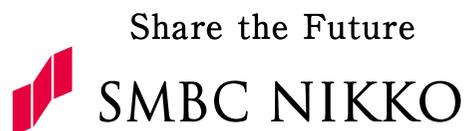


Earnings Announcement for FY2015 ended March 31, 2016 (JGAAP)

SMBC Nikko Securities Inc.

April 25, 2016



[Reference Data]

Summary of business results for the FY ended 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		
Business Trends of Overseas Offices (Securities Product Group)	14		
Overseas Network	15		
Topics	16		

※Terminologies have changed due to the reform of accounting standards (see the table). Note for “Net Income” is substituted by “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 April 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 (April 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 FY ended Mar. 2016

FY ended
Mar. 2016

- **Net operating revenue ¥ 292.8 B (-11% Y on Y), Ordinary income ¥ 55.8 B (-42%), Profit (*1) ¥ 42.1 B (-35%).**
Decline of sales of products through uncertain global economy caused decrease in income and profit.
- Equity brokerage amounts was ¥ 24.9 trillion (+18%).
Aggregate sales of products was ¥ 8.8 trillion (-2%).
Sale of investment trusts was ¥ 2.6 trillion (-8%), foreign bonds was 2.7 trillion (-12%) and domestic bonds was 2.9 trillion (+13%).
- Underwriting commission was ¥ 34.0 B (+4%).
League table rankings for Apr. 2015 - Mar. 2016
4th place(*2) in Global Equity & Equity-Related-Japan
5th 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 ¥ 241.5 B (+3%).
- 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 Mar. 2016, total assets was ¥ 10.4 trillion, net assets was ¥ 697.8 B, capital adequacy ratio (on a stand-alone basis) was 396%, reflecting a sound financial base of the company.

FY ending
Mar. 2016 4Q

- **Net operating revenue ¥ 57.6 B (-21% Q on Q), Ordinary income ¥ 1.8 B (-87%), Profit (*1) ¥ 1.9 B (-81%).**
- Aggregate sales of products was ¥ 1,664.4 B (-30%), especially sale of investment trusts ¥ 497.2 B (-33%) and domestic bonds ¥ 491.9 B (-34%) .

Billions of Yen	FY2015		Q on Q	FY ended Mar. 31 2015	FY ended Mar. 31 2016	Y on Y
	3Q	4Q				
Operating revenue	79.5	64.0	-19%	352.6	318.7	-10%
Net operating revenue	72.8	57.6	-21%	329.2	292.8	-11%
SG&A	59.8	57.2	-4%	235.2	241.5	+3%
Ordinary income / loss	13.4	1.8	-87%	96.2	55.8	-42%
Income before taxes	13.4	1.5	-88%	95.6	59.2	-38%
Profit / loss(*1)	10.6	1.9	-81%	64.7	42.1	-35%
	Dec.-end '15	Mar.-end '16	Q on Q	Mar.-end '15	Mar.-end '16	Y on Y
Total assets (Trillions of yen)	11.1	10.4	-0.7	9.3	10.4	+1.1
Total net assets (Billions of yen)	705.6	697.8	-7.8	666.6	697.8	+31.1

(*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

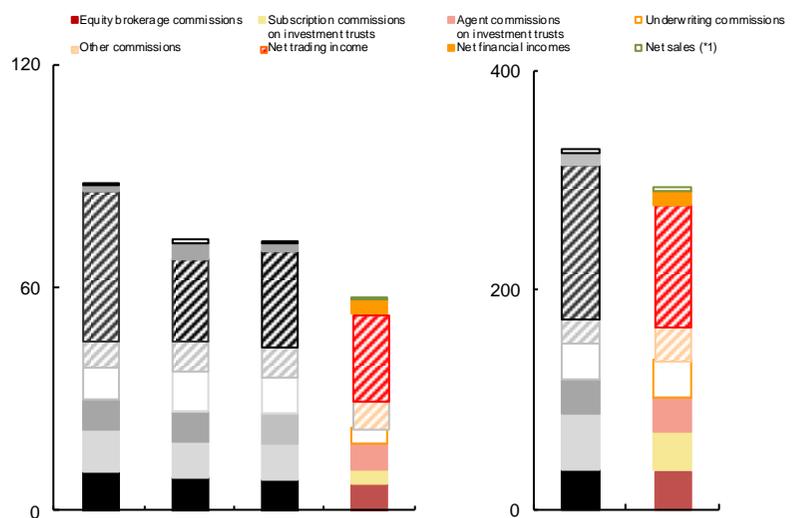
(*4) Source: THOMSON REUTERS, M&A announced deals with any Japanese involvement
League tables have changed to be ranked by group performance since FY2015 1Q.

Net operating revenue / Product sales

- ◇ Net operating revenue for this quarter was ¥ 57.6 B (-21% Q on Q) and sales of product was ¥ 1,664.4 B(-30%). Although subscription commissions on investment trusts and underwriting commissions were decreased, net trading income supported ¥ 23.2 B (-10%) the profit.
- ◇ For the FY 2015 ended Mar. 2016, net operating revenue was ¥ 292.8 B (-11% Y on Y) and aggregate sales of product was ¥ 8,833.2 B (-2%). Though underwriting commissions and other commissions increased, decrease of subscription commissions on investment trusts and net trading income led to decrease in net operating revenue.

Net operating revenue

(Billions of yen)

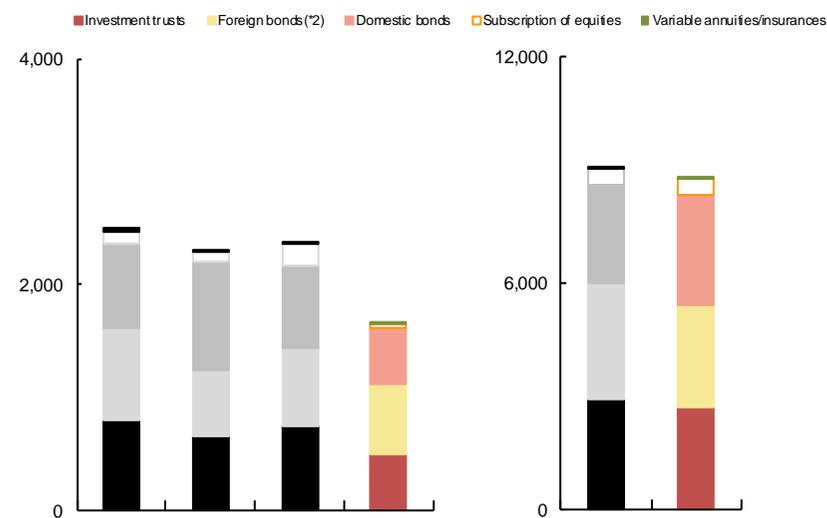


	FY2015 1Q	2Q	3Q	4Q	Q on Q	FY ended Mar. 31 2015	FY ended Mar. 31 2016	Y on Y
Equity brokerage commissions	10.7	8.9	8.7	7.0	-20%	36.4	35.4	-3%
Subscription commissions on investment trusts	11.3	10.1	9.8	3.9	-60%	51.4	35.3	-31%
Agent commissions on investment trusts	8.0	7.7	7.6	7.0	-9%	31.1	30.6	-2%
Underwriting commissions	8.9	10.7	10.0	4.2	-58%	32.7	34.0	+4%
Other commissions	7.0	8.4	8.0	7.5	-6%	22.1	31.0	+40%
Net trading income	40.0	22.0	25.8	23.2	-10%	140.2	111.2	-21%
Net financial incomes	1.8	4.6	2.0	4.0	+97%	12.2	12.5	+2%
Net sales (*1)	0.5	0.8	0.6	0.6	-2%	2.7	2.6	-4%
Total	88.6	73.7	72.8	57.6	-21%	329.2	292.8	-11%

Product Sales

(Billions of yen)

