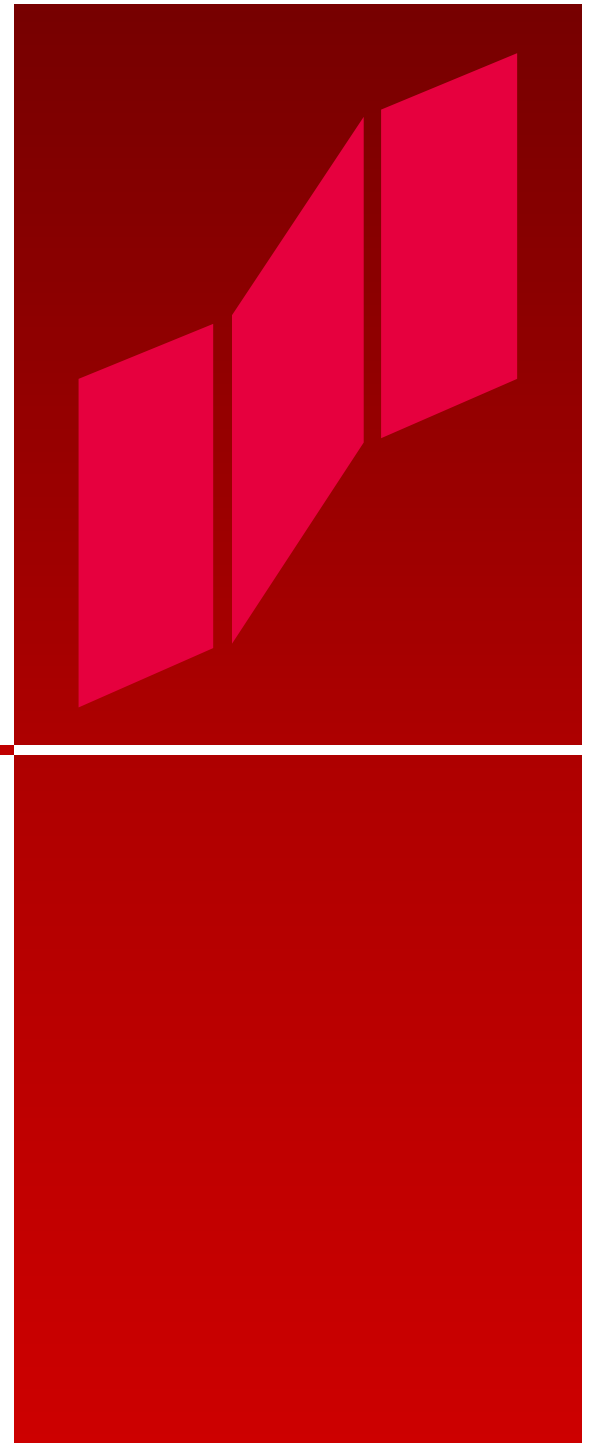


Earnings Announcement for the First Quarter FY2016 ending March 31, 2017 (JGAAP)

SMBC Nikko Securities Inc.

July 25, 2016



[Reference Data]

Summary of business results for the 1Q of FY ending Mar. 2017	2	Consolidated Business Results (Quarterly Trend)	18
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The information contained in this document is based on data available as of July 25, 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 (July 25, 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 1Q of FY ending Mar. 2017

3 months to
Jun.30 2016

- **Net operating revenue : ¥ 73.6 B (-17% Y on Y, +28% Q on Q), Ordinary income : ¥ 15.7 B (-38%, 8.6x), Profit (*1) : ¥ 10.7 B (-50%, 5.4x)**
The proceeded of appreciation of the yen and lower stock prices through uncertain global economy caused decrease in income and profit Y on Y. However, net trading income contributed to increase in income and profit Q on Q.
- Equity brokerage amounts was ¥ 6.1 trillion (-4%, -2%).
Aggregate sales of products was ¥ 2.3 trillion (-8%, +38%). Sale of domestic bonds was expanded by increase of underwriting.
- League table rankings for Apr. 2016 - Jun. 2016
2nd place(*2) in Global Equity & Equity-Related-Japan
1st place(*3) in All Bonds in Yen
7th place(*4) in terms of values and 4th in terms of number of deals for M&A announced deals
- SG&A was ¥ 58.8 B (-8%, +3%).
- As of the end of Jun. 2016, total assets was ¥ 10.9 trillion, net assets was ¥ 696.4 B, capital adequacy ratio (non-consolidated) was 412%, reflecting a sound financial base of the company.

Billions of Yen	FY2015		FY2016	Y on Y	Q on Q
	1Q	4Q	1Q		
Operating revenue	95.8	64.0	81.0	-15%	+26%
Net operating revenue	88.6	57.6	73.6	-17%	+28%
SG&A	64.0	57.2	58.8	-8%	+3%
Ordinary income / loss	25.4	1.8	15.7	-38%	8.6x
Income before taxes	31.7	1.5	15.2	-52%	9.7x
Profit / loss(*1)	21.5	1.9	10.7	-50%	5.4x
	Jun.-end '15	Mar.-end '16	Jun.-end '16	Y on Y	Q on Q
Total assets (Trillions of yen)	9.8	10.4	10.9	+1.1	+0.4
Total net assets (Billions of yen)	691.0	697.8	696.4	+5.3	-1.3

(*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

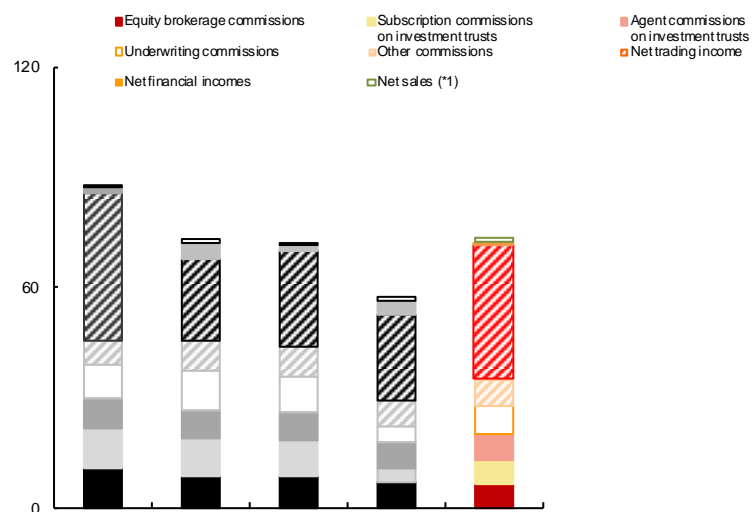
(*4) Source: THOMSON REUTERS, M&A announced deals with any Japanese involvement

Net operating revenue / Product sales

- ◇ Net operating revenue for this quarter was ¥ 73.6 B (-17% Y on Y, +28% Q on Q). While it decreased Y on Y, it increased significantly Q on Q by increase of net trading income, underwriting commissions and commissions on investment trusts. As a result, it recovered the average FY 2015.
- ◇ Aggregate sales of product for this quarter was ¥ 2,301.7 B (-8%, +38%). It increased significantly compared to previous quarter in which its sale decreased. Sale of domestic bonds was ¥ 1,021.8 B (+37%, 2x). It reached the highest-ever sales of product on a quarterly basis.

