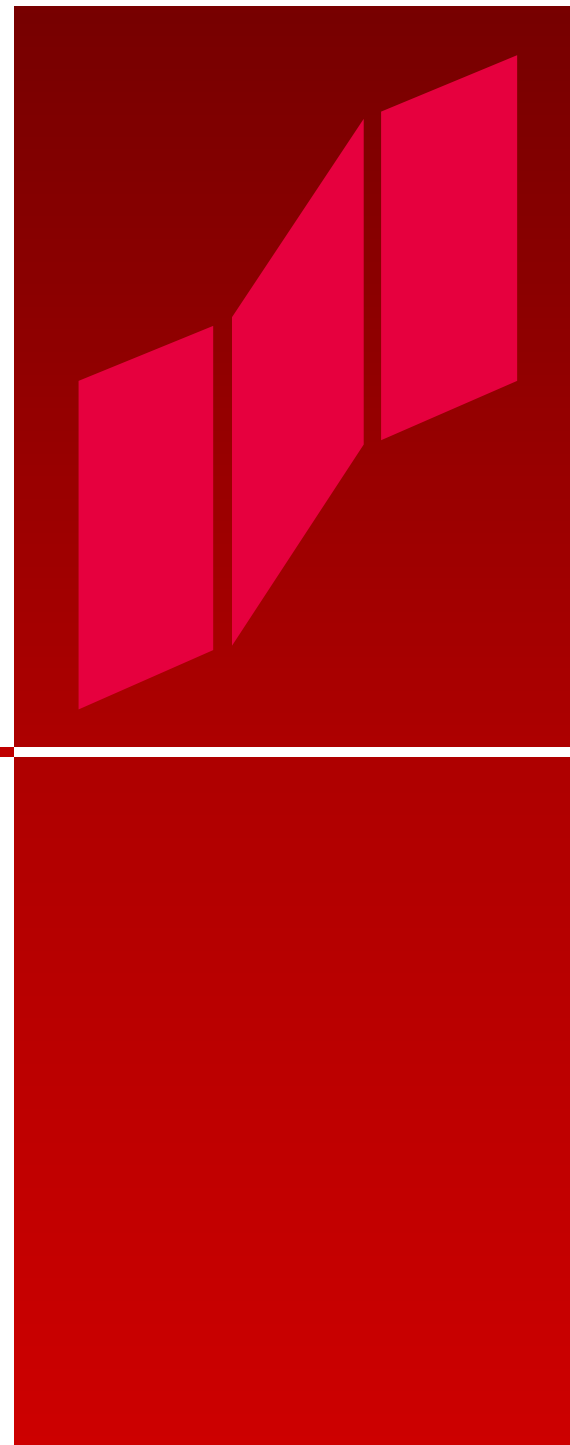
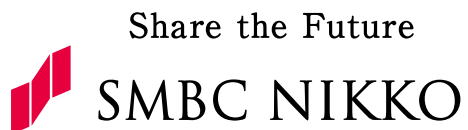


Earnings Announcement for the Third Quarter FY2015 ending March 31, 2016 (JGAAP)

SMBC Nikko Securities Inc.

January 25, 2016



[Reference Data]

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※Based on the reform of accounting standards, presentation has been changed since 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 January 25th, 2016 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 (January 25th, 2016) 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 3Q of FY ending Mar. 2016

9 months to
Dec. 31 2015

- **Net operating revenue ¥ 235.2 B (-2% Y on Y), Ordinary income ¥ 54.0 B (-23%), Profit (*1) ¥ 40.1 B (-13%).**
Equity brokerage commissions and underwriting commissions increased.
Decline of subscription commissions on investment trust and net trading income caused decrease in income and profit.
- Equity brokerage amounts was ¥ 18.6 trillion (+23%).
Aggregate sales of products was ¥ 7.1 trillion (+6%).
Sale of investment trusts was ¥ 2.1 trillion (+6%), foreign bonds was 2.0 trillion (-10%) and domestic bonds was 2.4 trillion (+19%).
- Underwriting commission was ¥ 29.7 B (+28%).
League table rankings for Apr.-Dec. 2015
3rd place(*2) in Global Equity & Equity-Related-Japan
3rd place(*3) in All Bonds in Yen
3rd place(*4) in terms of values and 2nd in terms of number of deals for M&A announced deals
- SG&A was ¥ 184.2 B (+8%).
- 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 Dec. 2015, total assets was ¥ 11.1 trillion, net assets was ¥ 705.6 B, capital adequacy ratio (on a stand-alone basis) was 429%, reflecting a sound financial base of the company.

FY ending
Mar. 2016 3Q

- **Net operating revenue ¥ 72.8 B (-1% Q on Q), Ordinary income ¥ 13.4 B (-11%), Profit (*1) ¥ 10.6 B (+35%).**
- Aggregate sales of products was ¥ 2,372.6 B (+3%), remaining high level. Foreign bonds was ¥ 687.9 B (+17%) and subscription of equity was ¥ 186.4 B (+98%), both of them growing strongly.

Billions of Yen	FY2015		Q on Q	9 months to Dec. 31 2014	9 months to Dec. 31 2015	Y on Y
	2Q	3Q				
Operating revenue	79.3	79.5	+0%	257.5	254.7	-1%
Net operating revenue	73.7	72.8	-1%	239.5	235.2	-2%
SG&A	60.2	59.8	-1%	171.3	184.2	+8%
Ordinary income / loss	15.0	13.4	-11%	69.7	54.0	-23%
Income before taxes	12.5	13.4	+7%	69.3	57.7	-17%
Profit / loss	7.9	10.6	+35%	46.0	40.1	-13%
	Mar.-end '15	Dec.-end '15	From Mar. -end '15	Dec.-end '14	Dec.-end '15	Y on Y
Total assets (Trillions of yen)	9.3	11.1	+1.8	9.5	11.1	+1.6
Total net assets (Billions of yen)	666.6	705.6	+39.0	645.3	705.6	+60.3

(*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

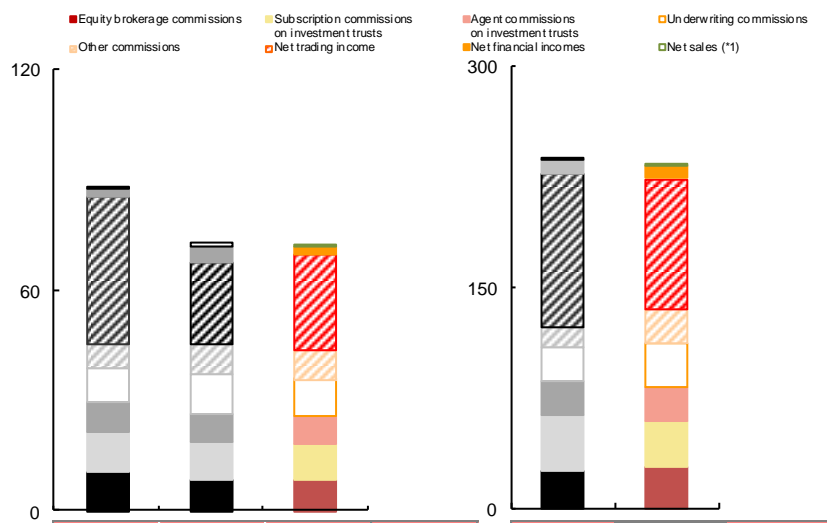
(*4) Source: THOMSON REUTERS, M&A announced deals with any Japanese involvement
League tables have changed to be ranked by group performance since FY2015 1Q.

Net operating revenue / Product sales

- ◇ Net operating revenue for this quarter was ¥ 72.8 B (-1% Q on Q). Adding to net trading income ¥ 25.8 B (+17%), underwriting commissions ¥ 10.0 B (-7%) and other commissions ¥ 8.0 B (-5%) were close to high results in the same as previous quarter.
- ◇ For the 9 months ended Dec. 2015, net operating revenue was ¥ 235.2 B (-2% Y on Y) and aggregate sales of product was ¥ 7,168.8 B (+6%). Expansion of underwriting led to strong results of domestic bonds ¥ 2,434.8 B (+19%) and subscription of equities ¥ 401.9 B (+42%).

