WEST COMPANY, LIMITED (SMBC Nikko serves as an advisor for Nippon Paper Industries Co., Ltd.)

**YANMAR Co., Ltd.
/ Himoinsa SL**
YANMAR Co., Ltd. acquired shares of Himoinsa SL in Spain. (SMBC Nikko serves as an advisor for YANMAR Co., Ltd.)

**Amtek Auto Limited
/ ASAHI TEC CORPORATION**
Amtek Auto Limited, one of the listed company in India known for automotive parts bought the iron casting, forging and machining business from ASAHI TEC CORPORATION. (SMBC Nikko serves as an advisor for Amtek Auto Limited)

**NGK SPARK PLUG CO., LTD.
/ UCI Acquisition Holdings**
NGK SPARK PLUG CO., LTD. acquired 100% shares of UCI Acquisition Holdings (NO.2) Corp from UCI Acquisition Holdings. (SMBC Nikko serves as an advisor for NGK SPARK PLUG CO., LTD.)

**FT Holdings, Inc. (Freudenberg SE/
Toray Industries, Inc.)
/ Japan Vilene Company, Ltd.**
Freudenberg SE and Toray Industries, Inc. launched TOB for Japan Vilene Company, Ltd. through FT Holdings, Inc. (SMBC Nikko serves as an advisor for Freudenberg SE and Toray Industries, Inc. and TOB agent for FT Holdings, Inc.)

**EPS Holdings, Inc.
/ Sogo Rinsho Holdings Co., Ltd.**
EPS Holdings, Inc. and Sogo Rinsho Holdings Co., Ltd. Agreed to integrate their management via stock exchange. (SMBC Nikko serves as an advisor for Sogo Rinsho Holdings Co., Ltd.)

**OSAKA STEEL CO., LTD.
/ Tokyo Kohtetsu co., ltd.**
OSAKA STEEL CO., LTD. decided to launch TOB to make Tokyo Kohtetsu co., Ltd. a subsidiary and going private. (only when JFTC may not issue a notification of a cease and desist order) (SMBC Nikko serves as an advisor and TOB agent for OSAKA STEEL CO., LTD.)

**EG Investment Co., Ltd.
(Japan Renewable Energy CO., LTD.)
/ Eco Green.**
EG Investment Co., Ltd., a wholly owned subsidiary of Japan Renewable Energy CO., LTD. Decided to launch TOB for 17.02% of Eco Green. (SMBC Nikko serves as an advisor and TOB agent for Japan Renewable Energy CO., LTD.)

Business collaboration with Sumitomo Mitsui Banking Corporation

【on a stand-alone basis】

- ◇ Bank-securities retail integration strategy is in the 2nd year. Nationwide cross-referral of individual customers between all branches of SMBC and SMBC Nikko have been performed continuously with a seamless service in asset management. Strengthen meeting for the needs of inheritance, responding to population aging.
- ◇ Collaboration with SMBC keeps on track as the number of individual customer's accounts and the referral of corporate clients are growing.