Net operating revenue

(Billions of yen)



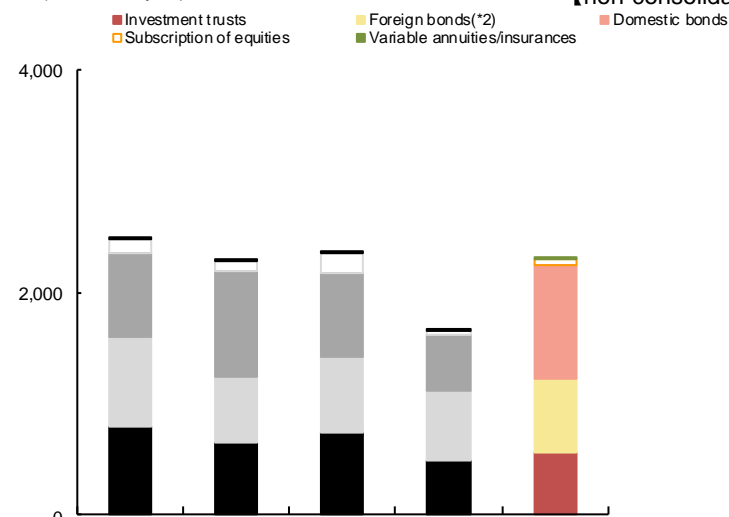
	FY2015 1Q	2Q	3Q	4Q	FY2016 1Q	Y on Y	Q on Q
Equity brokerage commissions	10.7	8.9	8.7	7.0	6.6	-38%	-5%
Subscription commissions on investment trusts	11.3	10.1	9.8	3.9	6.7	-41%	+71%
Agent commissions on investment trusts	8.0	7.7	7.6	7.0	7.0	-13%	+0%
Underwriting commissions	8.9	10.7	10.0	4.2	7.5	-16%	+77%
Other commissions	7.0	8.4	8.0	7.5	7.3	+5%	-2%
Net trading income	40.0	22.0	25.8	23.2	36.7	-8%	+58%
Net financial incomes	1.8	4.6	2.0	4.0	0.7	-61%	-82%
Net sales (*1)	0.5	0.8	0.6	0.6	0.8	+59%	+40%
Total	88.6	73.7	72.8	57.6	73.6	-17%	+28%

(*1) Other sales minus cost of sales

Product Sales

(Billions of yen)

【non-consolidated】

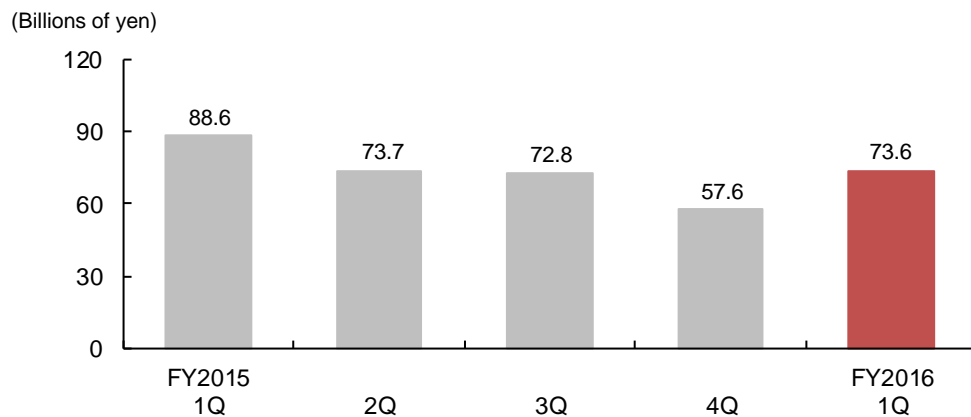


	FY2015 1Q	2Q	3Q	4Q	FY2016 1Q	Y on Y	Q on Q
Investment trusts	788.4	654.2	739.4	497.2	561.9	-29%	+13%
Foreign bonds(*2)	817.5	588.8	687.9	621.6	657.0	-20%	+6%
Domestic bonds	746.3	947.6	740.9	491.9	1,021.8	+37%	2x
(Retail - targeted JGBs)	(129.7)	(151.7)	(115.3)	(143.7)	(132.0)	(+2%)	(-8%)
Subscription of equities	121.3	94.1	186.4	37.4	51.1	-58%	+37%
Variable annuities/insurances	19.1	18.9	18.0	16.2	10.0	-47%	-38%
Total	2,492.5	2,303.7	2,372.6	1,664.4	2,301.7	-8%	+38%

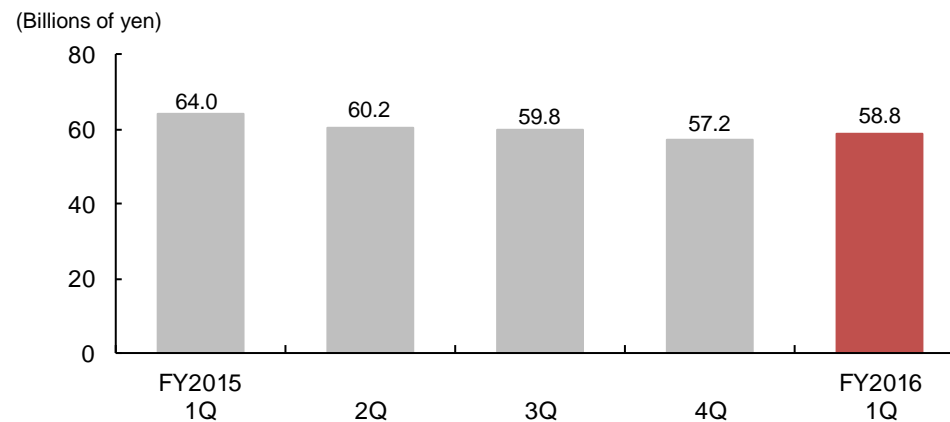
(*2) Sale of foreign bonds includes already-issued bonds and yen-denominated foreign bonds.