Net operating revenue

(Billions of yen)

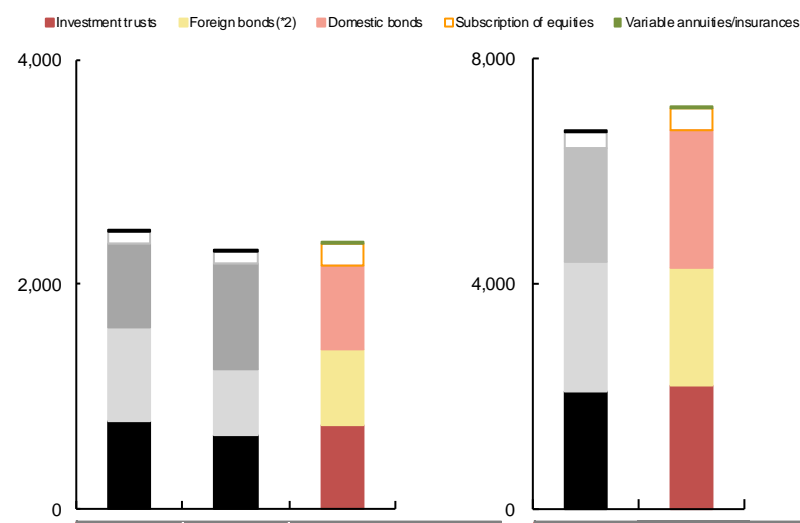


	FY2015 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2014	9 months to Dec. 31 2015	Y on Y
Equity brokerage commissions	10.7	8.9	8.7	-2%	26.1	28.4	+9%
Subscription commissions on investment trusts	11.3	10.1	9.8	-2%	37.8	31.3	-17%
Agent commissions on investment trusts	8.0	7.7	7.6	-1%	23.1	23.5	+2%
Underwriting commissions	8.9	10.7	10.0	-7%	23.1	29.7	+28%
Other commissions	7.0	8.4	8.0	-5%	14.1	23.5	+66%
Net trading income	40.0	22.0	25.8	+17%	104.5	87.9	-16%
Net financial incomes	1.8	4.6	2.0	-56%	8.3	8.5	+2%
Net sales (*1)	0.5	0.8	0.6	-27%	2.2	2.0	-8%
Total	88.6	73.7	72.8	-1%	239.5	235.2	-2%

Product Sales

(Billions of yen)

【on a stand-alone basis】



	FY2015 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2014	9 months to Dec. 31 2015	Y on Y
Investment trusts	788.4	654.2	739.4	+13%	2,060.2	2,182.0	+6%
Foreign bonds(*2)	817.5	588.8	687.9	+17%	2,319.3	2,094.2	-10%
Domestic bonds	746.3	947.6	740.9	-22%	2,039.3	2,434.8	+19%
(Retail - targeted JGBs)	(129.7)	(151.7)	(115.3)	(-24%)	(271.5)	(396.7)	(+46%)
Subscription of equities	121.3	94.1	186.4	+98%	282.8	401.9	+42%
Variable annuities/insurances	19.1	18.9	18.0	-5%	31.8	55.9	+76%
Total	2,492.5	2,303.7	2,372.6	+3%	6,733.3	7,168.8	+6%

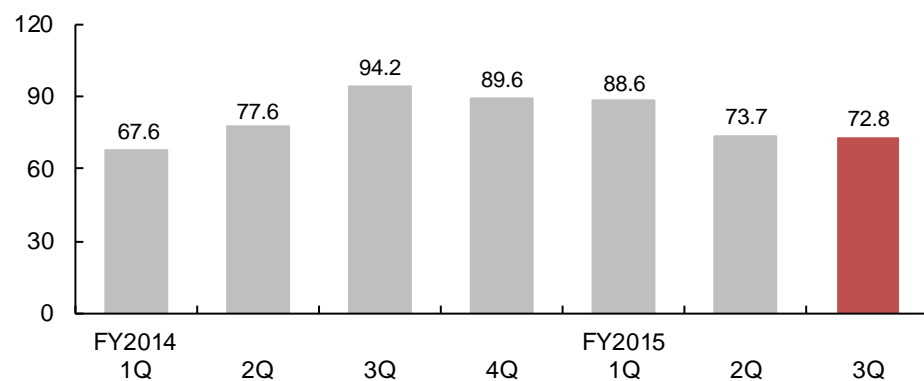
(*1) Other sales minus cost of the sales

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

Business Results (Quarterly Trend)

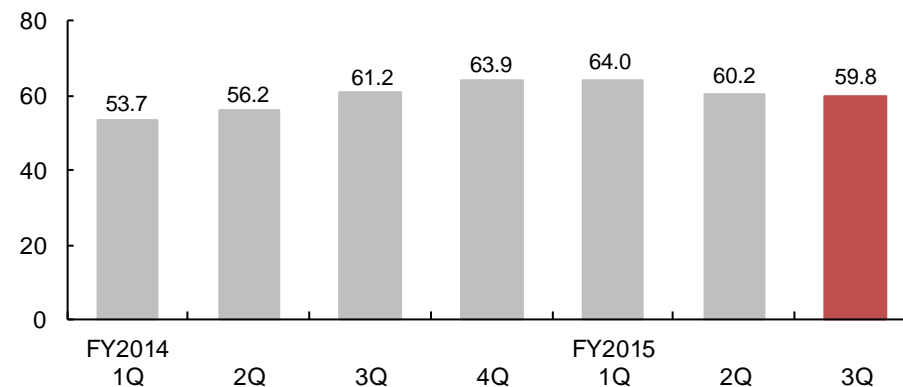
Net operating revenue

(Billions of yen)



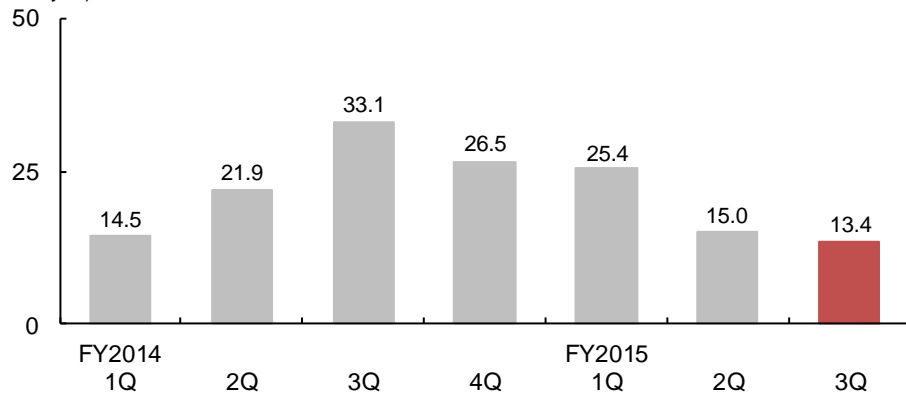
SG&A

(Billions of yen)



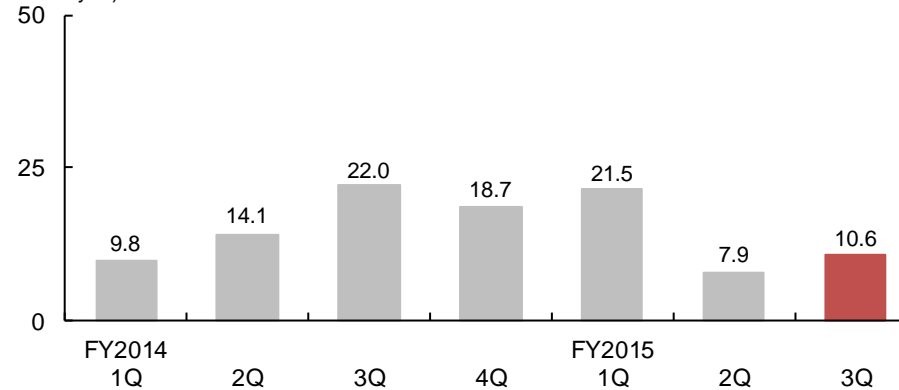
Ordinary income

(Billions of yen)



Profit (*)

(Billions of yen)