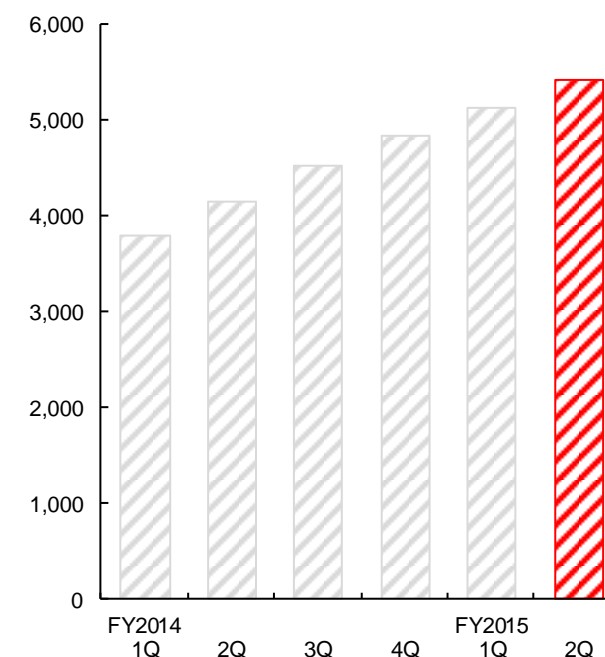
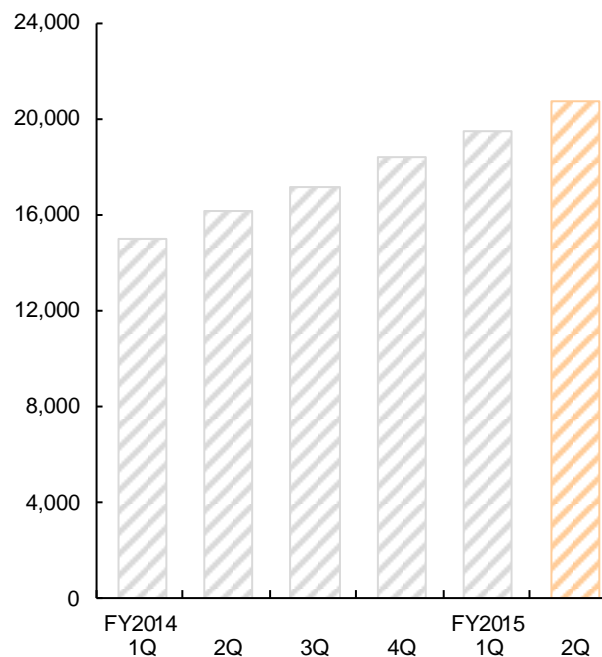
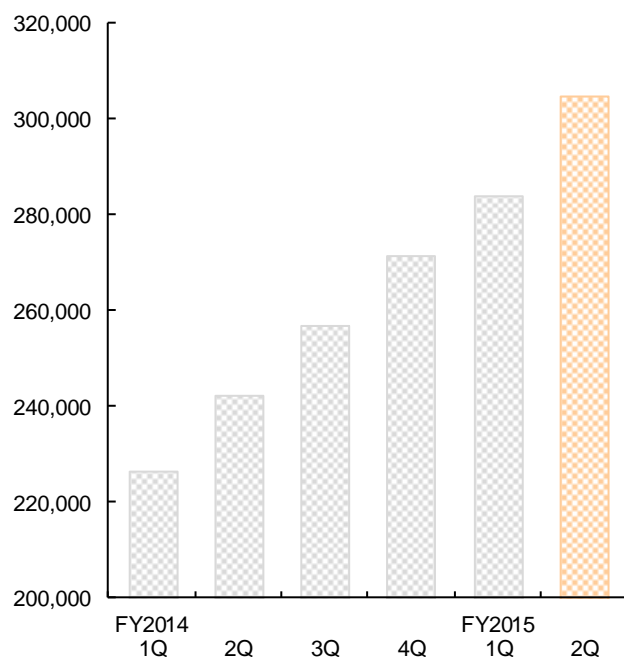
Asset management (Referral service and financial instruments intermediary service ^(*))

Investment banking (Referral service)

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

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

Corporate clients (No. of deals)