Business Results (Quarterly Trend)

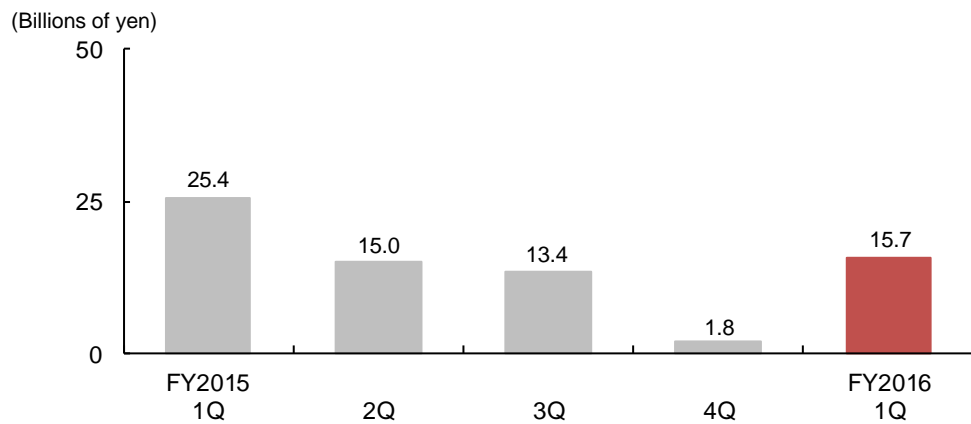
Net operating revenue



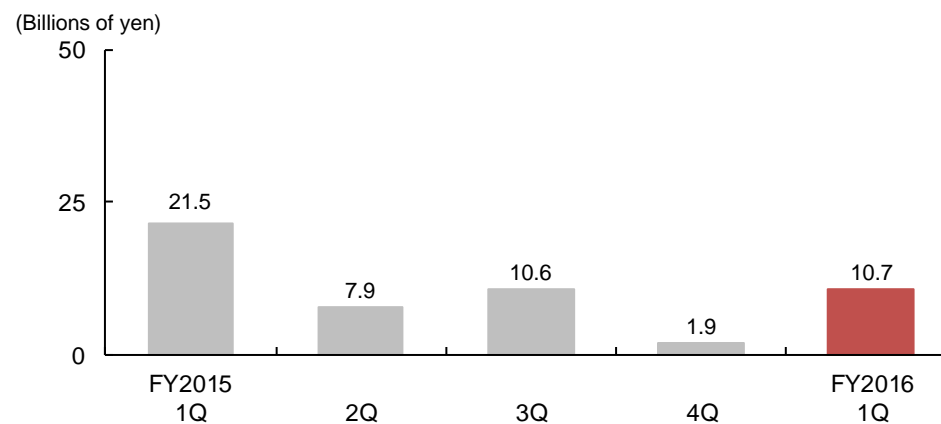
SG&A



Ordinary income



Profit (*)



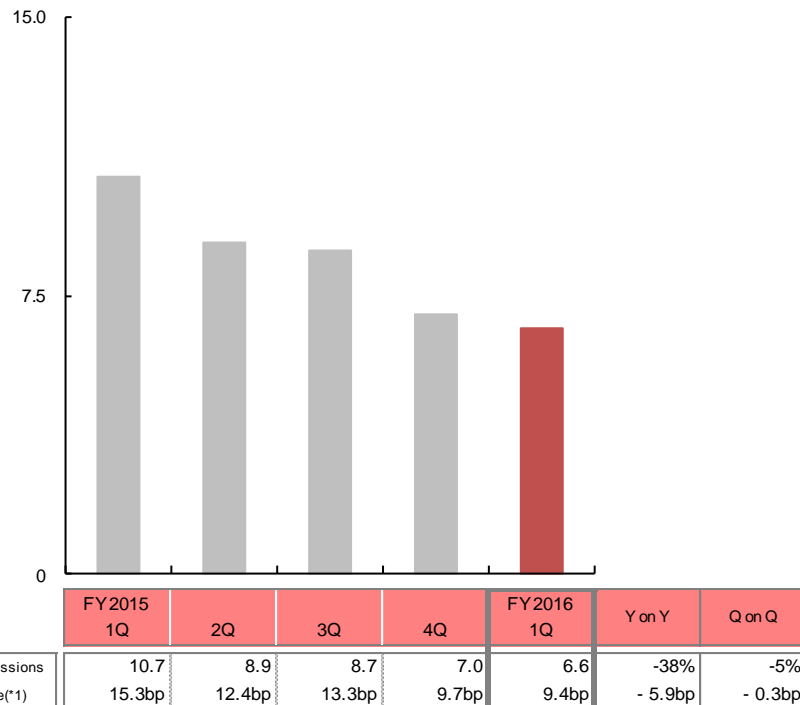
(*) Profit attributable to owners of parent

Equity brokerage commissions

◇ Equity brokerage amounts for this quarter was ¥ 6,178.5 B (-4% Y on Y, -2% Q on Q), and equity brokerage commissions was ¥ 6.6 B (-38%, -5%). Although sales amount shrank over the entire market, TSE share and retail market share were in an expanding trend.

Equity brokerage commissions

(Billions of yen)

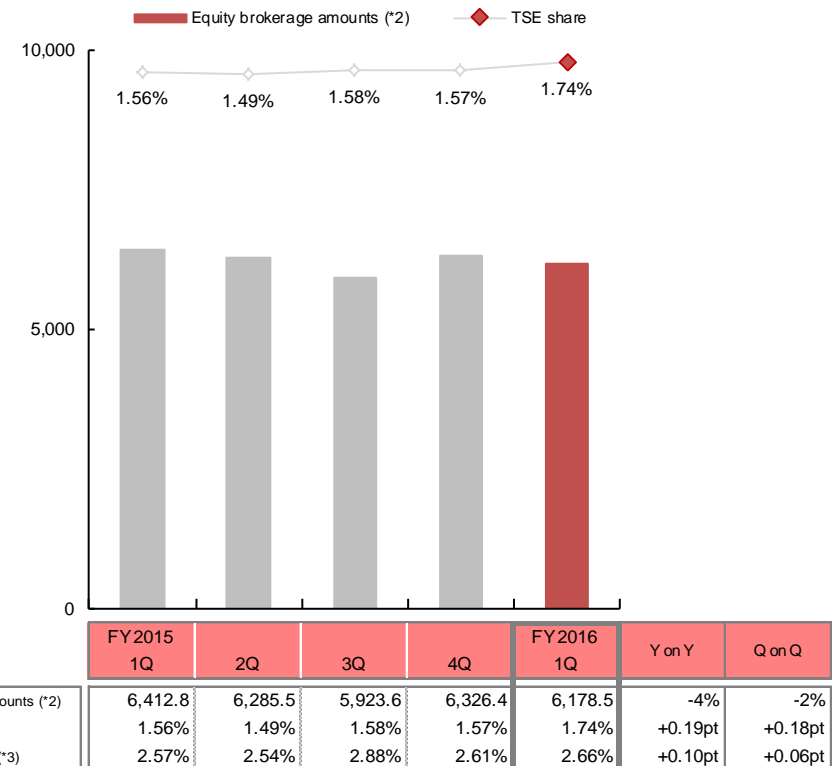


(*1) Adjusted brokerage commissions / brokerage amounts
(Scope: cash and margin transactions)