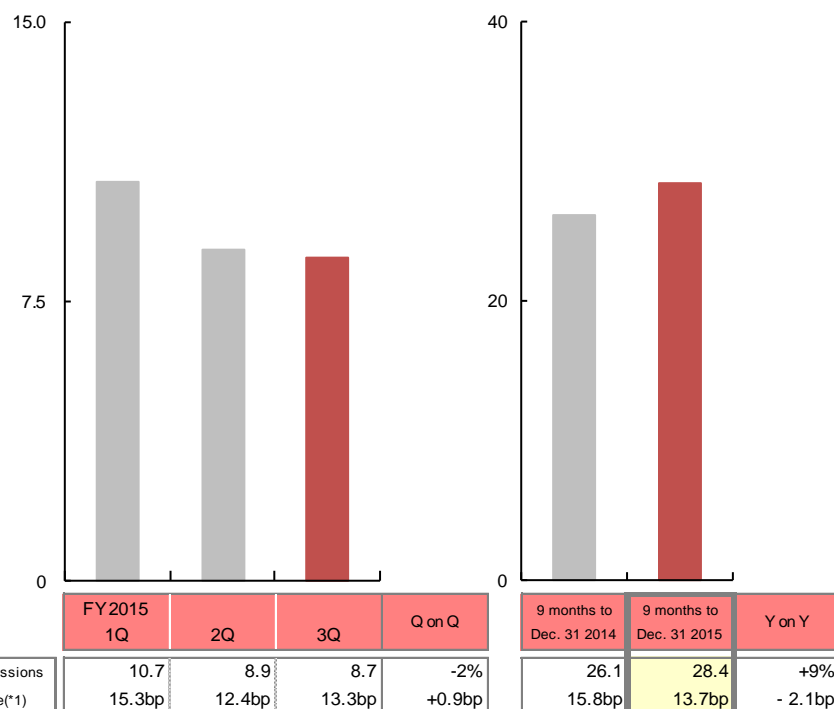


Equity brokerage commissions

- ◇ Equity brokerage amounts for this quarter was ¥ 5,923.6 B (-6% Q on Q) and equity brokerage commissions was ¥ 8.7 B (-2%). Anxiety about reduction for the global economy and US rate hike reduced the transaction in Japanese stock market.
- ◇ For the 9 months ended Dec. 2015, both equity brokerage amounts ¥18,621.9 B (+23% Y on Y) and equity brokerage commissions ¥ 28.4 B (+9%) increased. Equity brokerage amounts / TSE share and retail market share were in an expanding trend.

Equity brokerage commissions

(Billions of yen)

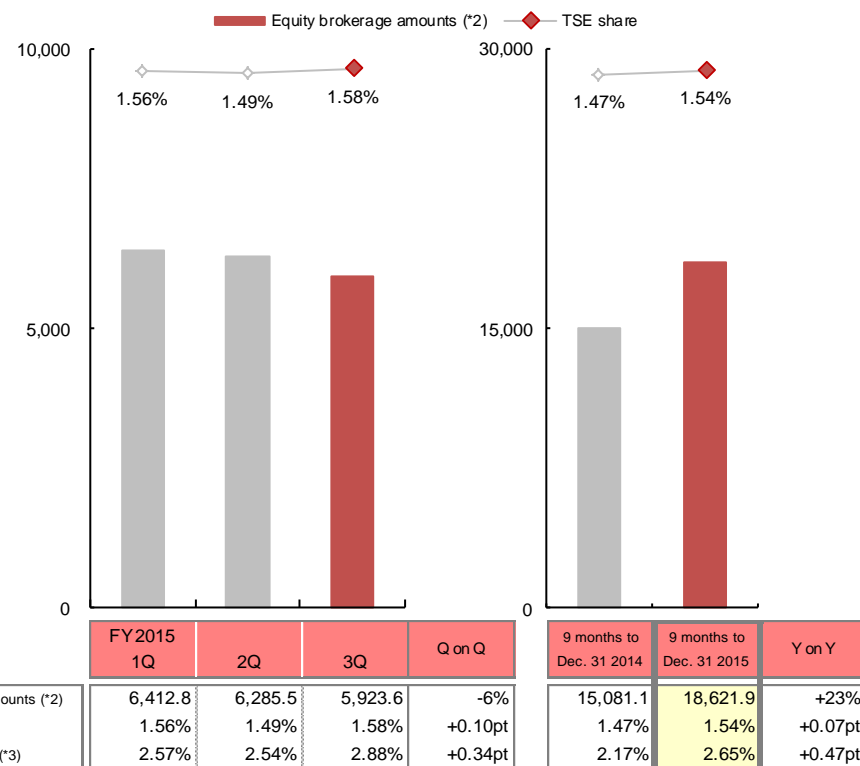


(*1) Adjusted brokerage commissions / brokerage amounts
(Scope: cash and margin transactions)

Equity brokerage amounts / 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

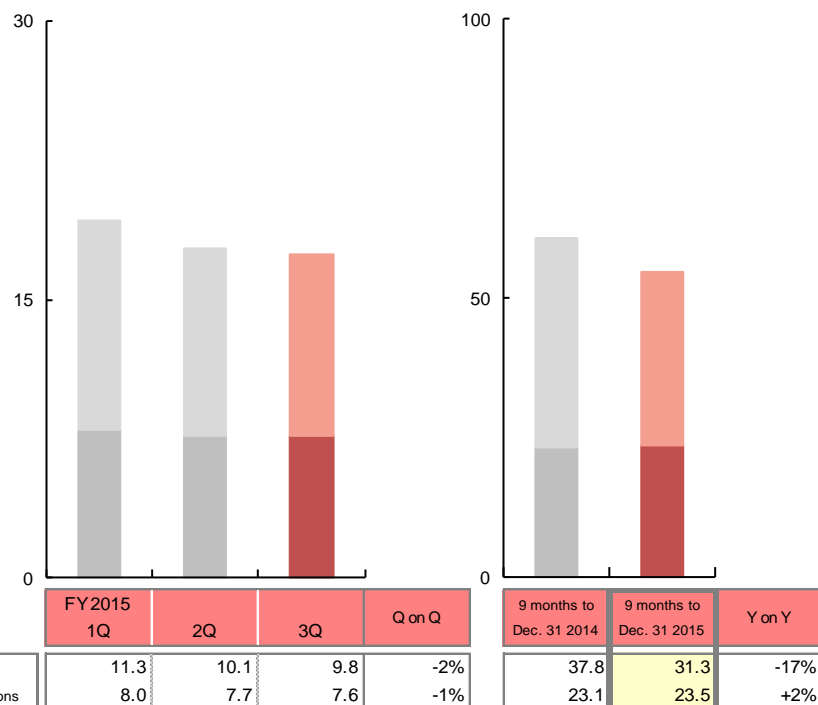
Commissions on investment trusts

- ◇ Sale of investment trusts for this quarter was ¥ 739.4 B (+13% Q on Q) and subscription commissions on investment trust was ¥ 9.8 B (-2%). New funds focusing on sustainable growth and value improvement of Japanese companies, and no-load funds expanded sales amount.
- ◇ For the 9 months ended Dec. 2015, sale of investment trusts was ¥ 2,182.0 B (+6% Y on Y) and subscription commissions on investment trust was ¥ 31.3 B (-17%).