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

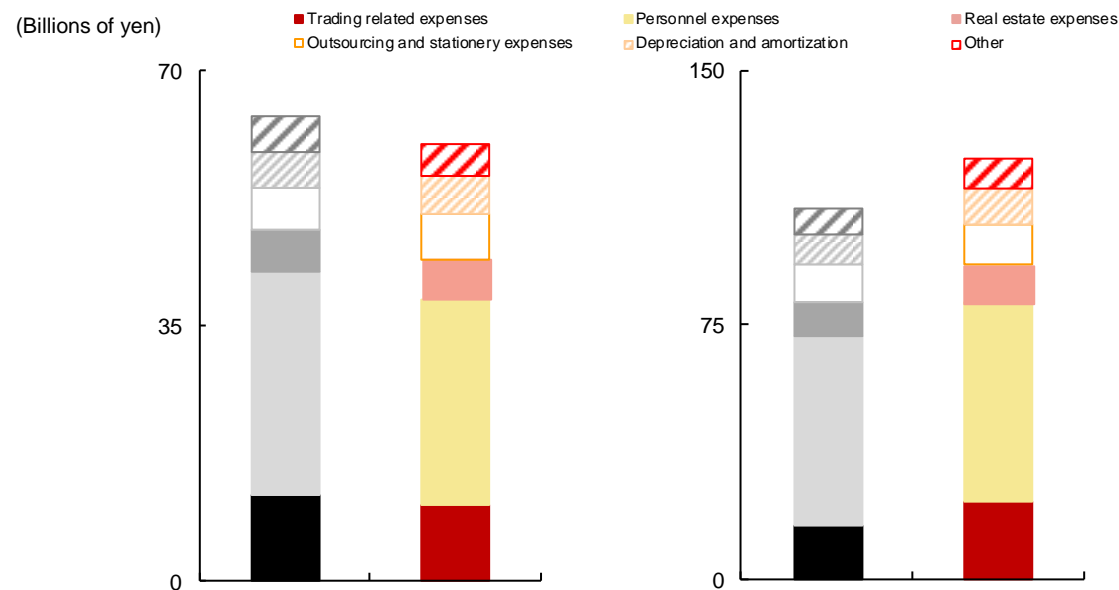
^(*) Financial instruments intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

^(*) 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.

^(*) 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 this quarter was ¥ 60.2 B (-6% Q on Q), due to a decrease in trading related expenses and personnel expenses linked to the company's performance.
- ◇ SG&A for the first half was ¥ 124.3 B (+13% Y on Y). Adding to expansion of fixed expenses along with increase in personnel and system investment cost, trading related expenses increased.



(Billions of yen)	FY2015 1Q	2Q	Q on Q	6 months to Sep. 30 2014	6 months to Sep. 30 2015	Y on Y
Trading related expenses	11.8	10.5	-11%	16.3	22.4	+37%
Personnel expenses	30.8	28.1	-9%	55.4	58.9	+6%
Real estate expenses	5.7	5.5	-3%	10.4	11.2	+7%
Outsourcing and stationery expenses	5.7	6.2	+8%	11.0	12.0	+9%
Depreciation and amortization	5.1	5.3	+3%	8.8	10.4	+18%
Other	4.7	4.4	-6%	7.8	9.1	+17%
SG&A/ Fixed expense	64.0	60.2	-6%	110.0	124.3	+13%
SG&A/ Net operating revenue	72%	82%	+10pt	76%	77%	+1pt

Balance sheet / Capital Adequacy Ratio

【on a stand-alone basis】

(Billions of Yen)	Mar.15	Sep.15	Variance
Current assets	9,124.9	9,769.1	+644.1
Trading products	3,079.6	3,652.6	+573.0
Loans secured by securities	4,165.3	3,999.9	-165.4
Other current assets	1,879.9	2,116.6	+236.6
Noncurrent assets	227.9	267.6	+39.7
Tangible assets	26.4	26.8	+0.4
Intangible assets	77.5	82.9	+5.3
Investments and other assets	123.9	157.9	+33.9
Total assets	9,352.9	10,036.8	+683.9
Current liabilities	8,144.1	8,710.6	+566.5
Trading products	2,324.3	2,383.0	+58.7
Loans payable secured by securities	3,336.2	3,605.8	+269.5
Short-term loans payable / Commercial papers	1,996.3	2,013.1	+16.7
Other current liabilities	487.0	708.5	+221.5
Noncurrent liabilities / Reserves under the special laws	542.1	631.6	+89.5
Total liabilities	8,686.3	9,342.3	+656.0
Total net assets	666.6	694.5	+27.9
Total liabilities and net assets	9,352.9	10,036.8	+683.9

(Billions of Yen)	Mar.15	Sep.15	Variance
Basic items	623.5	647.6	+24.0
Supplementary items	105.1	101.2	-3.9
Deductible assets	139.2	165.0	+25.8
Net capital	589.4	583.7	-5.7
Risk total	123.2	132.9	+9.6
Market Risk	44.9	47.1	+2.2
Counterparty Risk	21.7	23.7	+1.9
Basic Risk	56.5	62.0	+5.5
Capital Adequacy Ratio	478%	439%	-39pt