Equity brokerage amounts / TSE share

(Billions of yen)

【non-consolidated】



(*2) All stock exchanges

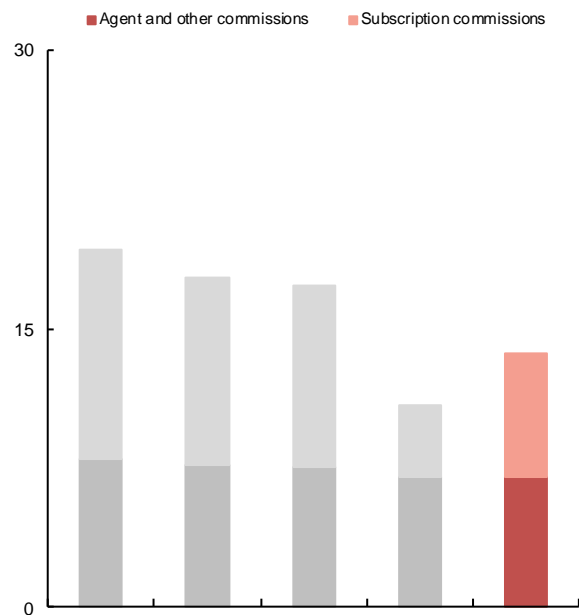
(*3) Total of 1st and 2nd sections of Tokyo and Nagoya stock exchanges

Commissions on investment trusts

- ◇ Sale of investment trusts for this quarter was ¥ 561.9 B (-29% Y on Y, +13% Q on Q), subscription commissions on investment trusts was ¥ 6.7 B (-41% Y on Y, +71% Q on Q).
Although sale of investment trusts decreased Y on Y, it increased Q on Q because the stock investment trusts targeting REIT and high dividend stocks were sold well.

Subscription commissions / Agent and other commissions

(Billions of yen)

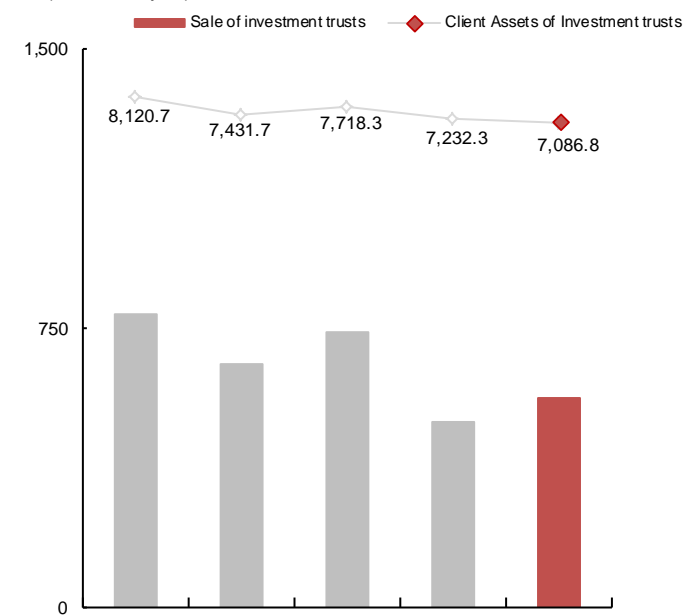


	FY2015 1Q	2Q	3Q	4Q	FY2016 1Q	Y on Y	Q on Q
Subscription commissions	11.3	10.1	9.8	3.9	6.7	-41%	+71%
Agent and other commissions	8.0	7.7	7.6	7.0	7.0	-13%	+0%

Sales / Client Assets of Investment trusts

(Billions of yen)

【non-consolidated】



	FY2015 1Q	2Q	3Q	4Q	FY2016 1Q	Y on Y	Q on Q
Sale of investment trusts	788.4	654.2	739.4	497.2	561.9	-29%	+13%

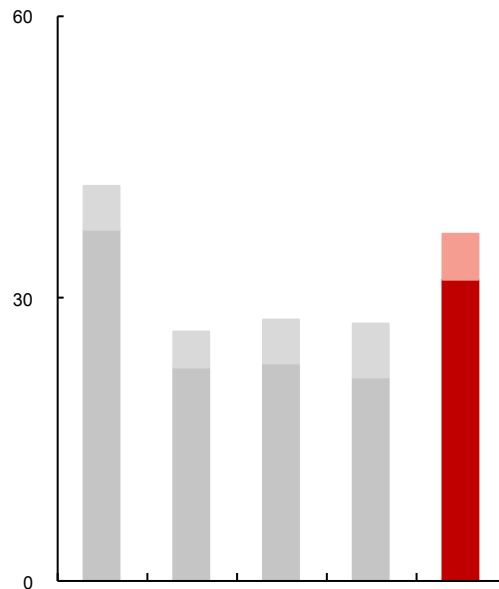
Net trading income

- ◇ Net trading income (adjusted net financial incomes) for this quarter was ¥ 36.9 B (-12% Y on Y, +36% Q on Q), the sale of foreign bonds was ¥ 657.0 B (-20%, +6%).
Because bonds trading in the phase of fall in interest rates performed well through this quarter, it kept high standard on profit.