Subscription commissions / Agent and other commissions

(Billions of yen)

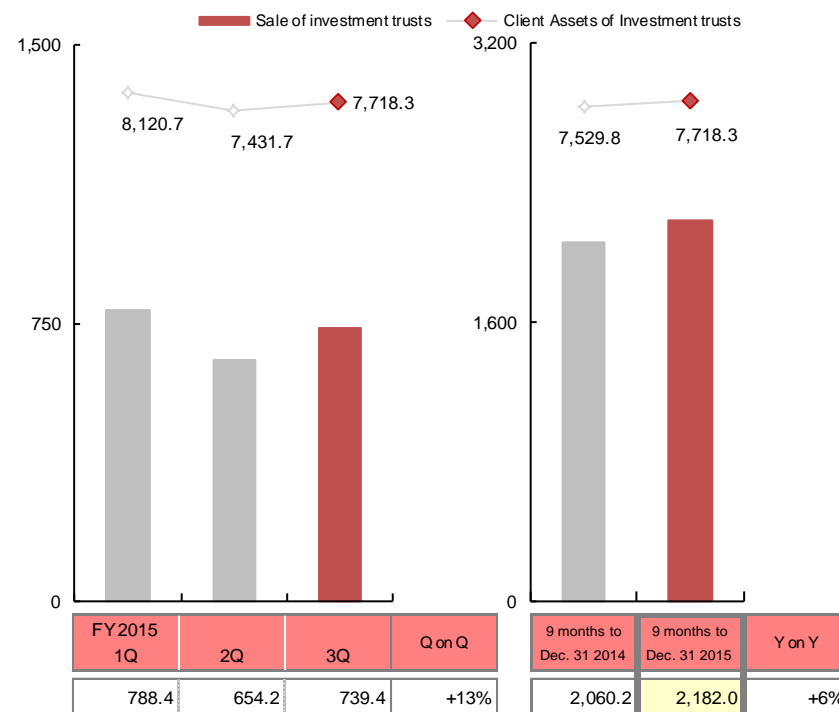
■ Agent and other commissions ■ Subscription commissions



Sales / Client Assets of Invest. trust

(Billions of yen)

【on a stand-alone basis】

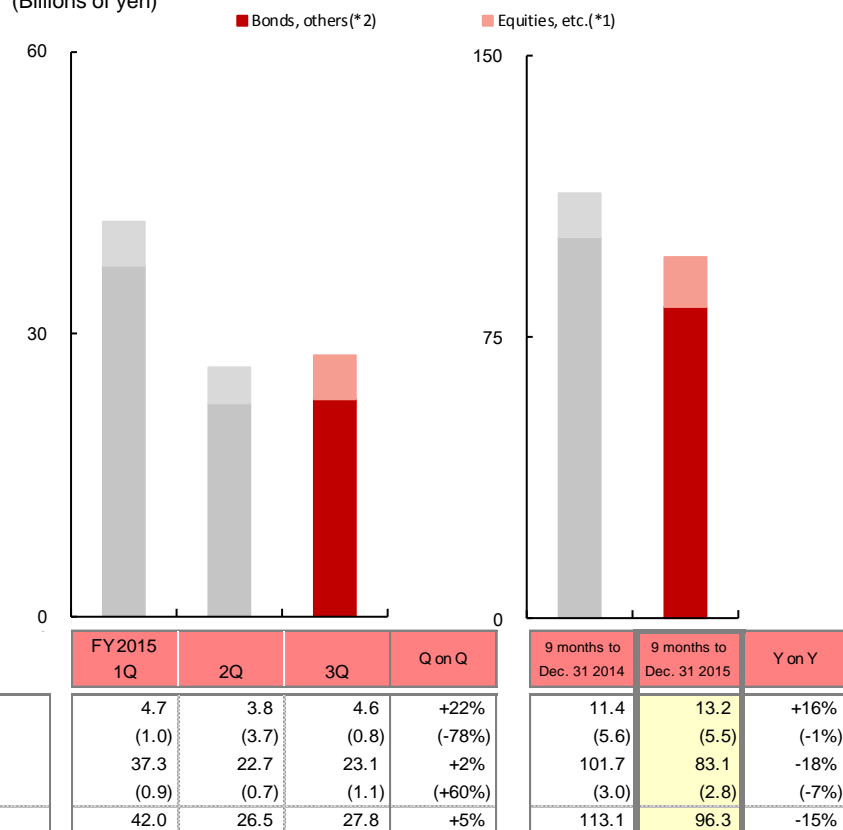


Net trading income

- ◇ Due to growing needs for foreign exchange measure for lower domestic interest rates, foreign bonds for this quarter was ¥ 687.9 B (+17% Q on Q) and net trading income (adjusted net financial incomes) was ¥ 27.8 B (+5%).
- ◇ For the 9 months ended Dec. 2015, net trading income (adjusted net financial incomes) was ¥ 96.3 B (-15% Y on Y).

Net trading income (adjusted net financial incomes)

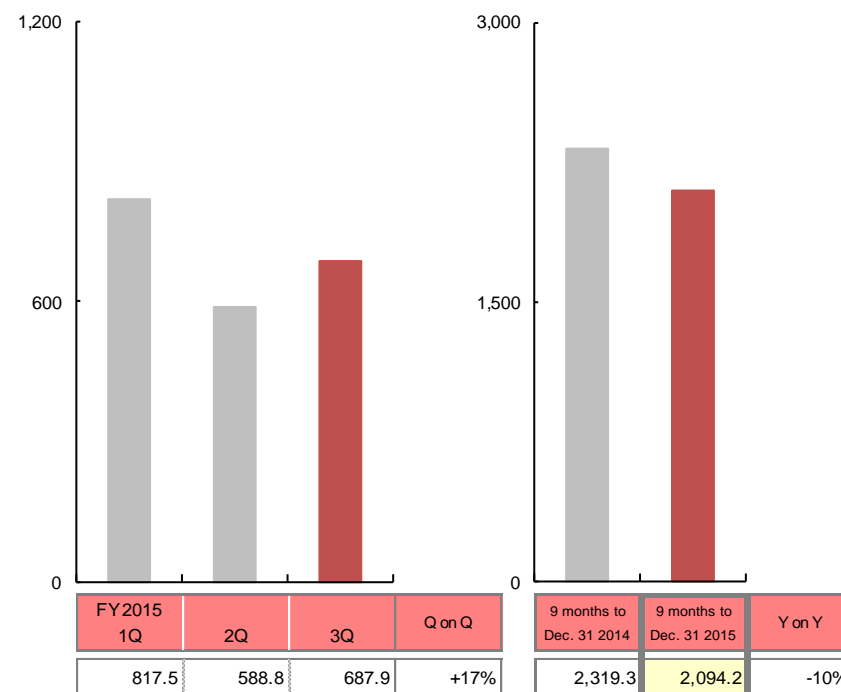
(Billions of yen)



Sale of foreign bonds

(Billions of yen)

【on a stand-alone basis】

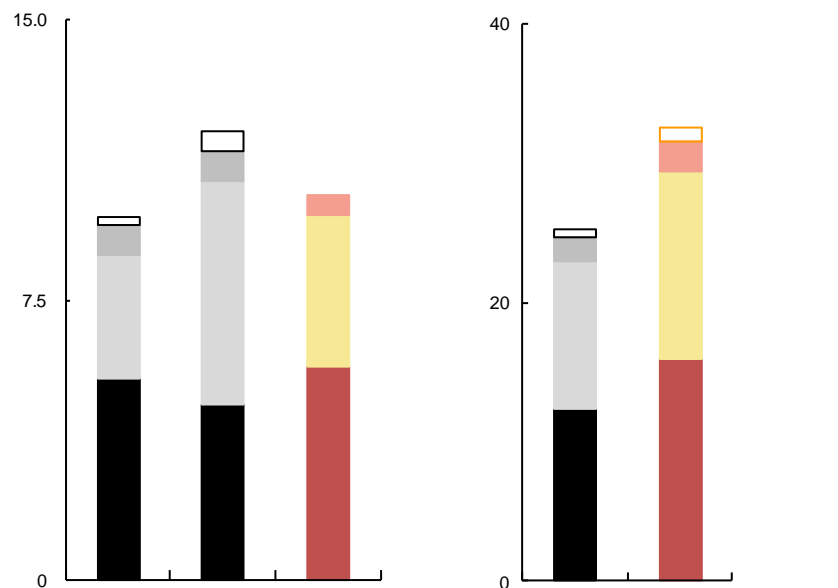


Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commissions for this quarter was ¥ 10.0 B (-7% Q on Q), keeping high revenue with large deals of both equity and bond.
- ◇ For Apr. - Dec. 2015, book runner in Global Equity & Equity-Related-Japan: share 14.0% in 3rd place, lead manager in All Bonds in Yen: share 16.9% in 3rd place.