【on a stand-alone basis】

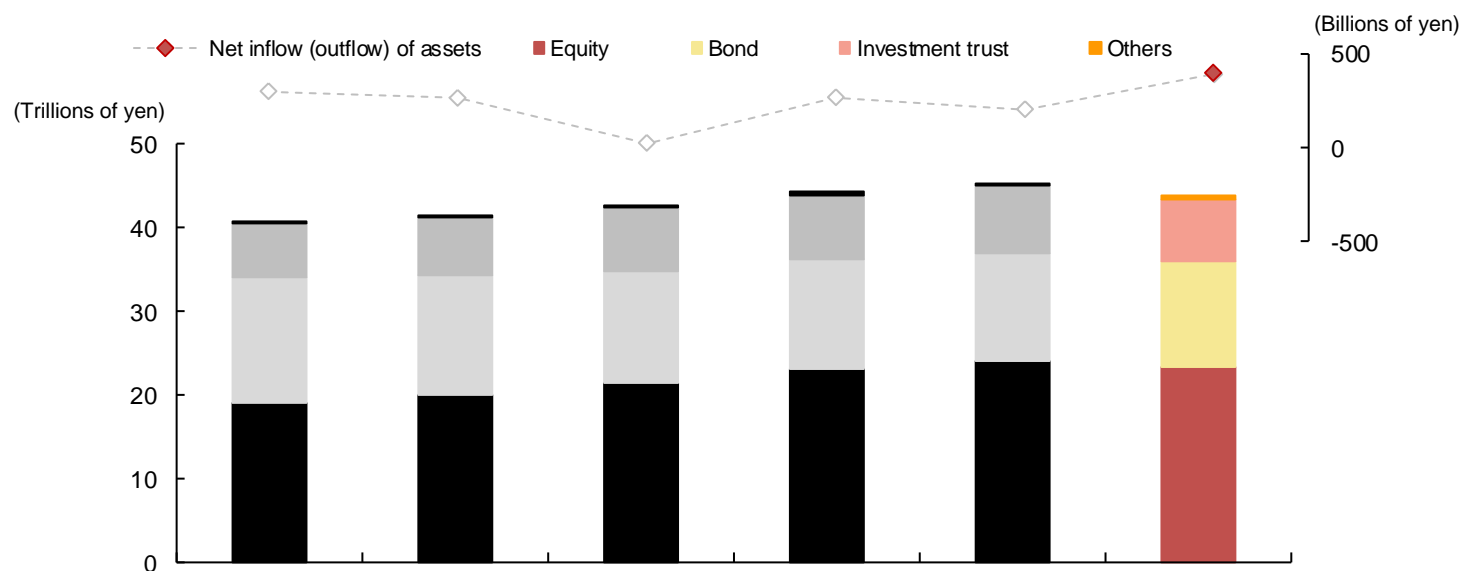
Credit ratings on Long Term (as of October 26th, 2015)

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

Client Assets / Net Inflow (Outflow) of Assets

【on a stand-alone basis】

- ◇ Overall client assets at the end of Sep. 2015 was ¥ 43.8 trillion (-3% Q on Q).
- ◇ Net inflow of assets at sales division for this quarter was ¥ 393.0 B.