Net trading income (adjusted net financial incomes)

(Billions of yen)

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

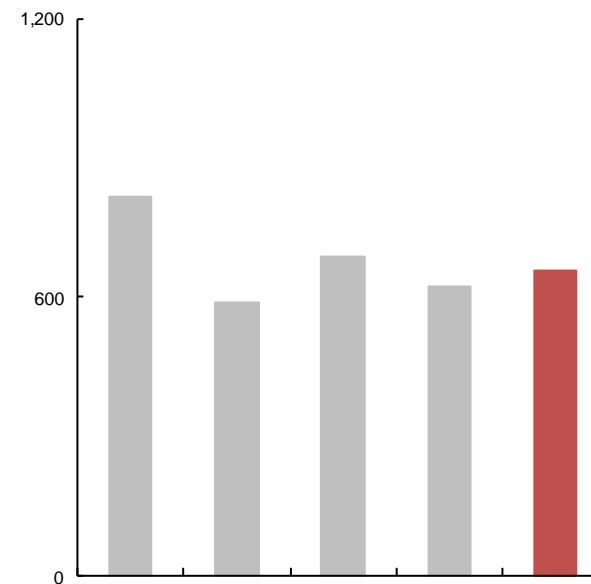


	FY2015 1Q	2Q	3Q	4Q	FY2016 1Q	Y on Y	Q on Q
Equities, etc.(*1) (dividend, etc)	4.7	3.8	4.6	5.6	4.8	+3%	-13%
Bonds, others(*2) (interest)	37.3	22.7	23.1	21.6	32.0	-14%	+48%
Total(*3)	42.0	26.5	27.8	27.2	36.9	-12%	+36%

Sale of foreign bonds

(Billions of yen)

【non-consolidated】



FY2015 1Q	2Q	3Q	4Q	FY2016 1Q	Y on Y	Q on Q
817.5	588.8	687.9	621.6	657.0	-20%	+6%

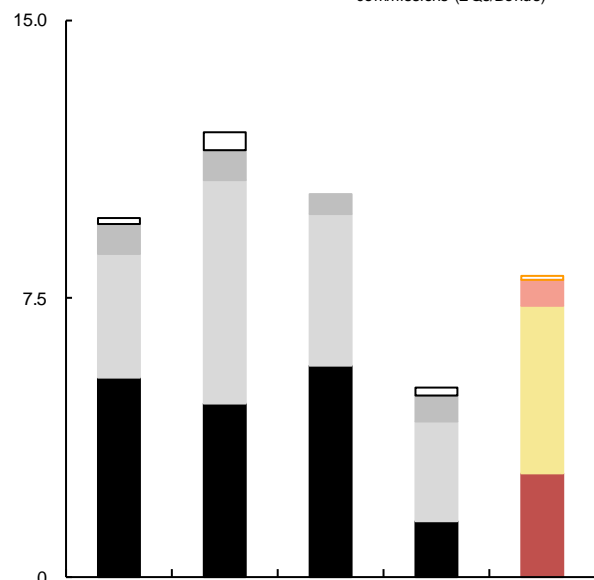
Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commissions for this quarter was ¥ 7.5 B (-16% Y on Y, +77% Q on Q).
- ◇ For Apr. 2016 - Jun. 2016, book runner in Global Equity & Equity-Related-Japan: share 19.9% in 2nd place, lead manager in All Bonds in Yen: share 20.4% in 1st place.

Underwriting commissions (Equities / Bonds)

(Billions of yen)

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



	FY2015 1Q	2Q	3Q	4Q	FY2016 1Q	Y on Y	Q on Q
Underwriting commissions	8.9	10.7	10.0	4.2	7.5	-16%	+77%
Equities	5.4	4.7	5.7	1.5	2.8	-48%	+89%
Bonds	3.3	6.0	4.1	2.7	4.5	+36%	+67%
Subscription and Distribution commissions (EQs/Bonds)	0.8	0.8	0.5	0.7	0.7	-5%	+4%
Others(*)	0.2	0.5	0.0	0.2	0.1	-62%	-51%

Global Equity & Equity-Related-Japan Apr. 2016 - Jun. 2016

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura Securities	96.0	22.8%
2	SMBC Nikko Securities	83.8	19.9%
3	Mitsubishi UFJ Morgan Stanley	78.0	18.6%
4	Mizuho Securities	52.4	12.5%
5	Daiwa Securities	39.0	9.3%

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

All Bonds in Yen Apr. 2016 - Jun. 2016

【non-consolidated】

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	SMBC Nikko Securities	919.2	20.4%
2	Mizuho Securities	858.7	19.1%
3	Mitsubishi UFJ Morgan Stanley	765.7	17.0%
4	Nomura Securities	726.5	16.2%
5	Daiwa Securities	709.9	15.8%

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. 2016 - Jun. 2016 in the league table of M&A financial advisor for any Japanese involvement announced deals:
With 19 deals acquired in total, ranked 7th in terms of value (market share 6.7%) and 4th in terms of number of deals (market share 2.5%).

Financial Advisor Rank value basis Apr. 2016 - Jun. 2016

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Morgan Stanley	1,609.5	51.4%
2	Bank of America Merrill Lynch	893.7	28.5%
2	The Raine Group LLC	893.7	28.5%
4	Nomura	884.8	28.2%
7	Sumitomo Mitsui Financial Group	209.7	6.7%

Financial Advisor No. of deals Apr. 2016 - Jun. 2016

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Mizuho Financial Group	40	5.3%
2	Nomura	28	3.7%
3	Daiwa Securities Group Inc	21	2.8%
4	Sumitomo Mitsui Financial Group	19	2.5%
5	Plutus Consulting Co Ltd	16	2.1%

Major announced deals Apr. 2016 – Jun. 2016

Rengo Co., Ltd. / Tri-Wall Holdings Limited (CITIC Capital Partners Japan Limited)

CITIC Capital Partners had sold all of the shares of Tri-Wall Holdings Limited that they held through the funds under their management (67.1%) to Rengo Co., Ltd.
(SMBC Nikko serves as an advisor for CITIC Capital Partners Japan Limited)

Fujitsu Limited / NIFTY Corporation

Fujitsu Limited launched TOB to make its Consolidated subsidiary, NIFTY Corporation, to a wholly owned subsidiary.
(SMBC Nikko serves as an advisor for Fujitsu Limited.)

Permira Advisers / STYLA INC. (Rising Japan Equity Inc.)

Rising Japan Equity Inc. had sold all the shares of STYLA INC. which is owned by Rising Japan Equity's LPS to funds managed by Permira Advisers.
(SMBC Nikko serves as an advisor for Rising Japan Equity Inc.)

Wendy's Japan LLC / First Kitchen Co., Ltd.

THE LONGREACH GROUP LTD. got majority of shares in Wendy's Japan LLC, then Wendy's Japan LLC acquired all shares of First Kitchen Co., Ltd. from its parent company, SUNTORY HOLDINGS LIMITED.
(SMBC Nikko serves as an advisor for THE LONGREACH GROUP LTD.)

SALA Corporation / CHUBU GAS CO., LTD. SALA HOUSE CO., LTD

SALA Corporation made CHUBU GAS CO., LTD. and SALA HOUSE CO., LTD wholly owned subsidiaries via stock exchange.
(SMBC Nikko serves as an advisor for CHUBU GAS CO., LTD.)

TOYOTA MOTOR CORPORATION / FUTABA INDUSTRIAL CO., LTD.