【on a stand-alone basis】



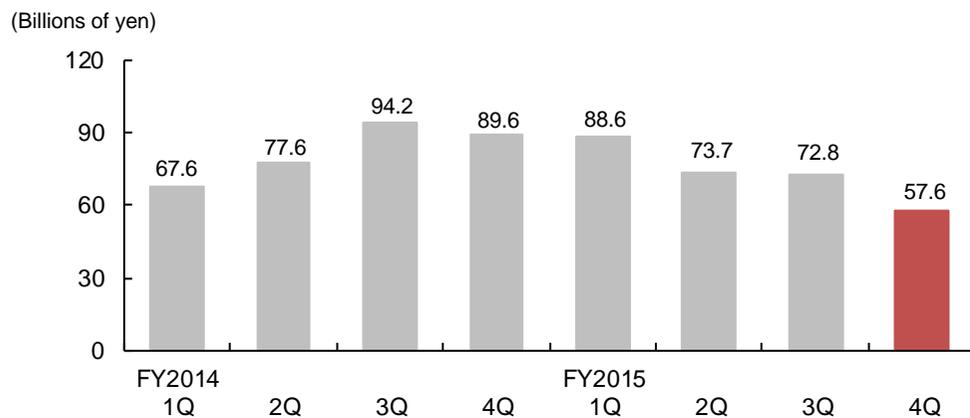
	FY2015 1Q	2Q	3Q	4Q	Q on Q	FY ended Mar. 31 2015	FY ended Mar. 31 2016	Y on Y
Investment trusts	788.4	654.2	739.4	497.2	-33%	2,915.5	2,679.2	-8%
Foreign bonds(*2)	817.5	588.8	687.9	621.6	-10%	3,090.6	2,715.9	-12%
Domestic bonds	746.3	947.6	740.9	491.9	-34%	2,589.8	2,926.7	+13%
(Retail - targeted JGBs)	(129.7)	(151.7)	(115.3)	(143.7)	(+25%)	(408.0)	(540.3)	(+32%)
Subscription of equities	121.3	94.1	186.4	37.4	-80%	411.2	439.3	+7%
Variable annuities/insurances	19.1	18.9	18.0	16.2	-10%	49.0	72.2	+47%
Total	2,492.5	2,303.7	2,372.6	1,664.4	-30%	9,056.1	8,833.2	-2%

(*1) Other sales minus cost of sales

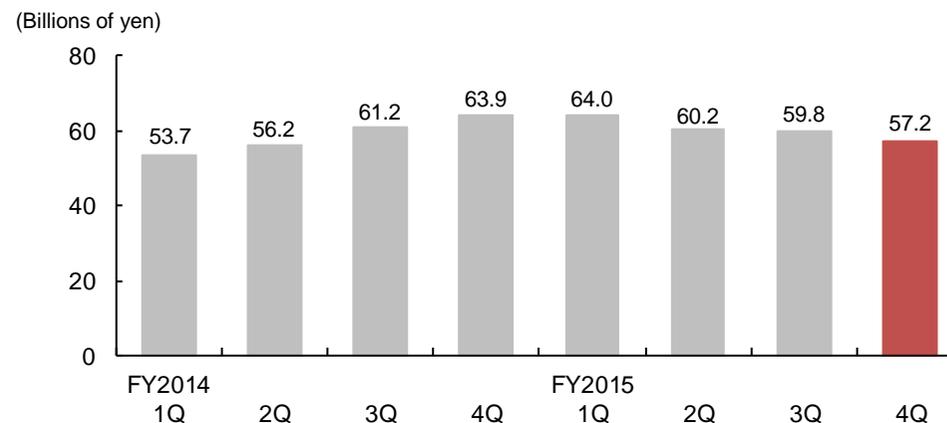
(*2) Sale of foreign bonds includes already-issued bonds and yen-denominated foreign bonds.

Business Results (Quarterly Trend)

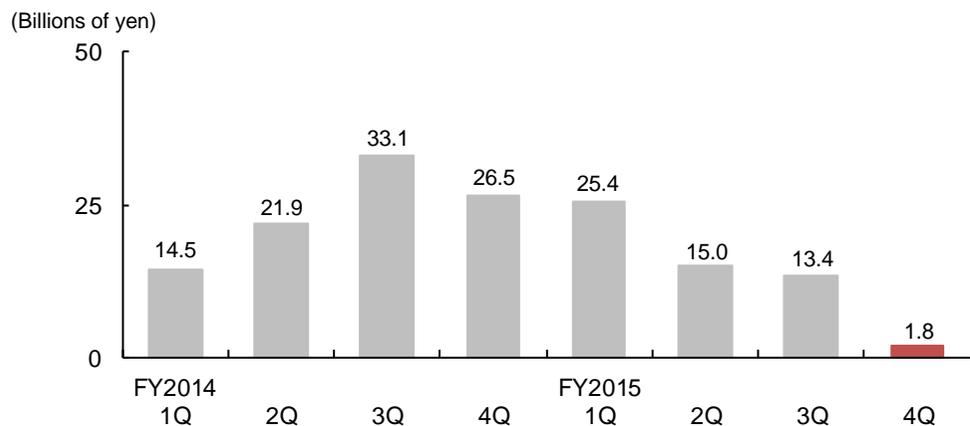
Net operating revenue



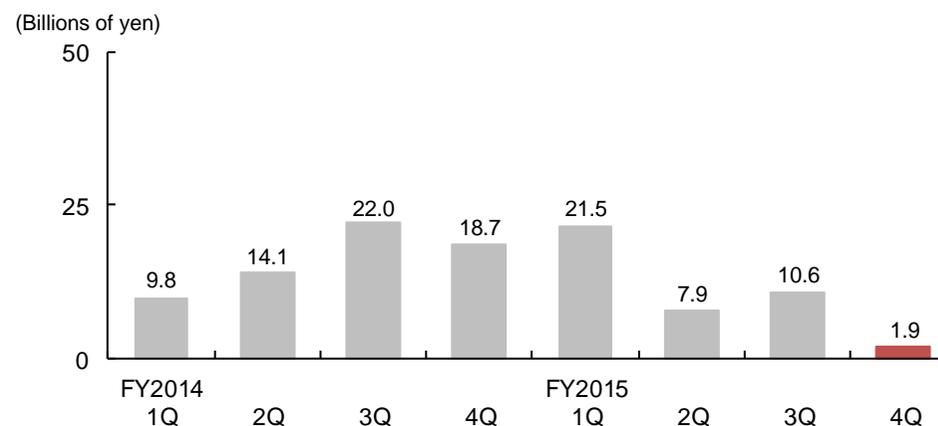
SG&A



Ordinary income



Profit (*)

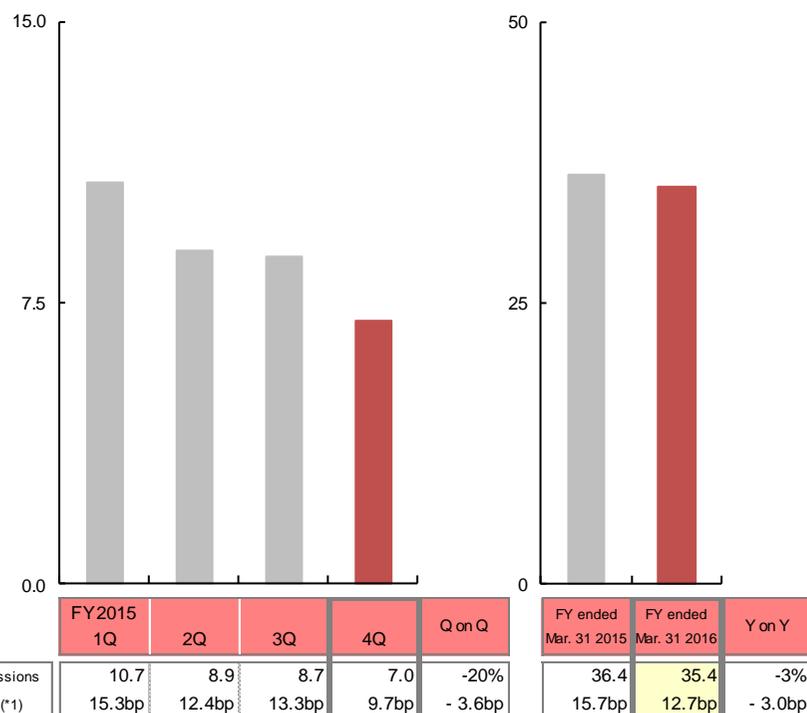


Equity brokerage commissions

- ◇ Equity brokerage amounts for this quarter was ¥ 6,326.4 B (+7% Q on Q) and equity brokerage commissions was ¥ 7.0 B (-20%). Although overseas investors expanded their transactions, individual investors were decreased contrarily.
- ◇ For the FY 2015 ended Mar. 2016, equity brokerage amounts was ¥ 24,948.3 B (+18% Y on Y) and equity brokerage commissions was ¥ 35.4 B (-3%). Expansion of equity business contributed to the increase equity brokerage amounts, and TSE share and retail market share were in an expanding trend.