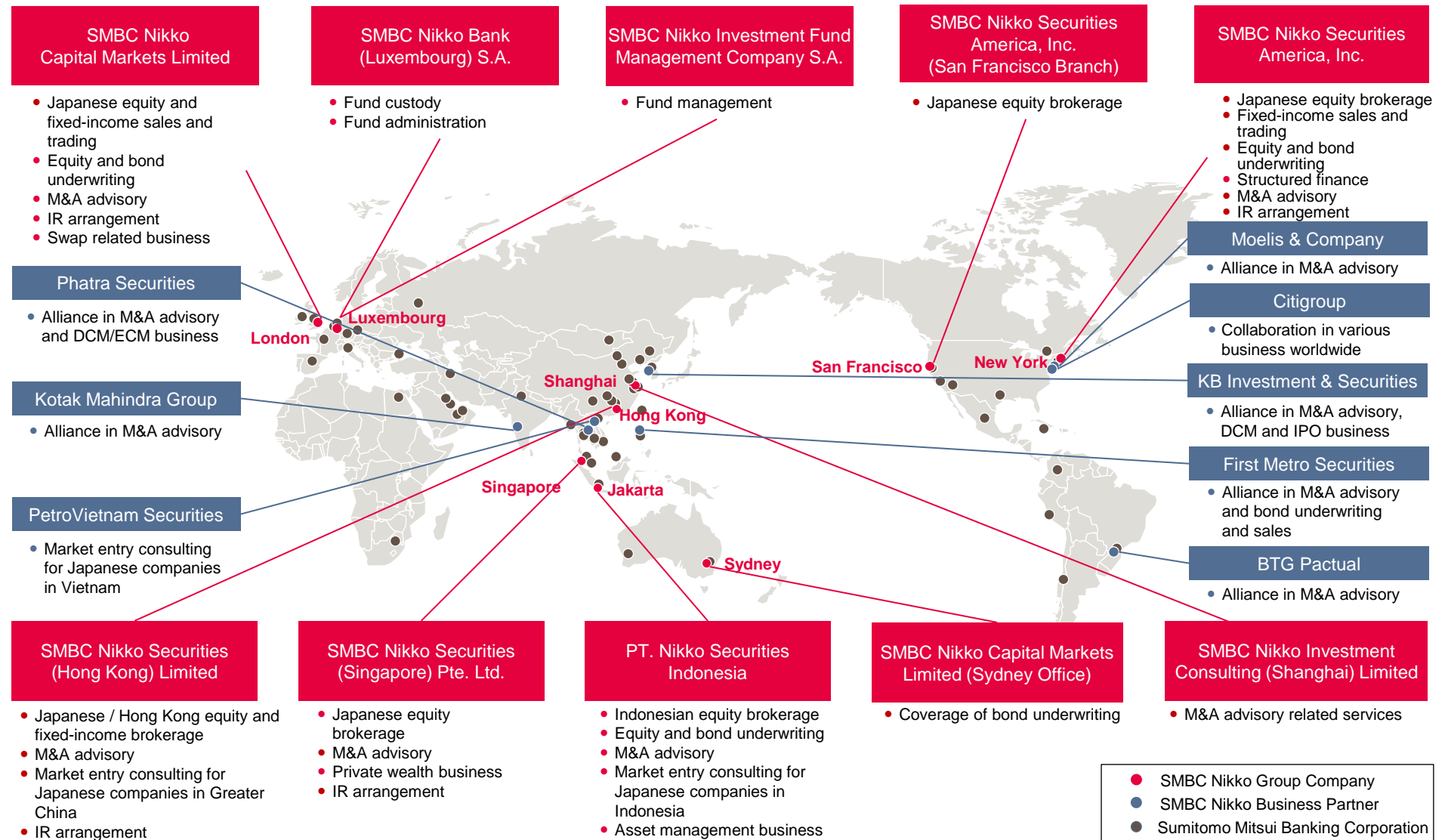
(Trillions of yen)	FY2014				FY2015	
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.
Equity	19.1	20.0	21.4	23.2	24.1	23.3
Bond	14.9	14.3	13.4	13.1	12.9	12.8
Investment trust	6.6	7.0	7.5	7.8	8.1	7.4
Others	0.2	0.2	0.2	0.3	0.3	0.3
Client assets(*1)	40.8	41.5	42.6	44.3	45.4	43.8

(Billions of yen)	1Q	2Q	3Q	4Q	1Q	2Q
Net inflow (outflow) of assets <Sales division>(*2)	303.1	267.4	27.4	270.7	206.9	393.0
Inflow of assets	915.5	1,111.3	1,108.0	1,301.0	1,380.2	1,376.4
Outflow of assets	-612.5	-843.9	-1,080.6	-1,030.3	-1,173.3	-983.3

(*1) Treasury stocks owned by corporate clients have been included in the client assets since FY 2014 Jun.