FUTABA INDUSTRIAL CO., LTD. launched a third-party allocation of shares for TOYOTA MOTOR CORPORATION.
(SMBC Nikko serves as an advisor for FUTABA INDUSTRIAL CO., LTD.)

Business collaboration with Sumitomo Mitsui Banking Corporation

【non-consolidated】

◇ Collaboration with SMBC keeps on track as the number of individual customer's accounts and the referral of corporate clients are growing.

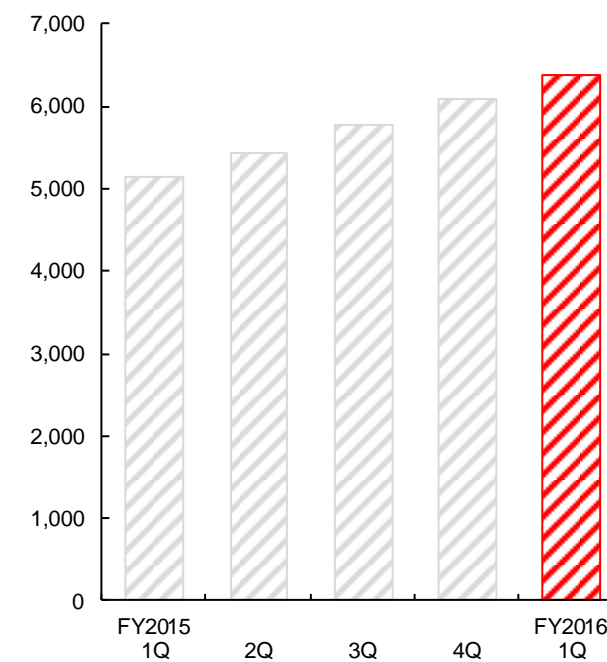
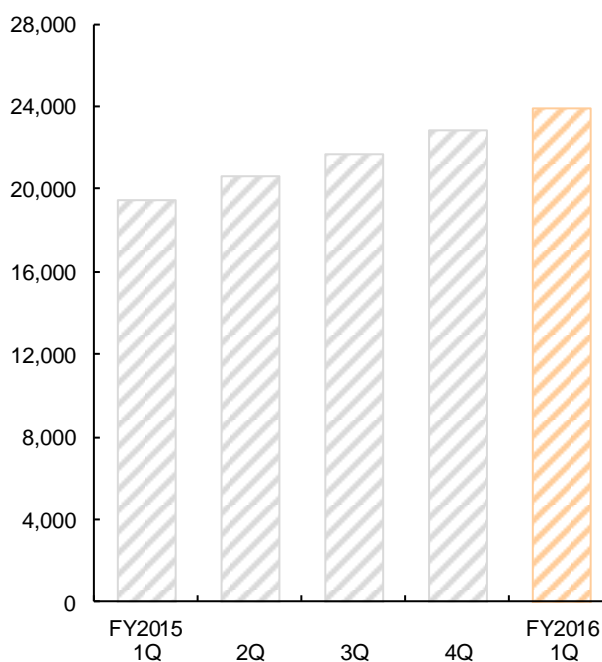
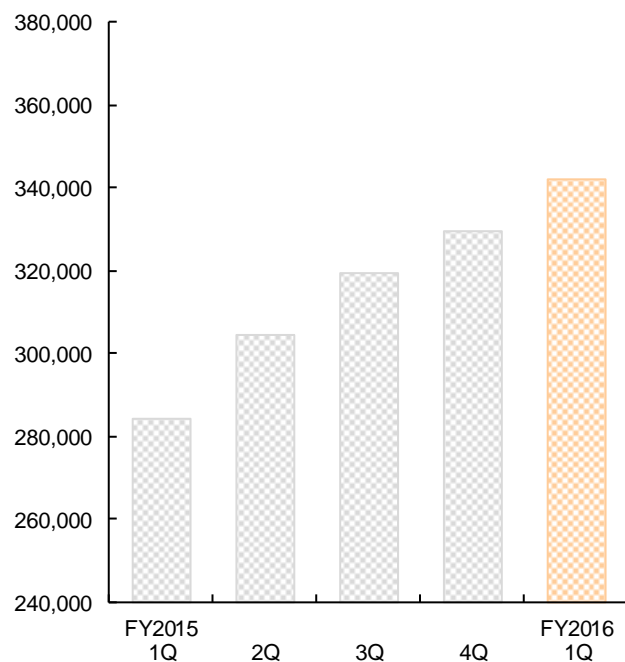
Asset management (Referral service and financial products intermediary service (*1))

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.

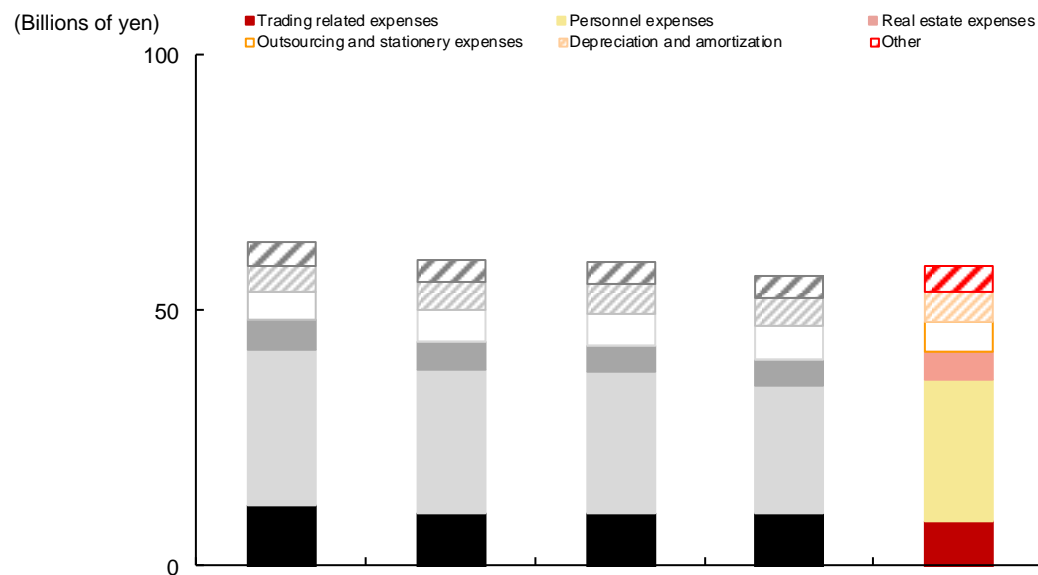
(*1) Financial products intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

(*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 ¥ 58.8 B (-8% Y on Y, +3% Q on Q). Trading related expenses and personnel expenses linked to company operations decreased Y on Y.