Underwriting commissions (Equities / Bonds)

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



	FY2015 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2014	9 months to Dec. 31 2015	Y on Y
Underwriting commissions	8.9	10.7	10.0	-7%	23.1	29.7	+28%
Equities	5.4	4.7	5.7	+20%	12.3	16.0	+29%
Bonds	3.3	6.0	4.1	-31%	10.6	13.4	+27%
Subscription and Distribution commissions (EQs/Bonds)	0.8	0.8	0.5	-30%	1.7	2.2	+29%
Others(*)	0.2	0.5	0.0	-84%	0.6	0.9	+44%

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

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura Securities	1,158.0	24.7%
2	Mitsubishi UFJ Morgan Stanley	799.2	17.0%
3	SMBC Nikko Securities	656.1	14.0%
4	Mizuho Securities	577.7	12.3%
5	Daiwa Securities	550.1	11.7%

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

All Bonds in Yen Apr. - Dec. 2015

【on a stand-alone basis】

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	Mitsubishi UFJ Morgan Stanley	2,462.3	21.1%
2	Nomura Securities	2,116.3	18.2%
3	SMBC Nikko Securities	1,964.8	16.9%
4	Mizuho Securities	1,932.8	16.6%
5	Daiwa Securities	1,903.5	16.3%

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. - Dec. 2015 in the league table of M&A financial advisor for any Japanese involvement announced deals:
With 114 deals acquired in total, ranked 3rd or 28.4% in terms of value, and 2nd or 5.0 % in terms of number of deals.

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

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Morgan Stanley	8,248.2	47.0%
2	Nomura Securities	4,985.9	28.4%
3	Sumitomo Mitsui Financial Group	4,982.4	28.4%
4	Goldman Sachs	4,280.8	24.4%
5	Citi	4,009.7	22.9%

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

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Mizuho Financial Group	124	5.4%
2	Sumitomo Mitsui Financial Group	114	5.0%
3	Nomura Securities	101	4.4%
4	Morgan Stanley	51	2.2%
4	KPMG	51	2.2%

Major announced deals Apr. - Dec. 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.)

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 Holdings Limited. (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.)

Panasonic Corporation / PanaHome Reform

Panasonic Corporation decided to accept third-party allocation of shares from PanaHome Reform which is a 100% subsidiary of Panahome Corporation, consolidated listed subsidiary of Panasonic Corporation. (SMBC Nikko serves as an advisor for Panasonic Corporation.)

Sumitomo Mitsui Finance and Leasing Company, Limited / GE Japan LLC

Sumitomo Mitsui Finance and Leasing Company, Limited has reached an agreement with GE Ireland, a subsidiary of General Electric Company, on the acquisition of GE group's leasing business in Japan. (SMBC Nikko serves as an advisor for Sumitomo Mitsui Finance and Leasing Company, Limited.)

Nippon Life Insurance Company / MITSUI LIFE INSURANCE COMPANY LIMITED

Nippon Life Insurance Company agreed to integration of their management. As a part of this integration, Nippon Life Insurance Company executed TOB to MITSUI LIFE INSURANCE COMPANY LIMITED. (SMBC Nikko serves as an advisor and TOB agent for Nippon Life Insurance Company.)

ORIX-VINCI Airports Consortium / NEW KANSAI INTERNATIONAL AIRPORT COMPANY, LTD

NEW KANSAI INTERNATIONAL AIRPORT COMPANY, LTD set the operation right of public facilities to Kansai Airports and signed the project right agreement. Kansai Airports is SPC which ORIX-VINCI Airports Consortium established. (SMBC Nikko serves as an advisor for NEW KANSAI INTERNATIONAL AIRPORT COMPANY, LTD.)

Business collaboration with Sumitomo Mitsui Banking Corporation

【on a stand-alone basis】

- ◇ As the bank-securities retail integration strategy, 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. Strengthening the service 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.

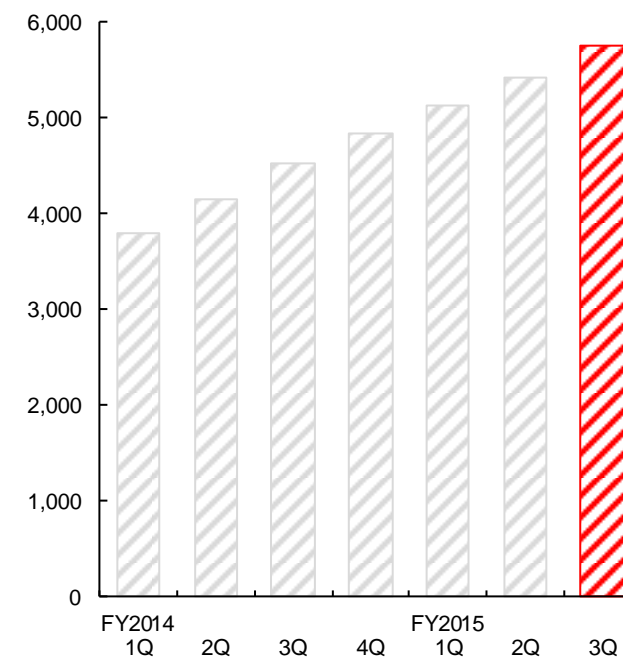
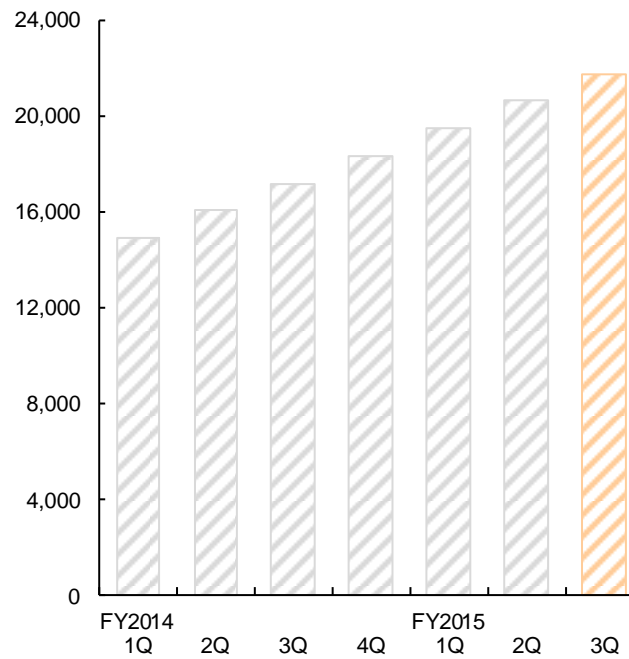
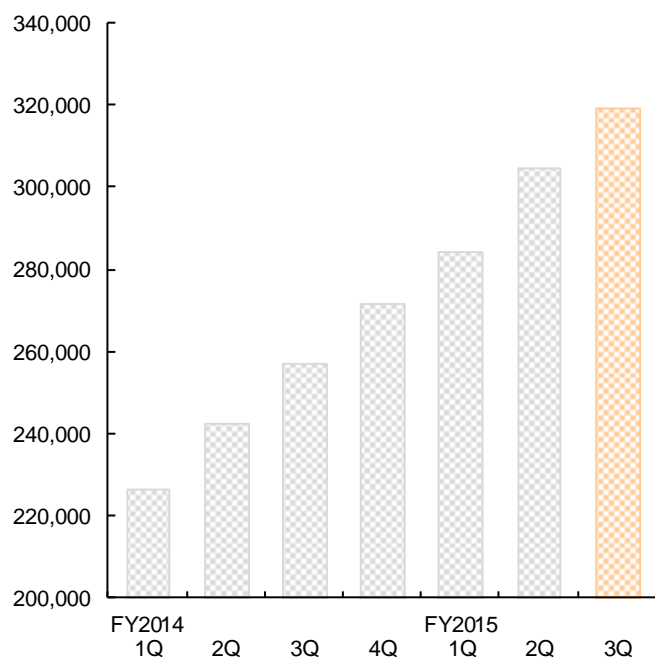
Asset management (Referral service and financial products intermediary service (*1))

Investment banking (Referral service)

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

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

Corporate clients (No. of deals)