(*2) Net inflow is recalculated as sales division since FY 2014 1Q.

Overseas Network

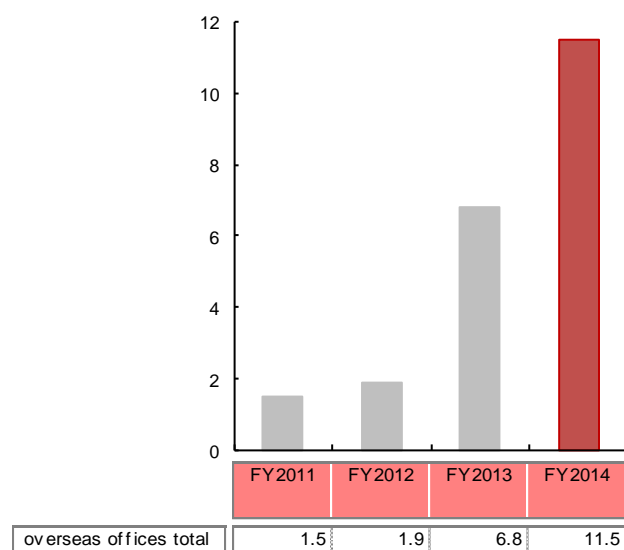


Note : SMBC Nikko Capital Markets and SMBC Nikko Securities America are SMBC Nikko's affiliated companies

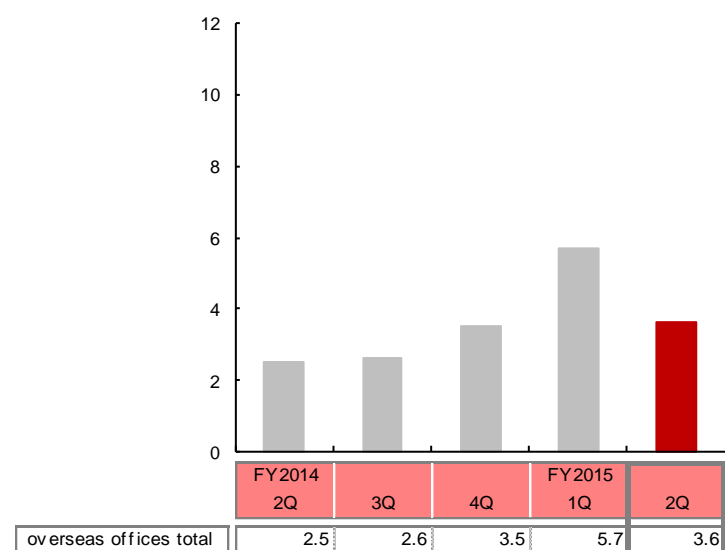
Business Trends of Overseas Offices (Securities Product Group)

◇ Since FY 2011 overseas business has been expanding thanks to enhanced management / structure and collaboration with SMBC.

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



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



- Overseas offices total is defined as the total of:
 - ✓ Earnings of consolidated subsidiaries which are SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore)
 - ✓ Earnings of affiliated companies which are Securities Product Group of SMBC Nikko Capital Markets (Percentage of voting rights: SMBC Nikko Securities 15.15%, SMBC 84.85% using equity method starting from FY2015 2Q) and SMBC Nikko Securities America (Percentage of voting rights: SMBC Nikko Securities 20.00%, SMBC 77.65%, SMBC Financial Services, Inc.(subsidiary of SMBC) 2.35%)

Inheritance Consulting Manager

- In order to meet the growing customer needs with inheritance affairs, managers who are familiar with the professional knowledge have been arranged to each branch as Inheritance Consulting Managers. 109 branches nationwide are expected to begin this service by the end of this year.
- Inheritance Consulting Manager enables to solve problem and meet customer needs through giving seminars and consulting. Updating latest information and inheritance tax reform will make use of for understanding. Furthermore, focusing on personnel training will contribute to offer the systematic support at a branch.