(Billions of yen)	FY2015 1Q	2Q	3Q	4Q	FY2016 1Q	Y on Y	Q on Q
Trading related expenses	11.8	10.5	10.2	10.4	8.8	-25%	-16%
Personnel expenses	30.8	28.1	28.0	24.9	27.7	-10%	+11%
Real estate expenses	5.7	5.5	5.2	5.2	5.4	-5%	+2%
Outsourcing and stationery expenses	5.7	6.2	6.3	6.6	6.0	+5%	-8%
Depreciation and amortization	5.1	5.3	5.5	5.7	5.8	+13%	+2%
Other	4.7	4.4	4.4	4.1	4.9	+5%	+19%
SG&A / Fixed expense	64.0	60.2	59.8	57.2	58.8	-8%	+3%
SG&A / Net operating revenue	72%	82%	82%	99%	80%	+8pt	-20pt

Balance sheet / Capital Adequacy Ratio

(Billions of Yen)	Mar.16	Jun.16	Variance
Current assets	10,220.3	10,698.7	+478.3
Trading products	3,673.1	3,669.6	-3.5
Loans secured by securities	5,007.4	5,296.7	+289.2
Other current assets	1,539.8	1,732.4	+192.6
Noncurrent assets	258.7	245.7	-13.0
Tangible assets	26.7	26.7	-0.0
Intangible assets	84.6	83.8	-0.7
Investments and other assets	147.4	135.1	-12.2
Total assets	10,479.1	10,944.5	+465.3
Current liabilities	9,147.3	9,630.0	+482.6
Trading products	2,464.5	2,670.2	+205.7
Loans payable secured by securities	5,104.8	5,187.3	+82.5
Short-term loans payable / Commercial papers	1,054.7	995.1	-59.6
Other current liabilities	523.1	777.2	+254.0
Noncurrent liabilities / Reserves under the special laws	634.0	618.0	-15.9
Total liabilities	9,781.3	10,248.0	+466.7
Total net assets	697.8	696.4	-1.3
Total liabilities and net assets	10,479.1	10,944.5	+465.3

【non-consolidated】

(Billions of Yen)	Mar.16	Jun.16	Variance
Basic items	656.6	665.3	+8.7
Supplementary items	14.9	9.7	-5.1
Deductible assets	162.3	161.4	-0.8
Net capital	509.2	513.7	+4.4
Risk total	128.6	124.8	-3.7
Market Risk	43.8	44.5	+0.7
Counterparty Risk	22.9	20.8	-2.1
Basic Risk	61.7	59.4	-2.3
Capital Adequacy Ratio	396%	412%	+16 pt

【non-consolidated】

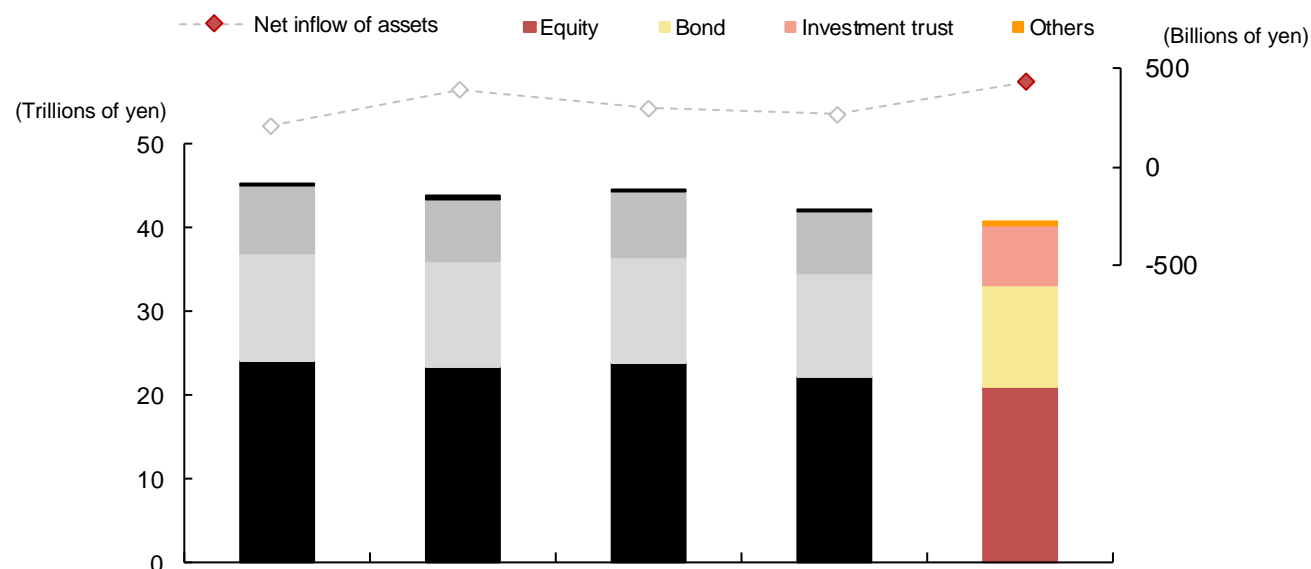
Credit ratings on Long Term (as of July 25, 2016)

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

Client Assets / Net Inflow of Assets

【non-consolidated】

- ◇ Overall client assets at the end of Jun. 2016 was ¥ 40.7 trillion (-4% Q on Q).
- ◇ Net inflow of assets at sales division for this quarter was ¥ 434.2 B.



(Trillions of yen)

	FY2015 Jun.	Sep.	Dec.	Mar.	FY2016 Jun.
Equity	24.1	23.3	23.9	22.1	21.0
Bond	12.9	12.8	12.7	12.6	12.3
Investment trust	8.1	7.4	7.7	7.2	7.1
Others	0.3	0.3	0.3	0.3	0.3
Client assets	45.4	43.8	44.6	42.2	40.7

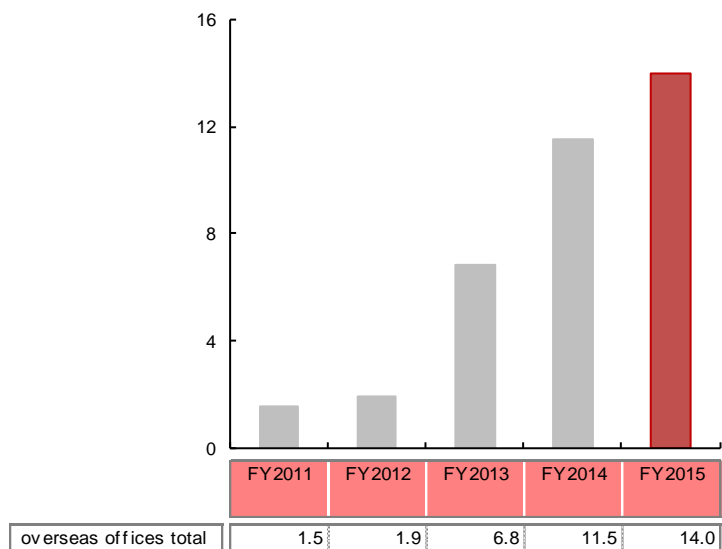
(Billions of yen)