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

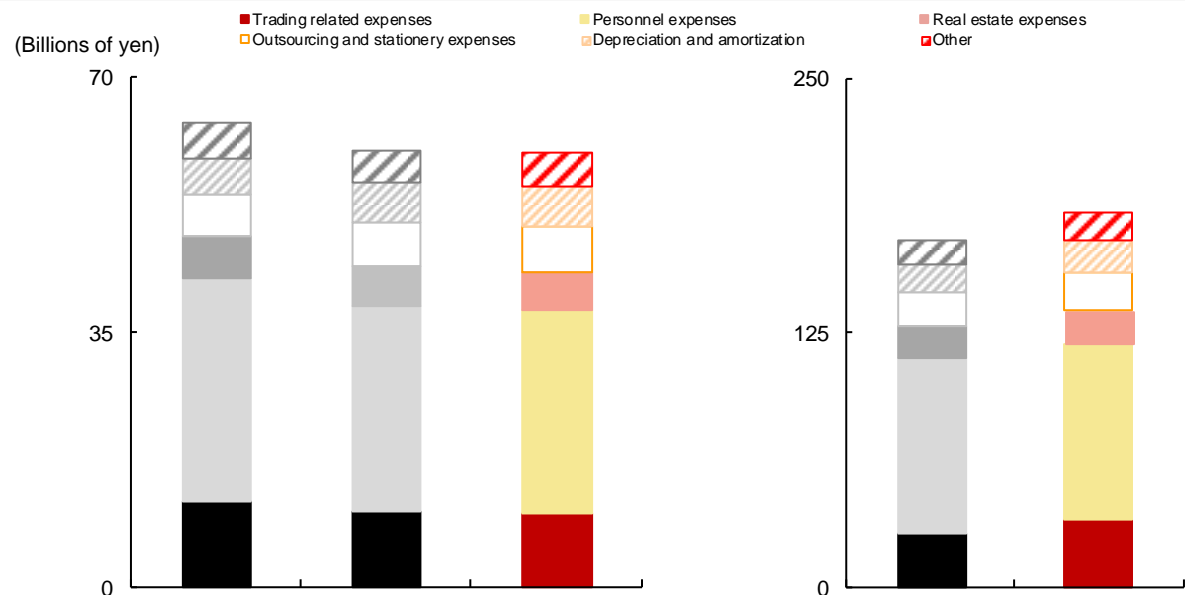
(*1) Financial products intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

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

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

SG&A

- ◇ SG&A for this quarter was ¥ 59.8 B (-1% Q on Q).
- ◇ For the 9 months ended Dec. 2015, SG&A was ¥ 184.2 B (+8% Y on Y).
Increasing trading related expenses and fixed expenses along with system investment cost.



(Billions of yen)	FY2015 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2014	9 months to Dec. 31 2015	Y on Y
Trading related expenses	11.8	10.5	10.2	-3%	26.9	32.6	+21%
Personnel expenses	30.8	28.1	28.0	-0%	86.2	86.9	+1%
Real estate expenses	5.7	5.5	5.2	-5%	15.5	16.5	+6%
Outsourcing and stationery expenses	5.7	6.2	6.3	+1%	16.8	18.4	+9%
Depreciation and amortization	5.1	5.3	5.5	+4%	13.6	16.0	+18%
Other	4.7	4.4	4.4	+1%	12.1	13.6	+13%
SG&A / Fixed expense	64.0	60.2	59.8	-1%	171.3	184.2	+8%
SG&A / Net operating revenue	72%	82%	82%	+0pt	72%	78%	+7pt

Balance sheet / Capital Adequacy Ratio

【on a stand-alone basis】

(Billions of Yen)	Mar.15	Dec.15	Variance
Current assets	9,124.9	10,917.6	+1,792.6
Trading products	3,079.6	4,474.6	+1,395.0
Loans secured by securities	4,165.3	4,889.5	+724.1
Other current assets	1,879.9	1,553.4	-326.4
Noncurrent assets	227.9	270.4	+42.5
Tangible assets	26.4	26.8	+0.4
Intangible assets	77.5	84.5	+6.9
Investments and other assets	123.9	159.0	+35.1
Total assets	9,352.9	11,188.1	+1,835.2
Current liabilities	8,144.1	9,852.0	+1,707.8
Trading products	2,324.3	2,632.9	+308.5
Loans payable secured by securities	3,336.2	4,883.8	+1,547.5
Short-term loans payable / Commercial papers	1,996.3	1,545.9	-450.4
Other current liabilities	487.0	789.2	+302.1
Noncurrent liabilities / Reserves under the special laws	542.1	630.4	+88.3
Total liabilities	8,686.3	10,482.4	+1,796.1
Total net assets	666.6	705.6	+39.0
Total liabilities and net assets	9,352.9	11,188.1	+1,835.2

(Billions of Yen)	Mar.15	Dec.15	Variance
Basic items	623.5	655.6	+32.0
Supplementary items	105.1	103.2	-1.9
Deductible assets	139.2	169.7	+30.5
Net capital	589.4	589.0	-0.4
Risk total	123.2	137.2	+14.0
Market Risk	44.9	50.9	+6.0
Counterparty Risk	21.7	23.7	+2.0
Basic Risk	56.5	62.5	+5.9
Capital Adequacy Ratio	478%	429%	-49pt

【on a stand-alone basis】

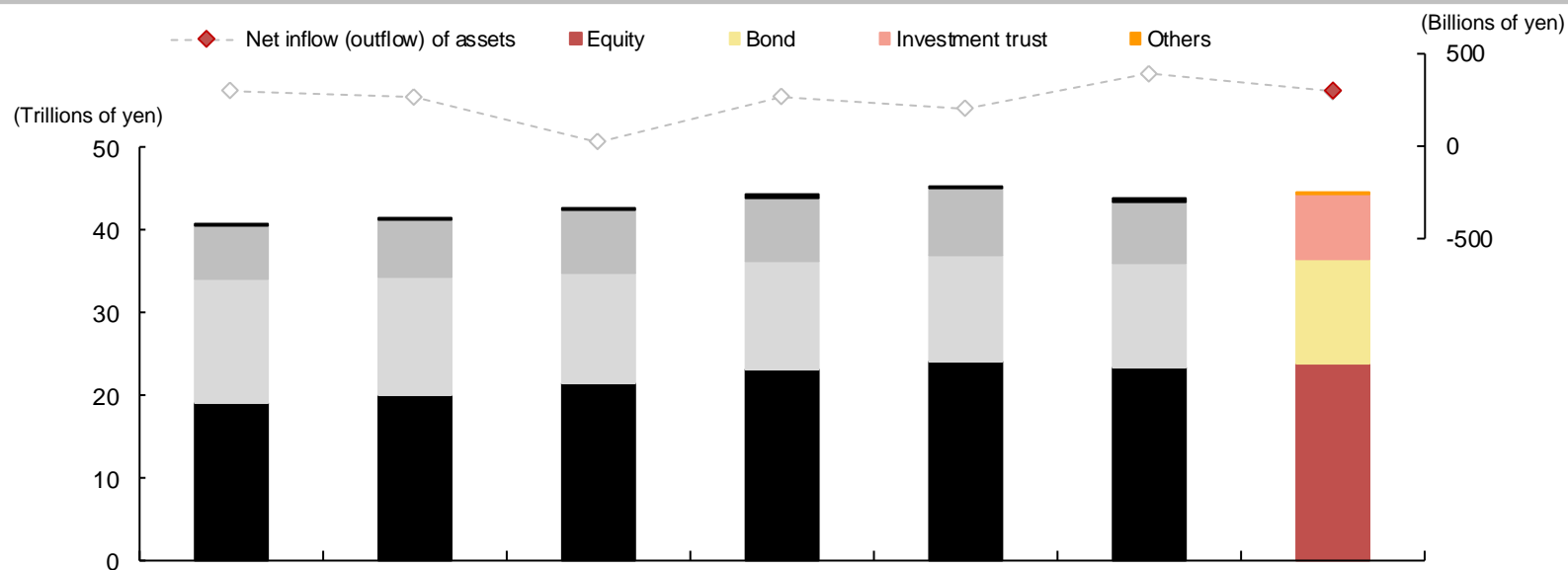
Credit ratings on Long Term (as of January 25th, 2016)

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 Dec. 2015 was ¥ 44.6 trillion (+2% Q on Q).
- ◇ Net inflow of assets at sales division for this quarter was ¥ 296.2 B.