Equity brokerage commissions

(Billions of yen)

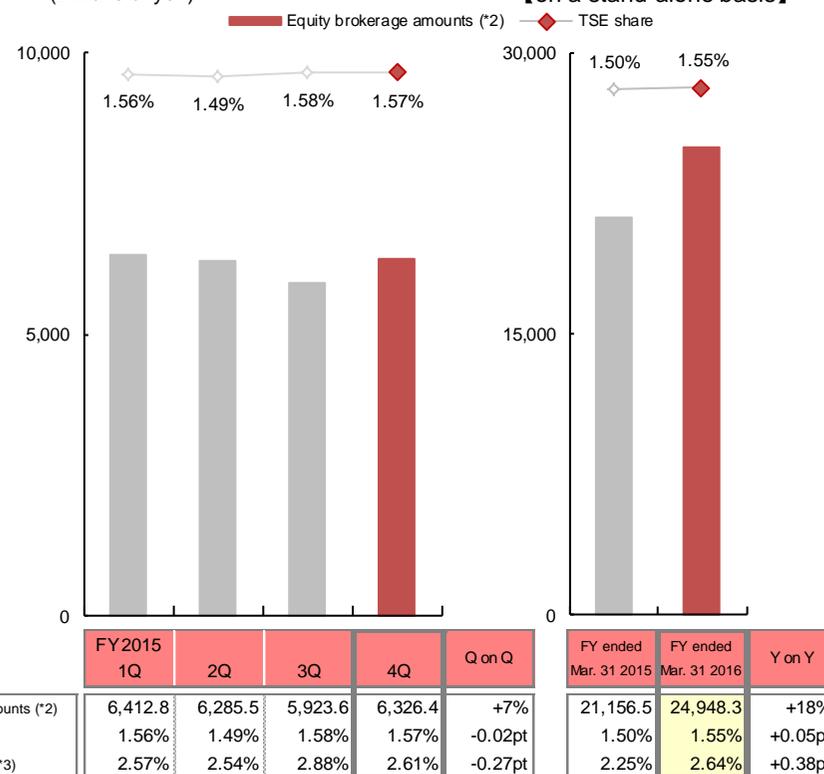


(*1) Adjusted brokerage commissions / brokerage amounts
(Scope: cash and margin transactions)

Equity brokerage amounts / TSE share

(Billions of yen)

【on a stand-alone basis】



(*2) All stock exchanges

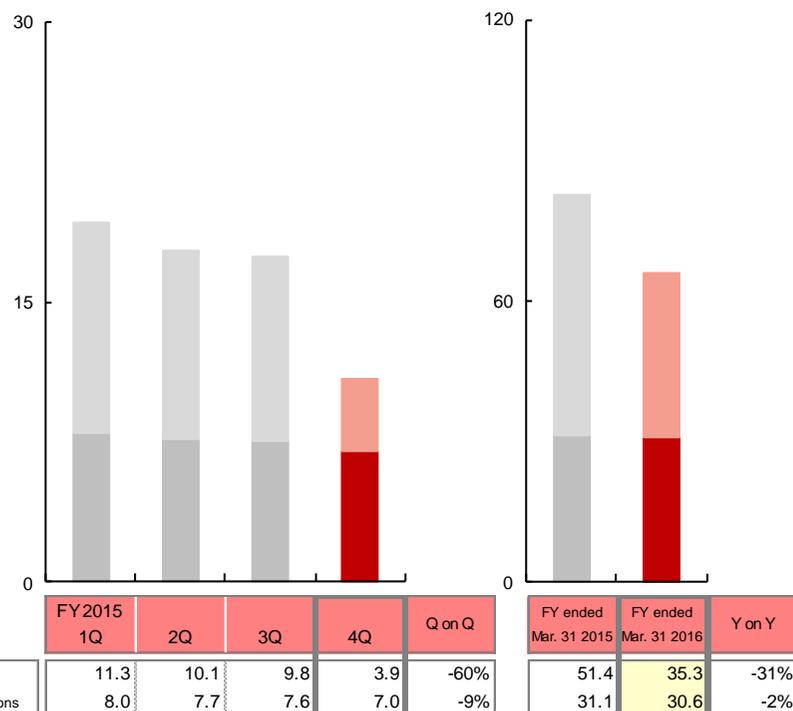
(*3) Total of 1st and 2nd sections of Tokyo and Nagoya stock exchanges

Commissions on investment trusts

- ◇ Mainly because of decline of the stock market, sale of investment trusts for this quarter was ¥ 497.2 B (-33% Q on Q) and subscription commissions on investment trusts was ¥ 3.9 B (-60%).
- ◇ For the FY 2015 ended Mar. 2016, sale of investment trusts was ¥ 2,679.2 B (-8% Y on Y) and subscription commissions on investment trusts was ¥ 35.3 B (-31%).

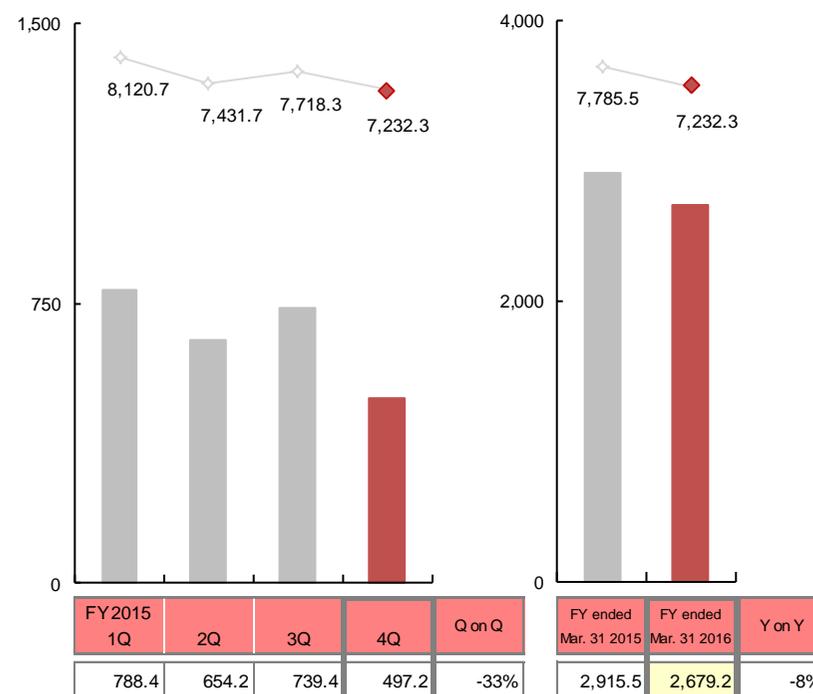
Subscription commissions / Agent and other commissions

(Billions of yen) ■ Agent and other commissions ■ Subscription commissions



Sales / Client Assets of Investment trusts

(Billions of yen) ■ Sale of investment trusts ◆ Client Assets of Investment trusts **【on a stand-alone basis】**



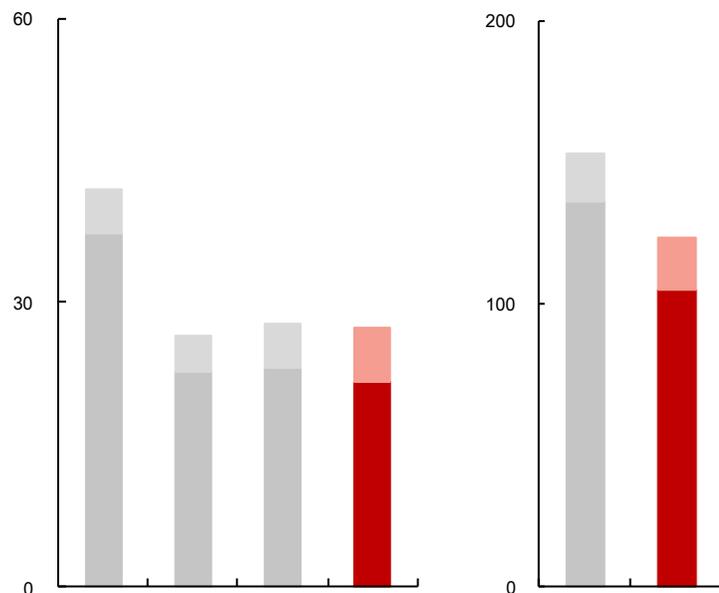
Net trading income

- ◇ Net trading income (adjusted net financial incomes) for this quarter was ¥ 27.2 B (-2% Q on Q).
Due to the sale of foreign bonds corresponding to fall interest rates, net trading income remained at same level as previous quarter.
Sale of foreign bonds was ¥ 621.6 B (-10%).
- ◇ For the FY 2015 ended Mar. 2016, net trading income (adjusted net financial incomes) was ¥ 123.6 B (-19% Y on Y).