Junior NISA

- According to advance reservation for junior NISA started up on October 5, we launched the new campaign called “Let’s start NISA at SMBC Nikko” and offering other service to promote.
- For all under age customers who open NISA account at SMBC Nikko, we will gift our original newspaper “Economic Paper for Juniors” and card game “Asset Monster” for enhancing financial literacy in the mid-January 2016.

ジュニア経済新聞



アセットモンスター



Renewal for our web site

- PC, tablet-type device and smart phone can easily access to new site.
- Users simply enables to search information they want from every page.
- Enriches market information and utilized contents for investment beginners.



Toward No.1 all-around securities company in Japan

- Main sponsor for Pacific League Climax Series 2015.

First Stage 2015.10.10~10.12
Final Stage 2015.10.14~10.16



- TVCM “First investment at ease—Periodic investment” ver. has been broadcast in the country since August 8 2015, introducing “Periodic investment” as a first step for a beginner who has interest in investment but not decided yet. One of our partners, Yuki Amami stars in the film as a SMBC Nikko employee and asserts our slogan “Share the Future” with customers.



Reference Data



Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	73,804	82,671	101,066	95,065	95,827	79,319
Commissions received	38,176	39,580	46,668	49,492	46,160	46,153
Brokerage commissions	6,815	8,589	12,326	11,146	11,435	10,297
Underwriting and distribution commissions	8,611	6,650	7,908	9,571	8,962	10,799
Flotation and distribution fees	12,858	13,234	13,493	14,364	12,223	11,023
Other commissions	9,890	11,106	12,940	14,410	13,539	14,032
Net trading income	27,499	31,645	45,367	35,759	40,067	22,079
Equities	2,236	-117	3,691	1,574	3,684	104
Bonds / Others	25,263	31,763	41,675	34,185	36,382	21,974
Financial revenue	5,593	8,636	6,181	7,151	7,120	7,914
Other sales	2,534	2,808	2,847	2,660	2,479	3,172
Financial expenses	4,302	3,014	4,708	3,249	5,241	3,303
Cost of sales	1,839	2,042	2,093	2,123	1,938	2,306
Net operating revenue	67,662	77,614	94,264	89,692	88,647	73,708
SG&A	53,744	56,295	61,275	63,953	64,095	60,298
Operating income / loss	13,918	21,319	32,989	25,738	24,552	13,410
Ordinary income / loss	14,549	21,995	33,193	26,503	25,478	15,076
Extraordinary income / loss	-118	-140	-123	-184	6,246	-2,506
Income before income taxes	14,431	21,854	33,070	26,318	31,724	12,569
Income taxes-current	123	604	9,496	12,502	708	6,464
Income taxes-deferred	4,475	7,074	1,537	-4,903	9,418	-1,808
Profit / loss	9,832	14,174	22,036	18,719	21,597	7,912
Profit attributable to owners of parent	9,831	14,170	22,028	18,716	21,593	7,904

Stand-alone Business Results (Quarterly Trend)

(Millions of yen)	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	69,191	77,694	95,547	90,181	90,922	73,941
Commissions received	36,395	37,722	44,317	47,473	44,041	44,169
Brokerage commissions	6,300	7,944	11,442	10,361	10,636	9,516
Underwriting and distribution commissions	8,611	6,650	7,906	9,571	8,962	10,799
Flotation and distribution fees	12,628	13,128	13,465	14,308	12,037	10,982
Other commissions	8,854	9,998	11,502	13,232	12,405	12,870
Net trading income	27,499	31,645	45,367	35,759	40,067	22,079
Equities	2,236	-117	3,691	1,574	3,684	104
Bonds / Others	25,263	31,763	41,675	34,185	36,382	21,974
Financial revenue	5,295	8,327	5,862	6,947	6,813	7,693
Financial expenses	4,031	2,732	4,418	3,066	4,962	3,111
Net operating revenue	65,159	74,962	91,129	87,114	85,959	70,830
SG&A	52,970	54,878	59,398	61,945	62,816	58,885
Operating income / loss	12,189	20,084	31,730	25,169	23,143	11,945
Ordinary income / loss	12,490	20,502	31,684	28,600	23,390	12,507
Extraordinary income / loss	-206	-140	-123	-413	4,611	-4,588
Income before income taxes	12,283	20,362	31,561	28,186	28,001	7,919
Income taxes-current	19	39	9,005	12,113	561	5,932
Income taxes-deferred	4,052	7,174	1,583	-4,150	8,548	-3,201
Profit / loss	8,212	13,148	20,973	20,222	18,892	5,187