(Trillions of yen)	FY2014				FY2015		
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
Equity	19.1	20.0	21.4	23.2	24.1	23.3	23.9
Bond	14.9	14.3	13.4	13.1	12.9	12.8	12.7
Investment trust	6.6	7.0	7.5	7.8	8.1	7.4	7.7
Others	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Client assets(*1)	40.8	41.5	42.6	44.3	45.4	43.8	44.6

(Billions of yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	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	1,316.9
Outflow of assets	-612.5	-843.9	-1,080.6	-1,030.3	-1,173.3	-983.3	-1,020.7

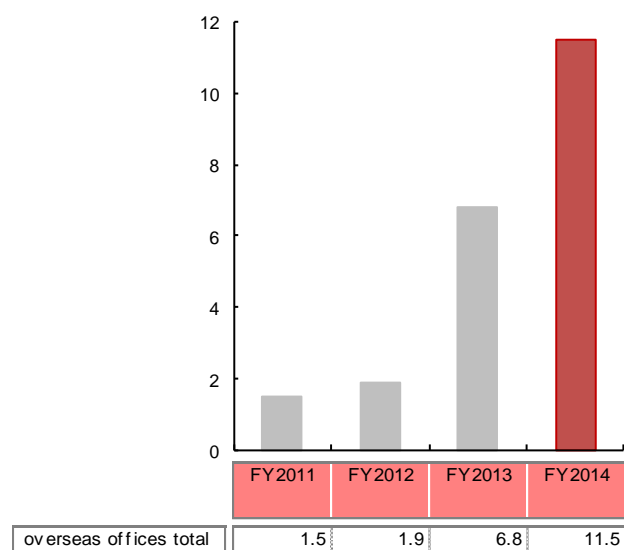
(*1) Treasury stocks owned by corporate clients have been included in the client assets since FY 2014 Jun.

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

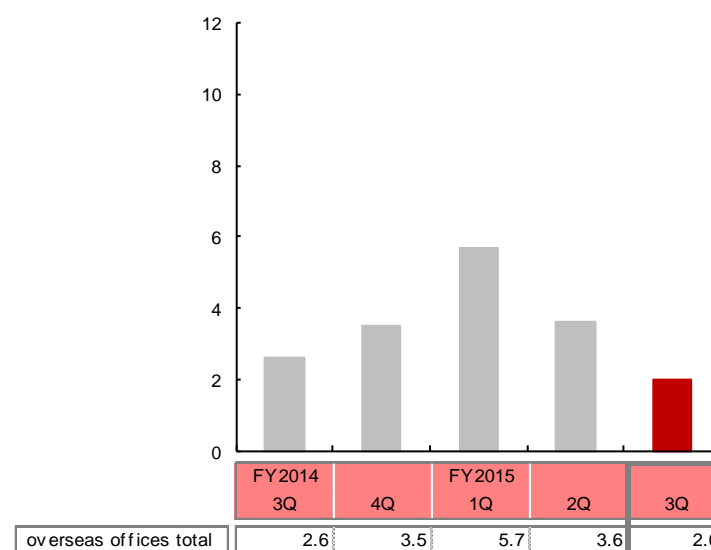
Business Trends of Overseas Offices (Securities Product Group)

- ◇ For the 9 months ended Dec. 2015, earnings based on managerial accounting was ¥ 11.3 B (+42% Y on Y).
- ◇ 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)

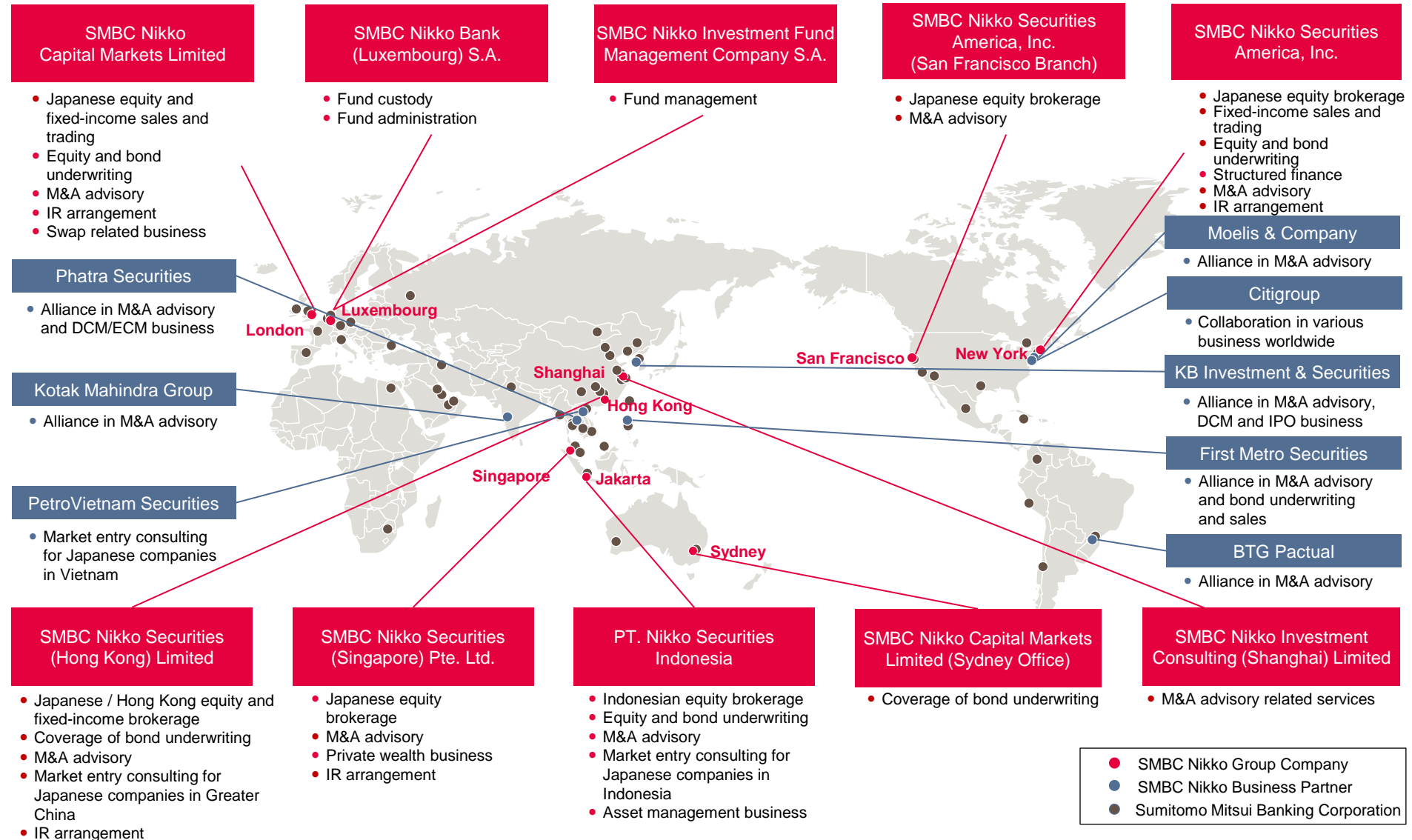


Earnings based on managerial accounting
Quarterly trend (Billions of yen)



- 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%)

Overseas Network



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

Inheritance Consulting Managers arranged at 109 branches

- Managers who are familiar with the professional knowledge had arranged to each branch as Inheritance Consulting Managers at 109 branches nationwide.
- “Inheritance Consulting with Nikko” was installed on our website and we began to offer simulation and diagnosis of inheritance measures at each branch as brand-new service.
- Now we enable to offer a wide variety of solution for our customers with effective use of financial products and introduction of Sumitomo Mitsui Banking Corporation when our customer request the intermediary service.



Nikko MiRun Inc. the first harvest in “MiRun farm”

Nikko MiRun Inc., hereafter called MiRun was instituted in April 2015 in order to offer the work environment where handicapped people could demonstrate their abilities and promote employment.

- As part of the business, MiRun opened “MiRun farm”, mowed and leveled grounds, sowed the seeds of Japanese mustard spinach etc., and greeted the first harvest in November 2015.
- MiRun was certified as the special subsidiary company based on Handicapped Person's Employment Promotion Law in January 2016.

Nikko contact center Winning and Certificated

Nikko contact center has continued to get awards and certification of the objective evaluation analysis with the aim of upgrading the technics of telephone corresponding and talking; further progress as an organization taking on a role of the advanced sales mixed model; maintenance of the latest international quality assurance standards.