Net trading income (adjusted net financial incomes)

(Billions of yen)

■ Bonds, others(*2) ■ Equities, etc.(*1)



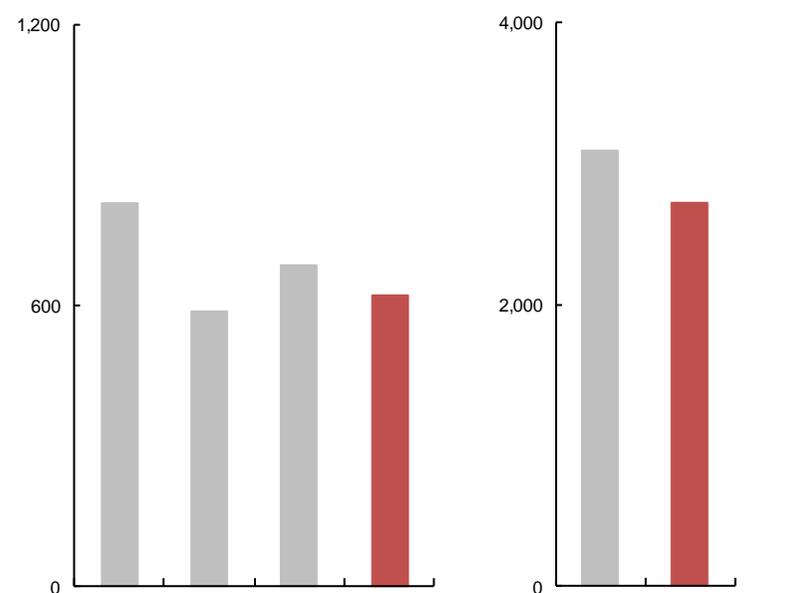
	FY2015 1Q	2Q	3Q	4Q	Q on Q
Equities, etc.(*1) (dividend, etc)	4.7	3.8	4.6	5.6	+19%
Bonds, others(*2) (interest)	37.3	22.7	23.1	21.6	-6%
Total(*3)	42.0	26.5	27.8	27.2	-2%

	FY ended Mar. 31 2015	FY ended Mar. 31 2016	Y on Y
Equities, etc.(*1)	16.8	18.8	+12%
Bonds, others(*2)	136.0	104.8	-23%
Total(*3)	152.9	123.6	-19%

Sale of foreign bonds

(Billions of yen)

【on a stand-alone basis】



	FY2015 1Q	2Q	3Q	4Q	Q on Q
Sale of foreign bonds	817.5	588.8	687.9	621.6	-10%

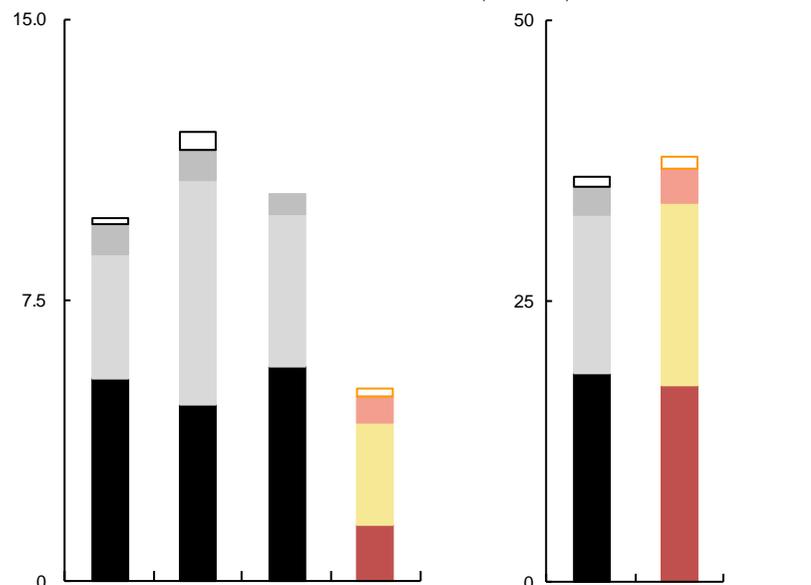
	FY ended Mar. 31 2015	FY ended Mar. 31 2016	Y on Y
Sale of foreign bonds	3,090.6	2,715.9	-12%

Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commissions for this quarter was ¥ 4.2 B (-58% Q on Q), both market scale of equity and bond shrank.
- ◇ For Apr. 2015 - Mar. 2016, book runner in Global Equity & Equity-Related-Japan: share 13.2% in 4th place, lead manager in All Bonds in Yen: share 15.7% in 5th place.

Underwriting commissions (Equities / Bonds)

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



	FY2015 1Q	2Q	3Q	4Q	Q on Q	FY ended Mar. 31 2015	FY ended Mar. 31 2016	Y on Y
Underwriting commissions	8.9	10.7	10.0	4.2	-58%	32.7	34.0	+4%
Equities	5.4	4.7	5.7	1.5	-74%	18.6	17.5	-6%
Bonds	3.3	6.0	4.1	2.7	-34%	14.0	16.2	+16%
Subscription and Distribution commissions (EQs/Bonds)	0.8	0.8	0.5	0.7	+28%	2.5	3.0	+20%
Others(*)	0.2	0.5	0.0	0.2	2.4x	0.9	1.1	+20%

Global Equity & Equity-Related-Japan Apr. 2015 - Mar. 2016

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura Securities	1,511.1	27.8%
2	Mitsubishi UFJ Morgan Stanley	901.2	16.6%
3	Mizuho Securities	726.5	13.4%
4	SMBC Nikko Securities	716.0	13.2%
5	Daiwa Securities	584.2	10.7%

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

All Bonds in Yen Apr. 2015 - Mar. 2016

【on a stand-alone basis】

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	Mitsubishi UFJ Morgan Stanley	3,577.0	24.0%
2	Nomura Securities	2,563.6	17.2%
3	Mizuho Securities	2,496.1	16.7%
4	Daiwa Securities	2,357.2	15.8%
5	SMBC Nikko Securities	2,350.3	15.7%

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. 2015 - Mar. 2016 in the league table of M&A financial advisor for any Japanese involvement announced deals:
With 164 deals acquired in total, ranked 3rd in terms of value (market. share 24.8%) and 2nd in terms of number of deals (market share 5.1%).

Financial Advisor Rank value basis Apr. 2015 - Mar. 2016 (*)

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Morgan Stanley	9,827.7	45.1%
2	Nomura Securities	6,502.7	29.8%
3	Sumitomo Mitsui Financial Group	5,397.4	24.8%
4	Goldman Sachs	4,453.3	20.4%
5	Citi	4,252.2	19.5%

Financial Advisor No. of deals Apr. 2015 - Mar. 2016 (*)

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Mizuho Financial Group	179	5.6%
2	Sumitomo Mitsui Financial Group	164	5.1%
3	Nomura Securities	130	4.0%
4	Morgan Stanley	70	2.2%
5	Daiwa Securities	63	2.0%

Major announced deals Apr. 2015 - Mar. 2016

**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.)

**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.)

**TOYOTA MOTOR CORPORATION
/ DAIHATSU MOTOR CO., LTD.**
TOYOTA MOTOR CORPORATION has reached an agreement with DAIHATSU MOTOR CO.,LTD. on a wholly owned subsidiary via stock exchange. (SMBC Nikko serves as an advisor for DAIHATSU MOTOR CO., LTD.)

**SHIP HEALTHCARE HOLDINGS Co.,Ltd.
/ Konishi Kyowa Holding Co., Ltd.**
SHIP HEALTHCARE HOLDINGS Co.,Ltd. and Konishi Kyowa Holding Co., Ltd. set business integration via a share purchase agreement and stock exchange. (SMBC Nikko serves as an advisor for SHIP HEALTHCARE HOLDINGS Co.,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.