Operational Indicators -1

[on a stand-alone basis]

◇ Sales of Products

(Billions of yen)	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
Investment trusts	605.5	705.3	749.5	855.3	788.4	654.2
(Equity investment trusts)	(436.1)	(522.2)	(556.3)	(608.0)	(531.6)	(436.7)
(Foreign registered investment trusts)	(116.4)	(129.5)	(143.0)	(144.0)	(126.7)	(92.9)
Foreign bonds (*)	758.3	758.9	802.0	771.3	817.5	588.8
(Foreign currency bonds)	(202.5)	(193.6)	(287.5)	(216.8)	(236.7)	(193.5)
Domestic bond	798.9	649.5	590.9	550.5	746.3	947.6
(Retail target JGBs)	(102.8)	(92.2)	(76.5)	(136.5)	(129.7)	(151.7)
Public offering	117.9	70.1	94.7	128.4	121.3	94.1
Annuity / insurance	4.1	12.3	15.4	17.2	19.1	18.9
Total	2,284.8	2,196.1	2,252.5	2,322.8	2,492.5	2,303.7

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

◇ Market Share

	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
ECM Global Equity (*1)	23.1%	17.8%	17.2%	17.0%	12.5%	13.7%
DCM All bond in Yen (*2)	15.5%	16.1%	15.5%	15.6%	15.9%	16.8%
M&A Japan related (*3)	1.9%	7.5%	6.7%	7.8%	18.0%	17.4%

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

(*2) All Bonds in Yen, Lead manager

(*3) Any Japanese involvement announced : Rank value

League tables changed to be ranked by group performance from FY 2015 1Q.

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

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◇ Direct Channel Ratio (*1)

	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
Based on number of transaction	91.3%	91.1%	88.5%	89.6%	90.0%	91.5%
(Nikko EZ trade)	(85.7%)	(84.5%)	(81.7%)	(83.1%)	(83.8%)	(85.9%)
Based on commissions	38.5%	45.7%	45.2%	45.4%	43.0%	44.4%
(Nikko EZ trade)	(26.3%)	(30.5%)	(31.0%)	(31.5%)	(27.8%)	(29.5%)

(*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)	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
Equity brokerage amounts	4,189.6	4,644.1	6,247.5	6,075.4	6,412.8	6,285.5
Equity brokerage commissions (*3)	6.5	8.2	11.4	10.2	10.7	8.9
Equity commissions rate	14.1bp	16.2bp	16.6bp	15.5bp	15.3bp	12.4bp

(*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)	FY2014				FY2015	
	Jun. 14	Sep. 14	Dec. 14	Mar. 15	Jun. 15	Sep. 15
Total accounts	2,517	2,546	2,575	2,605	2,629	2,666
Cash management accounts	2,186	2,215	2,243	2,271	2,294	2,332
Newly opened accounts	31	45	48	51	42	55

◇ Number of Branches

【on a stand-alone basis】

	FY2014				FY2015	
	Jun. 14	Sep. 14	Dec. 14	Mar. 15	Jun. 15	Sep. 15
Number of branches	112	116	121	123	123	123

◇ Number of Employees

	FY2014				FY2015	
	Jun. 14	Sep. 14	Dec. 14	Mar. 15	Jun. 15	Sep. 15
Number of employees	9,586	9,528	9,464	9,367	10,022	9,936
Number of 4 overseas employees (SPG)	326	340	349	362	378	396

• Overseas offices total is defined as the total of:

- ✓ Employees of consolidated subsidiaries which are SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore)
- ✓ Employees of affiliated companies which are Securities Product Group of SMBC Nikko Capital Markets and SMBC Nikko Securities America.