Winning "Best Practice Award" for eight consecutive years

This winning for eight consecutive years is the longest record in this award with maximizing of customer contact, strengthening of coordination with branch offices and expanding the sales mixed model in Nikko contact center. In this year, we were highly evaluated for our various activities developing of systems for building relationship with next-generation wealthy and people who need to build up financial assets from now on.



Granting 3 stars for ten consecutive years in HDI Benchmarking

We are the only company granting the rank of 3 stars for ten consecutive years among domestic companies since the survey on HDI benchmarking for customer service commenced in 2006.



Winning “Chief director Award” in the contest of corporate telephone corresponding

We won “Chief director Award” and we were certificated as “Gold-Rank firm” for three consecutive years in the contest of corporate telephone corresponding hosted by Japan Telecom Users Association. We are the only company certificated as “Gold-Rank firm” at the current time.

Reference Data



Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2014				FY2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	73,804	82,671	101,066	95,065	95,827	79,319	79,570
Commissions received	38,176	39,580	46,668	49,492	46,160	46,153	44,403
Brokerage commissions	6,815	8,589	12,326	11,146	11,435	10,297	9,602
Underwriting and distribution commissions	8,611	6,650	7,908	9,571	8,962	10,799	10,001
Flotation and distribution fees	12,858	13,234	13,493	14,364	12,223	11,023	10,490
Other commissions	9,890	11,106	12,940	14,410	13,539	14,032	14,309
Net trading income	27,499	31,645	45,367	35,759	40,067	22,079	25,813
Equities	2,236	-117	3,691	1,574	3,684	104	3,877
Bonds / Others	25,263	31,763	41,675	34,185	36,382	21,974	21,936
Financial revenue	5,593	8,636	6,181	7,151	7,120	7,914	6,549
Other sales	2,534	2,808	2,847	2,660	2,479	3,172	2,803
Financial expenses	4,302	3,014	4,708	3,249	5,241	3,303	4,520
Cost of sales	1,839	2,042	2,093	2,123	1,938	2,306	2,174
Net operating revenue	67,662	77,614	94,264	89,692	88,647	73,708	72,875
SG&A	53,744	56,295	61,275	63,953	64,095	60,298	59,878
Operating income / loss	13,918	21,319	32,989	25,738	24,552	13,410	12,996
Ordinary income / loss	14,549	21,995	33,193	26,503	25,478	15,076	13,456
Extraordinary income / loss	-118	-140	-123	-184	6,246	-2,506	-18
Income before income taxes	14,431	21,854	33,070	26,318	31,724	12,569	13,438
Income taxes-current	123	604	9,496	12,502	708	6,464	5,878
Income taxes-deferred	4,475	7,074	1,537	-4,903	9,418	-1,808	-3,089
Profit / loss	9,832	14,174	22,036	18,719	21,597	7,912	10,648
Profit attributable to owners of parent	9,831	14,170	22,028	18,716	21,593	7,904	10,639

Stand-alone Business Results (Quarterly Trend)

(Millions of yen)	FY2014				FY2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	69,191	77,694	95,547	90,181	90,922	73,941	74,431
Commissions received	36,395	37,722	44,317	47,473	44,041	44,169	42,256
Brokerage commissions	6,300	7,944	11,442	10,361	10,636	9,516	8,854
Underwriting and distribution commissions	8,611	6,650	7,906	9,571	8,962	10,799	10,001
Flotation and distribution fees	12,628	13,128	13,465	14,308	12,037	10,982	10,489
Other commissions	8,854	9,998	11,502	13,232	12,405	12,870	12,911
Net trading income	27,499	31,645	45,367	35,759	40,067	22,079	25,813
Equities	2,236	-117	3,691	1,574	3,684	104	3,877
Bonds / Others	25,263	31,763	41,675	34,185	36,382	21,974	21,935
Financial revenue	5,295	8,327	5,862	6,947	6,813	7,693	6,361
Financial expenses	4,031	2,732	4,418	3,066	4,962	3,111	4,360
Net operating revenue	65,159	74,962	91,129	87,114	85,959	70,830	70,070
SG&A	52,970	54,878	59,398	61,945	62,816	58,885	58,269
Operating income / loss	12,189	20,084	31,730	25,169	23,143	11,945	11,801
Ordinary income / loss	12,490	20,502	31,684	28,600	23,390	12,507	11,804
Extraordinary income / loss	-206	-140	-123	-413	4,611	-4,588	-15
Income before income taxes	12,283	20,362	31,561	28,186	28,001	7,919	11,788
Income taxes-current	19	39	9,005	12,113	561	5,932	5,518
Income taxes-deferred	4,052	7,174	1,583	-4,150	8,548	-3,201	-1,703
Profit / loss	8,212	13,148	20,973	20,222	18,892	5,187	7,973

Operational Indicators -1

【on a stand-alone basis】

◇ Sales of Products

(Billions of yen)	FY2014				FY2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Investment trusts	605.5	705.3	749.5	855.3	788.4	654.2	739.4
(Equity investment trusts)	(436.1)	(522.2)	(556.3)	(608.0)	(531.6)	(436.7)	(453.4)
(Foreign registered investment trusts)	(116.4)	(129.5)	(143.0)	(144.0)	(126.7)	(92.9)	(112.8)
Foreign bonds (*)	758.3	758.9	802.0	771.3	817.5	588.8	687.9
(Foreign currency bonds)	(202.5)	(193.6)	(287.5)	(216.8)	(236.7)	(193.5)	(276.3)
Domestic bonds	798.9	649.5	590.9	550.5	746.3	947.6	740.9
(Retail target JGBs)	(102.8)	(92.2)	(76.5)	(136.5)	(129.7)	(151.7)	(115.3)
Public offering	117.9	70.1	94.7	128.4	121.3	94.1	186.4
Annuity / insurance	4.1	12.3	15.4	17.2	19.1	18.9	18.0
Total	2,284.8	2,196.1	2,252.5	2,322.8	2,492.5	2,303.7	2,372.6

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

◇ Market Share

	FY2014				FY2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
ECM Global Equity (*1)	23.1%	17.8%	17.2%	17.0%	12.5%	13.7%	14.0%
DCM All bonds in Yen (*2)	15.5%	16.1%	15.5%	15.6%	15.9%	16.8%	16.9%
M&A Japan related (*3)	1.9%	7.5%	6.7%	7.8%	18.0%	17.4%	28.4%

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

(*2) All Bonds in Yen, Lead manager

(*3) Any Japanese involvement announced : Rank value

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

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Source: prepared by THOMSON REUTERS

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

Operational Indicators -2

[on a stand-alone basis]

◇ Direct Channel Ratio (*1)

	FY2014				FY2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Based on number of transaction	91.3%	91.1%	88.5%	89.6%	90.0%	91.5%	85.8%
(Nikko EZ Trade)	(85.7%)	(84.5%)	(81.7%)	(83.1%)	(83.8%)	(85.9%)	(81.1%)
Based on commissions	38.5%	45.7%	45.2%	45.4%	43.0%	44.4%	36.0%
(Nikko EZ trade)	(26.3%)	(30.5%)	(31.0%)	(31.5%)	(27.8%)	(29.5%)	(23.8%)

(*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	3Q
Equity brokerage amounts	4,189.6	4,644.1	6,247.5	6,075.4	6,412.8	6,285.5	5,923.6
Equity brokerage commissions (*3)	6.5	8.2	11.4	10.2	10.7	8.9	8.7
Equity commissions rate	14.1bp	16.2bp	16.6bp	15.5bp	15.3bp	12.4bp	13.3bp

(*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.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
Total accounts	2,517	2,546	2,575	2,605	2,629	2,666	2,712
Cash management accounts	2,186	2,215	2,243	2,271	2,294	2,332	2,372
Newly opened accounts	31	45	48	51	42	55	59

◇ Number of Branches

【on a stand-alone basis】

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

◇ Number of Employees

	FY2014				FY2015		
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
Number of employees	9,586	9,528	9,464	9,367	10,022	9,936	9,829
Number of 4 overseas employees (SPG)	326	340	349	362	378	396	413

• 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.