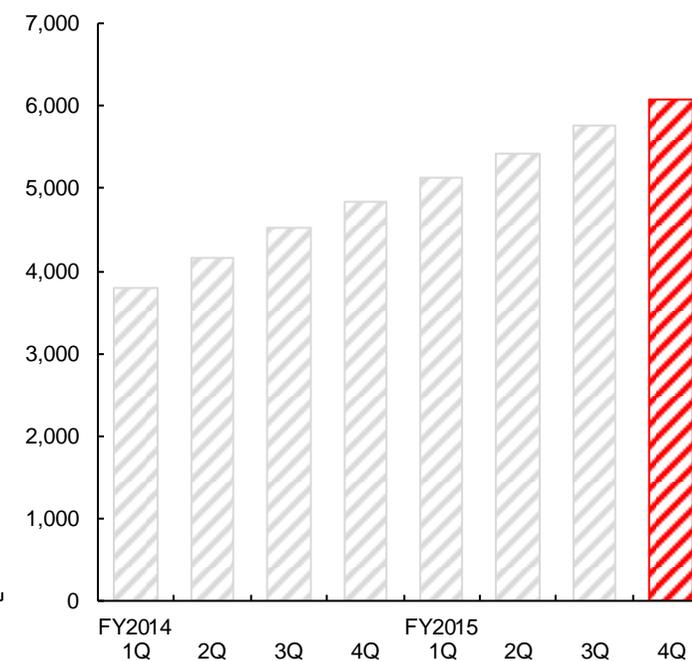
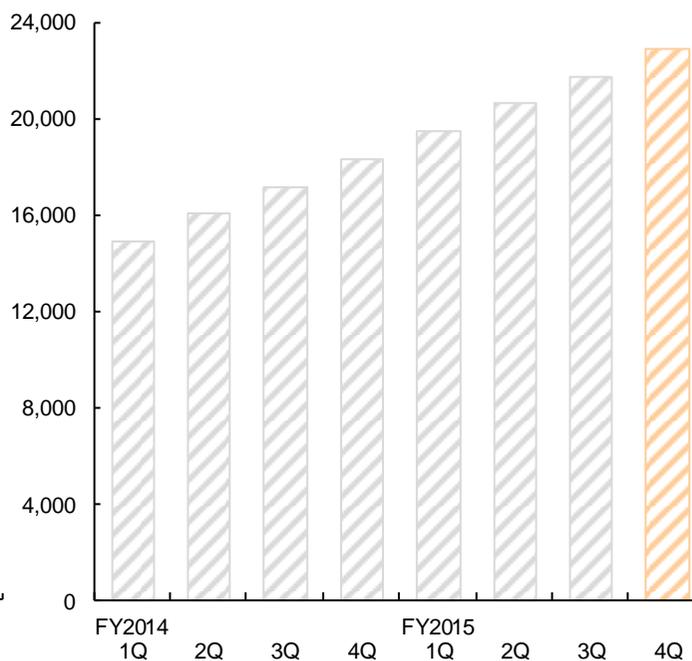
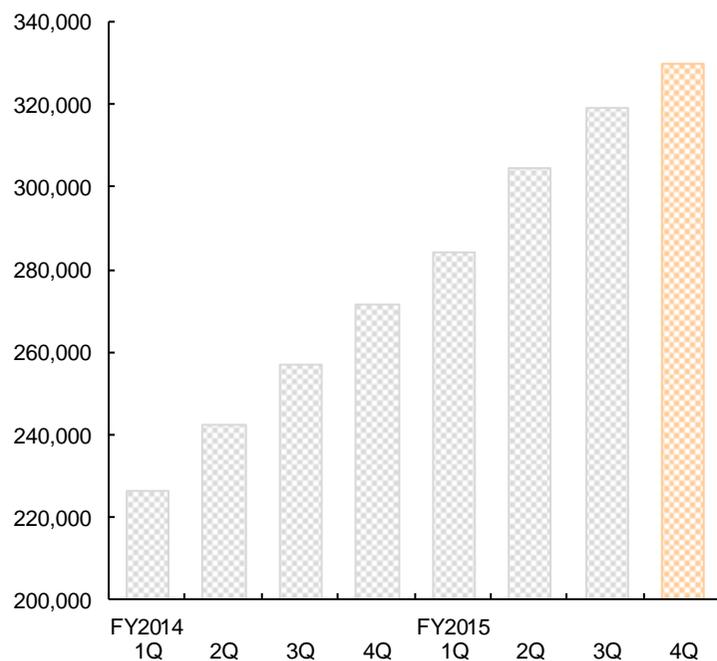
Asset management (Referral service and financial products intermediary service (*1))

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.

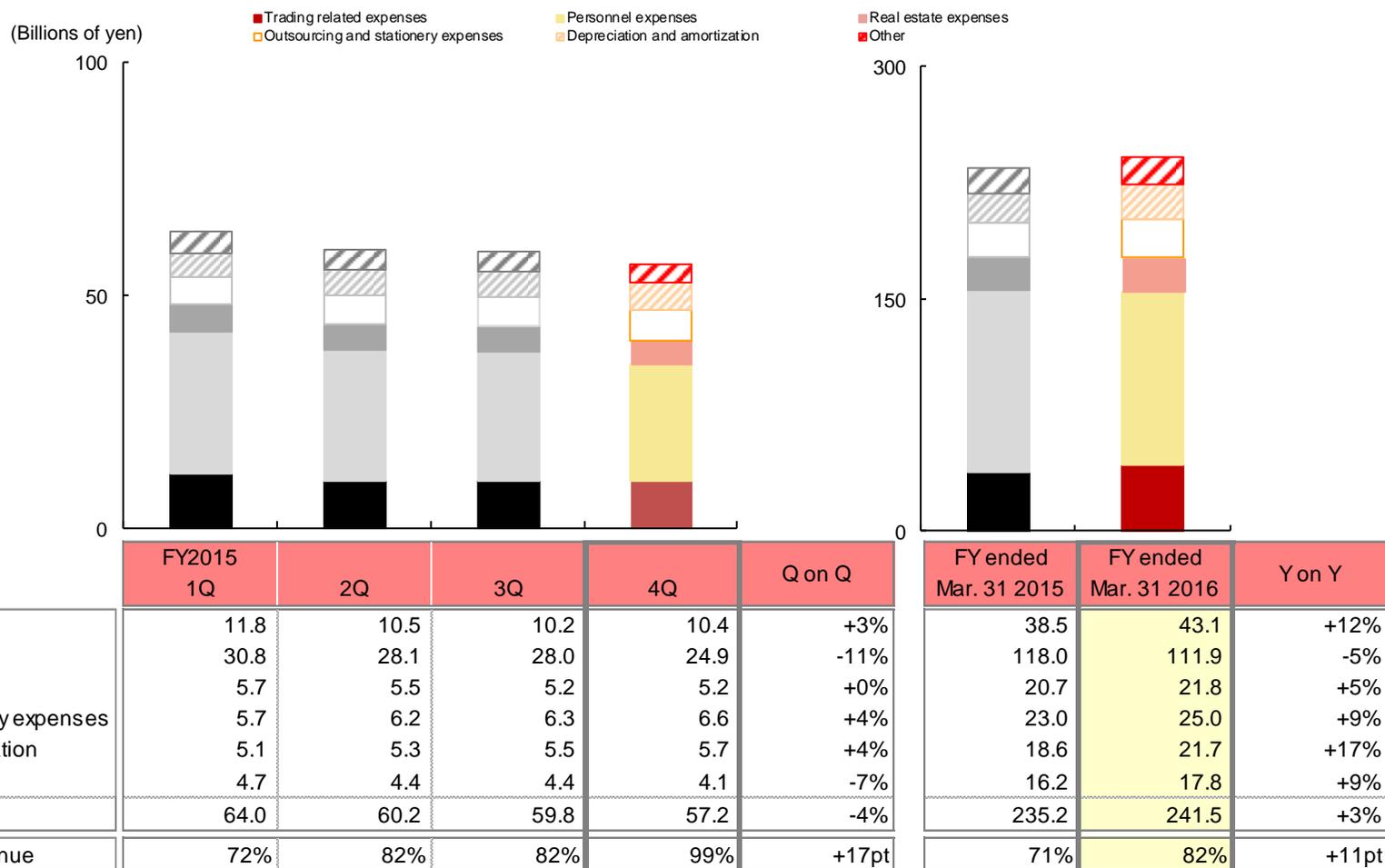
(*1) Financial products intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

(*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 ¥ 57.2 B (-4% Q on Q).
- ◇ For the FY 2015 ended Mar. 2016, SG&A was ¥ 241.5 B (+3% Y on Y).
Trading related expenses and fixed expenses along with system investment cost increased.



Balance sheet / Capital Adequacy Ratio

(Billions of Yen)	Mar.15	Mar.16	Variance
Current assets	9,124.9	10,220.3	+1,095.3
Trading products	3,079.6	3,673.1	+593.5
Loans secured by securities	4,165.3	5,007.4	+842.0
Other current assets	1,879.9	1,539.8	-340.1
Noncurrent assets	227.9	258.7	+30.8
Tangible assets	26.4	26.7	+0.2
Intangible assets	77.5	84.6	+7.0
Investments and other assets	123.9	147.4	+23.5
Total assets	9,352.9	10,479.1	+1,126.2
Current liabilities	8,144.1	9,147.3	+1,003.2
Trading products	2,324.3	2,464.5	+140.1
Loans payable secured by securities	3,336.2	5,104.8	+1,768.5
Short-term loans payable / Commercial papers	1,996.3	1,054.7	-941.6
Other current liabilities	487.0	523.1	+36.0
Noncurrent liabilities / Reserves under the special laws	542.1	634.0	+91.8
Total liabilities	8,686.3	9,781.3	+1,095.0
Total net assets	666.6	697.8	+31.1
Total liabilities and net assets	9,352.9	10,479.1	+1,126.2

【on a stand-alone basis】

(Billions of Yen)	Mar.15	Mar.16	Variance
Basic items	623.5	656.6	+33.1
Supplementary items	105.1	14.9	-90.2
Deductible assets	139.2	162.3	+23.1
Net capital	589.4	509.2	-80.1
Risk total	123.2	128.6	+5.3
Market Risk	44.9	43.8	-1.0
Counterparty Risk	21.7	22.9	+1.1
Basic Risk	56.5	61.7	+5.2
Capital Adequacy Ratio	478%	396%	-82pt

【on a stand-alone basis】

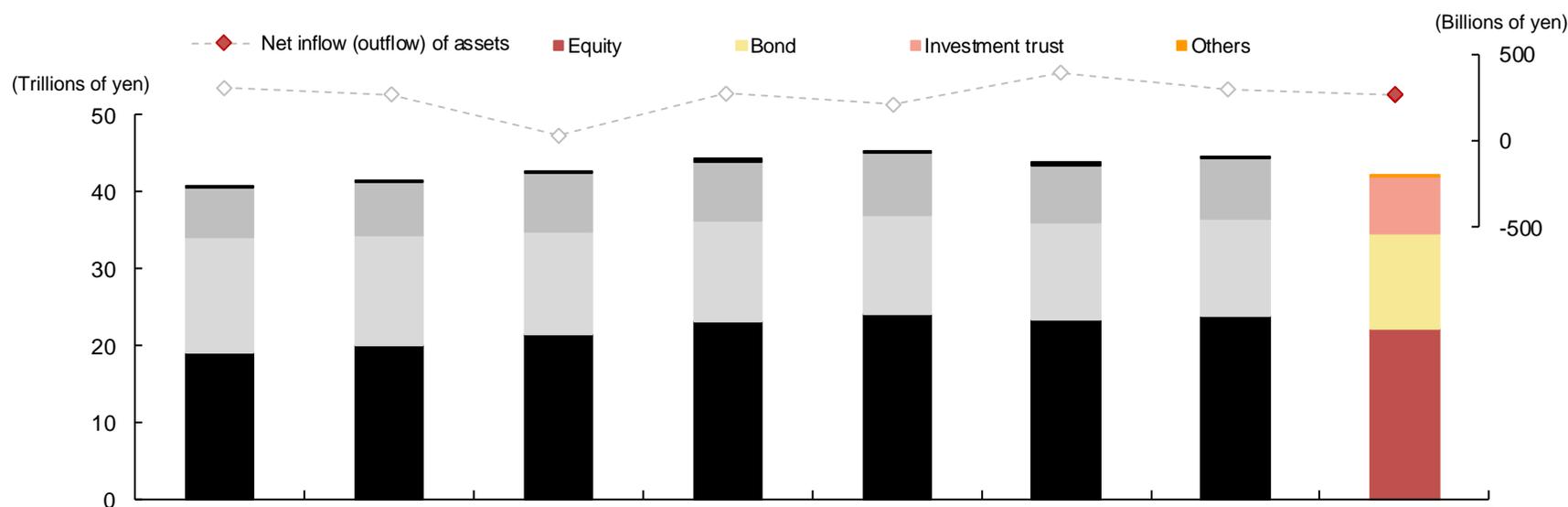
Credit ratings on Long Term (as of April 25th, 2016)

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 Mar. 2016 was ¥ 42.2 trillion (-5% Q on Q).
- ◇ Net inflow of assets at sales division for this quarter was ¥ 264.9 B.
For the FY 2015 ended Mar. 2016, net inflow of assets at sales division was ¥1,161.0 B (+34% Y on Y).
Focusing on inflow of assets resulted in large increase compare to the previous year's.



(Trillions of yen)

	FY2014				FY2015			
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
Equity	19.1	20.0	21.4	23.2	24.1	23.3	23.9	22.1
Bond	14.9	14.3	13.4	13.1	12.9	12.8	12.7	12.6
Investment trust	6.6	7.0	7.5	7.8	8.1	7.4	7.7	7.2
Others	0.2	0.2	0.2	0.3	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	42.2

(Billions of yen)

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net inflow (outflow) of assets <sales division>(*2)	303.1	267.4	27.4	270.7	206.9	393.0	296.2	264.9
Inflow of assets	915.5	1,111.3	1,108.0	1,301.0	1,380.2	1,376.4	1,316.9	1,392.4
Outflow of assets	-612.5	-843.9	-1,080.6	-1,030.3	-1,173.3	-983.3	-1,020.7	-1,127.5

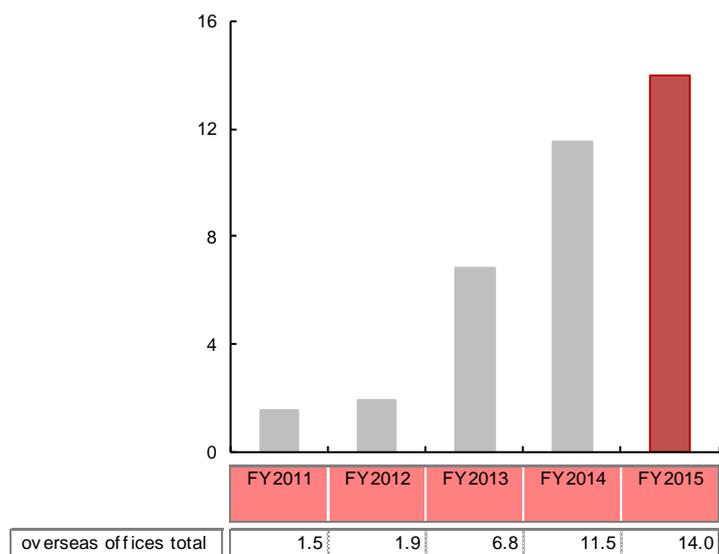
(*1) Treasury stocks owned by corporate clients have been included in the client assets since FY 2014 Jun.

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

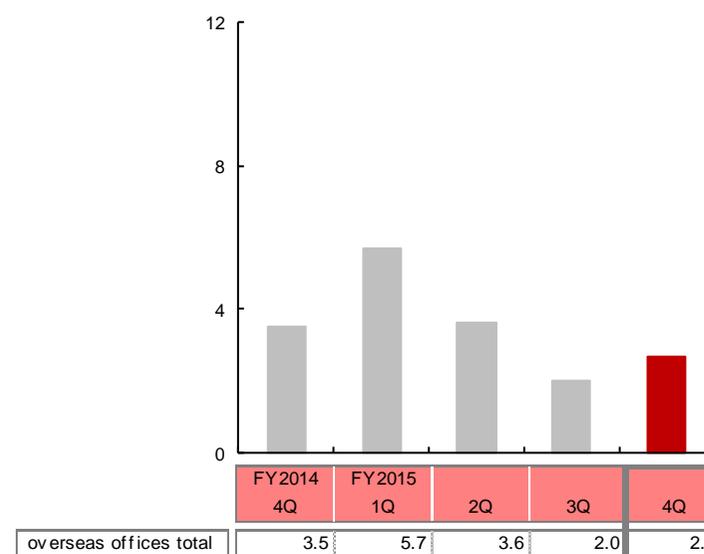
Business Trends of Overseas Offices (Securities Product Group)

- ◇ For the FY 2015 ended Mar. 2016, earnings based on managerial accounting was ¥ 14.0 B (+22% 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)

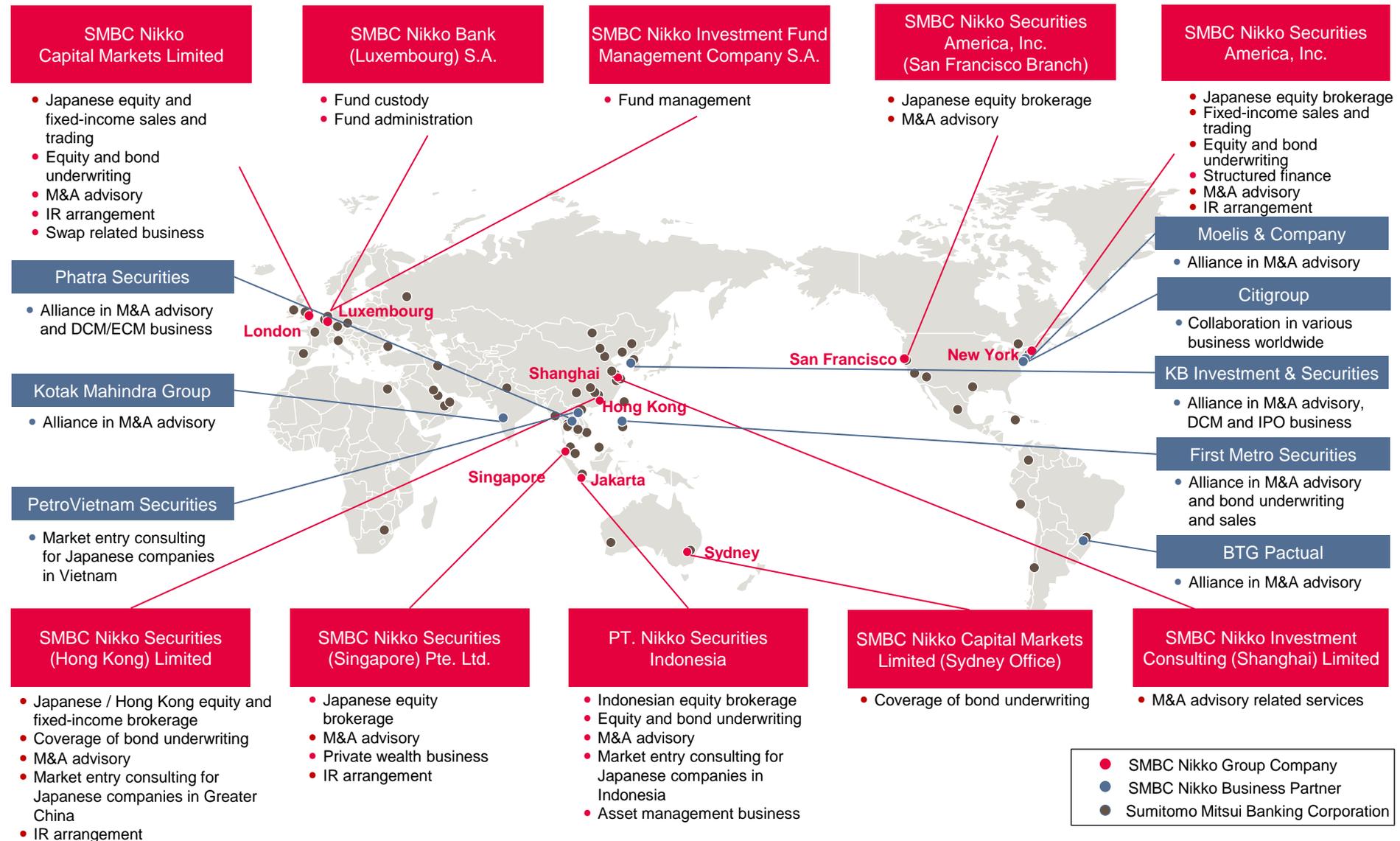


Earnings based on managerial accounting
Quarterly trend (Billions of yen)



- 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.

Selected as a Good Practices of Principles for Financial Action for the 21st Century

- Efforts toward the realization of a friendly society to human through the employment of the handicapped are selected as the 4th “Good Practice(the department of The Asset Management/Securities/Investment Banking)※”in the periodic meeting, which was held on 9 Mar 2016, of principles for financial action towards a sustainable society (principles for financial action for the 21st century) by Ministry of the Environment. Principles for financial action for the 21st century are a set of principles, which was formulated by Ministry of the Environment in 2011, which was drawn up as guidelines for action by financial institutions that intend to fulfil their roles and responsibilities in shaping a sustainable society. On 31 Mar 2016, two hundred financial institutions have signed the principles.



※Financial institutions that have signed the principles voted on each other's efforts towards a Sustainable Society and efforts having the large number of votes in each department are selected as 「Good Practice」.The department are made up of「The Asset Management/Securities/Investment Banking」,「Insurance」,「Deposits/Loans/ Leasing」.

Distribute the textbook 2016 , “Dream, Reality and Money for university students”

- SMBC Nikko and Oceanize, inc. produced “Dream, Reality and Money for university students” together with university students as a new project (UNISA※) to improve financial literacy for university students. From this Apr, the textbooks are distributed when they buy their new textbooks in bookstores of National Federation of University Co-operative Associations in Universities nationwide (57 Universities, 74 campuses). SMBC Nikko and Oceanize, inc. hope university students pleasantly learn financial intelligence with the textbooks.



※ UNISA is a title of a project to improve financial literacy for university students. SMBC Nikko and Oceanize, inc. coined a new word「UNISA」 which is combination of 「University」 and 「NISA」.

Analyst Rankings

- At Institutional Investor “2016 All-Japan Research Team”, ranked 3rd three years in a row in the category of firm, and 5 analysts selected as top analysts in the category of industry.

•Auto Parts	: Kunihiro Matsumoto
•Shipbuilding/Plant	: Taku Ouchi
•Strategist	: Ryota Sakagami
•Chemical	: Shinobu Takeuchi
•REIT	: Hiroshi Torii

- At Nikkei Veritas “The 28th Popular Analyst Ranking”, ranked 3rd three years in a row in the category of firm, and 6 (5 in previous year) analysts selected as top analysts in the category of industry.

•Auto Parts	: Kunihiro Matsumoto
•Chemical/Textile	: Shinobu Takeuchi
•Shipbuilding/Plant	: Taku Ouchi
•Business Solution	: Satoru Kikuchi
•REIT	: Hiroshi Torii
•Strategist	: Ryota Sakagami

- Ranked 4th for two years in a row as a firm/group at the Nikkei Veritas “21st Popularity Survey of Bond/Currency Analysts and Economists”

Reference Data



Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2014					FY2015				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Operating revenue	73,804	82,671	101,066	95,065	352,607	95,827	79,319	79,570	64,074	318,791
Commissions received	38,176	39,580	46,668	49,492	173,918	46,160	46,153	44,403	29,787	166,504
Brokerage commissions	6,815	8,589	12,326	11,146	38,877	11,435	10,297	9,602	7,859	39,195
Underwriting and distribution commissions	8,611	6,650	7,908	9,571	32,741	8,962	10,799	10,001	4,237	34,000
Flotation and distribution fees	12,858	13,234	13,493	14,364	53,950	12,223	11,023	10,490	4,692	38,430
Other commissions	9,890	11,106	12,940	14,410	48,347	13,539	14,032	14,309	12,996	54,877
Net trading income	27,499	31,645	45,367	35,759	140,272	40,067	22,079	25,813	23,263	111,224
Equities	2,236	-117	3,691	1,574	7,384	3,684	104	3,877	2,611	10,278
Bonds / Others	25,263	31,763	41,675	34,185	132,888	36,382	21,974	21,936	20,651	100,945
Financial revenue	5,593	8,636	6,181	7,151	27,563	7,120	7,914	6,549	7,607	29,191
Other sales	2,534	2,808	2,847	2,660	10,852	2,479	3,172	2,803	3,416	11,871
Financial expenses	4,302	3,014	4,708	3,249	15,274	5,241	3,303	4,520	3,604	16,671
Cost of sales	1,839	2,042	2,093	2,123	8,097	1,938	2,306	2,174	2,801	9,221
Net operating revenue	67,662	77,614	94,264	89,692	329,234	88,647	73,708	72,875	57,667	292,899
SG&A	53,744	56,295	61,275	63,953	235,268	64,095	60,298	59,878	57,276	241,548
Operating income / loss	13,918	21,319	32,989	25,738	93,966	24,552	13,410	12,996	390	51,350
Ordinary income / loss	14,549	21,995	33,193	26,503	96,242	25,478	15,076	13,456	1,816	55,826
Extraordinary income / loss	-118	-140	-123	-184	-567	6,246	-2,506	-18	-253	3,468
Income before income taxes	14,431	21,854	33,070	26,318	95,675	31,724	12,569	13,438	1,563	59,294
Income taxes-current	123	604	9,496	12,502	22,727	708	6,464	5,878	398	13,450
Income taxes-deferred	4,475	7,074	1,537	-4,903	8,184	9,418	-1,808	-3,089	-804	3,715
Profit / loss	9,832	14,174	22,036	18,719	64,763	21,597	7,912	10,648	1,969	42,128
Profit attributable to owners of parent	9,831	14,170	22,028	18,716	64,747	21,593	7,904	10,639	1,969	42,106

Stand-alone Business Results (Quarterly Trend)

(Millions of yen)	FY2014					FY2015				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Operating revenue	69,191	77,694	95,547	90,181	332,615	90,922	73,941	74,431	58,633	297,929
Commissions received	36,395	37,722	44,317	47,473	165,908	44,041	44,169	42,256	27,913	158,380
Brokerage commissions	6,300	7,944	11,442	10,361	36,050	10,636	9,516	8,854	7,191	36,198
Underwriting and distribution commissions	8,611	6,650	7,906	9,571	32,740	8,962	10,799	10,001	4,237	34,000
Flotation and distribution fees	12,628	13,128	13,465	14,308	53,530	12,037	10,982	10,489	4,665	38,175
Other commissions	8,854	9,998	11,502	13,232	43,587	12,405	12,870	12,911	11,818	50,005
Net trading income	27,499	31,645	45,367	35,759	140,272	40,067	22,079	25,813	23,263	111,223
Equities	2,236	-117	3,691	1,574	7,384	3,684	104	3,877	2,611	10,278
Bonds / Others	25,263	31,763	41,675	34,185	132,888	36,382	21,974	21,935	20,651	100,945
Financial revenue	5,295	8,327	5,862	6,947	26,433	6,813	7,693	6,361	7,456	28,324
Financial expenses	4,031	2,732	4,418	3,066	14,249	4,962	3,111	4,360	3,483	15,918
Net operating revenue	65,159	74,962	91,129	87,114	318,365	85,959	70,830	70,070	55,149	282,010
SG&A	52,970	54,878	59,398	61,945	229,191	62,816	58,885	58,269	55,057	235,029
Operating income / loss	12,189	20,084	31,730	25,169	89,174	23,143	11,945	11,801	91	46,981
Ordinary income / loss	12,490	20,502	31,684	28,600	93,278	23,390	12,507	11,804	611	48,313
Extraordinary income / loss	-206	-140	-123	-413	-884	4,611	-4,588	-15	-243	-236
Income before income taxes	12,283	20,362	31,561	28,186	92,393	28,001	7,919	11,788	367	48,077
Income taxes-current	19	39	9,005	12,113	21,177	561	5,932	5,518	-2,086	9,925
Income taxes-deferred	4,052	7,174	1,583	-4,150	8,659	8,548	-3,201	-1,703	1,390	5,034
Profit / loss	8,212	13,148	20,973	20,222	62,557	18,892	5,187	7,973	1,064	33,117

Operational Indicators -1

【on a stand-alone basis】

◇ Sales of Products

(Billions of yen)	FY2014					FY2015				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Investment trusts	605.5	705.3	749.5	855.3	2,915.5	788.4	654.2	739.4	497.2	2,679.2
(Equity investment trusts)	(436.1)	(522.2)	(556.3)	(608.0)	(2,122.6)	(531.6)	(436.7)	(453.4)	(298.4)	(1,720.1)
(Foreign registered investment trusts)	(116.4)	(129.5)	(143.0)	(144.0)	(532.9)	(126.7)	(92.9)	(112.8)	(63.9)	(396.3)
Foreign bonds (*)	758.3	758.9	802.0	771.3	3,090.6	817.5	588.8	687.9	621.6	2,715.9
(Foreign currency bonds)	(202.5)	(193.6)	(287.5)	(216.8)	(900.4)	(236.7)	(193.5)	(276.3)	(200.5)	(907.0)
Domestic bonds	798.9	649.5	590.9	550.5	2,589.8	746.3	947.6	740.9	491.9	2,926.7
(Retail target JGBs)	(102.8)	(92.2)	(76.5)	(136.5)	(408.0)	(129.7)	(151.7)	(115.3)	(143.7)	(540.3)
Public offering	117.9	70.1	94.7	128.4	411.2	121.3	94.1	186.4	37.4	439.3
Annuity / insurance	4.1	12.3	15.4	17.2	49.0	19.1	18.9	18.0	16.2	72.2
Total	2,284.8	2,196.1	2,252.5	2,322.8	9,056.1	2,492.5	2,303.7	2,372.6	1,664.4	8,833.2

(*) Sale of foreign bonds includes already-issued bonds and yen-denominated foreign bonds.

◇ Market Share

	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
ECM Global Equity (*1)	23.1%	17.8%	17.2%	17.0%	12.5%	13.7%	14.0%	13.2%
DCM All bonds in Yen (*2)	15.5%	16.1%	15.5%	15.6%	15.9%	16.8%	16.9%	15.7%
M&A Japan related (*3)	1.9%	7.5%	6.7%	7.8%	18.0%	17.4%	28.4%	24.8%

(*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	4Q
Based on number of transaction (Nikko EZ Trade)	91.3% (85.7%)	91.1% (84.5%)	88.5% (81.7%)	89.6% (83.1%)	90.0% (83.8%)	91.5% (85.9%)	85.8% (81.1%)	93.2% (88.5%)
Based on commissions (Nikko EZ trade)	38.5% (26.3%)	45.7% (30.5%)	45.2% (31.0%)	45.4% (31.5%)	43.0% (27.8%)	44.4% (29.5%)	36.0% (23.8%)	47.4% (32.0%)

(*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	4Q
Equity brokerage amounts	4,189.6	4,644.1	6,247.5	6,075.4	6,412.8	6,285.5	5,923.6	6,326.4
Equity brokerage commissions (*3)	6.5	8.2	11.4	10.2	10.7	8.9	8.7	7.0
Equity commissions rate	14.1bp	16.2bp	16.6bp	15.5bp	15.3bp	12.4bp	13.3bp	9.7bp

(*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

◇ 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	Dec. 15	Mar. 16
Total accounts	2,517	2,546	2,575	2,605	2,629	2,666	2,712	2,731
Cash management accounts	2,186	2,215	2,243	2,271	2,294	2,332	2,372	2,396
Newly opened accounts	31	45	48	51	42	55	59	37

◇ Number of Branches

【on a stand-alone basis】

	FY2014				FY2015			
	Jun. 14	Sep. 14	Dec. 14	Mar. 15	Jun. 15	Sep. 15	Dec. 15	Mar. 16
Number of branches	112	116	121	123	123	123	123	123

◇ Number of Employees

	FY2014				FY2015			
	Jun. 14	Sep. 14	Dec. 14	Mar. 15	Jun. 15	Sep. 15	Dec. 15	Mar. 16
Number of employees	9,586	9,528	9,464	9,367	10,022	9,936	9,829	9,685
Number of 4 overseas employees (SPG)	326	340	349	362	378	396	413	427

• 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.