	1Q	2Q	3Q	4Q	1Q
Net inflow of assets <sales division>	206.9	393.0	296.2	264.9	434.2
Inflow of assets	1,380.2	1,376.4	1,316.9	1,392.4	1,409.3
Outflow of assets	-1,173.3	-983.3	-1,020.7	-1,127.5	-975.0

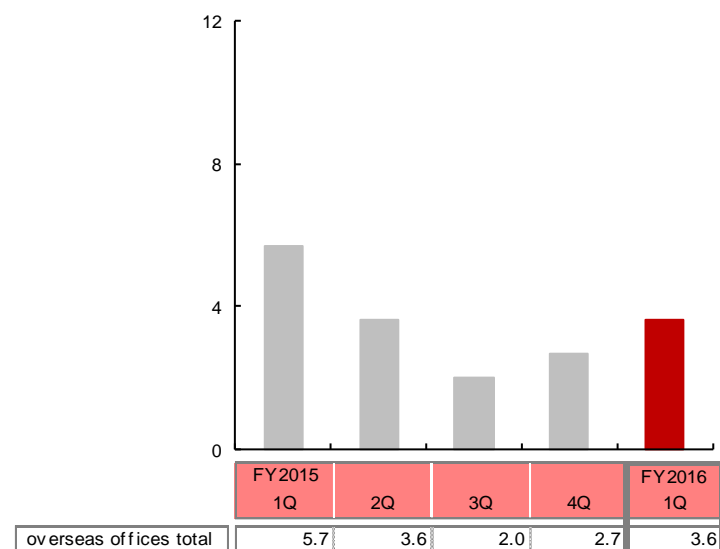
Business Trends of Overseas Offices

- ◇ Earnings based on managerial accounting for this quarter was ¥ 3.6 B (+33% Q on Q).
- ◇ Overseas business has been expanding thanks to enhanced management / structure and progress in collaboration with SMBC at overseas offices.

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: SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore) ; and
 - ✓ Earnings of affiliated companies: Securities Product Group of SMBC Nikko Capital Markets (Percentage of voting rights: SMBC Nikko Securities 15.15%, SMBC 84.85%) 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

SMBC Nikko Capital Markets

- Japanese equity and fixed-income sales and trading
- Equity and bond underwriting
- M&A advisory
- IR arrangement
- Swap related business

SMBC Nikko Bank (Luxembourg)

- Fund custody
- Fund administration

SMBC Nikko Investment Fund Management Company

- Fund management

SMBC Nikko Securities America (San Francisco Branch)

- Japanese / US equity brokerage
- M&A advisory

SMBC Nikko Securities (Hong Kong)

- Japanese / Hong Kong equity and fixed-income brokerage
- Coverage of bond underwriting
- M&A advisory
- Market entry consulting for Japanese companies in Greater China
- IR arrangement

SMBC Nikko Investment Consulting (Shanghai)

- M&A advisory related services

SMBC Nikko Securities America

- Japanese / US equity brokerage
- Fixed-income sales and trading
- Equity and bond underwriting
- Structured finance
- M&A advisory
- IR arrangement

SMBC Nikko Securities (Singapore)

- Japanese equity brokerage
- M&A advisory
- Private wealth business
- IR arrangement

Nikko Securities Indonesia

- Indonesian equity brokerage
- Equity and bond underwriting
- M&A advisory
- Market entry consulting for Japanese companies in Indonesia
- Asset management business

SMBC Nikko Capital Markets (Sydney Office)

- Coverage of bond underwriting

Business Partners (Asia)

KB Investment & Securities (Seoul)

- Alliance in M&A advisory, DCM and IPO business

First Metro Securities (Manila)

- Alliance in M&A advisory and bond underwriting and sales

Petro Vietnam Securities (Hanoi)

- Market entry consulting for Japanese companies in Vietnam

Phatra Securities (Bangkok)

- Alliance in M&A advisory and DCM/ECM business

Kotak Mahindra Group (Mumbai)

- Alliance in M&A advisory

Business Partners (Americas)

Citigroup (New York)

- Collaboration in various business worldwide

Moelis & Company (New York)

- Alliance in M&A advisory

BTG Pactual (Rio de Janeiro)

- Alliance in M&A advisory

- SMBC Nikko Group Company
- SMBC Nikko Business Partner

Merger between SMBC Nikko and SMBC Friend

- SMBC Nikko and SMBC Friend agreed to merger in order to strengthen the group's securities business, and it is scheduled for January 2018. The merger will fundamentally strengthen the competitiveness by taking full advantage of synergies from the merger while capitalizing on the strengths of each of the two securities companies.
- Prior to this merger, SMBC Nikko will become a wholly owned direct subsidiary of SMFG in October 2016.

Distribution of ESG approach fund

- SMBC Nikko started distribution of the fund, "Schroder Asia Pacific Excellent Companies" which invests on Asia Pacific equity market with ESG (environmental, social and governance) approach on June 20, 2016. It is the first attempt to introduce the fund of Asia Pacific equity market with ESG approach.
- SMBC Nikko is planning to donate a part of income from this ESG fund to public service corporation, with the aim to support and promote sports for both handicapped and non-handicapped people.



Assigned two outside executive directors

- In order to enhance its corporate governance framework, 2 outside executive directors were selected as SMBC Nikko's first experience. Accordingly, the number of outside directors were 2 of 13 directors and 2 of 4 statutory auditors.
- SMBC Nikko expects for new outside directors: Hideki Kato and Tomomi Yatsu would bring beneficial opinions for the management through their diverse perspectives.

Achieved HDI support center certification

- SMBC Nikko achieved HDI support center certification as the first financial institution nationwide.
- HDI (help desk institute) is the largest organization which offers certification in customer support, and SMBC Nikko is the 9th company certified by HDI among the 50,000 members around the world.



Reference Data



Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2015				FY2016
	1Q	2Q	3Q	4Q	1Q
Operating revenue	95,827	79,319	79,570	64,074	81,013
Commissions received	46,160	46,153	44,403	29,787	35,335
Brokerage commissions	11,435	10,297	9,602	7,859	7,390
Underwriting and distribution commissions	8,962	10,799	10,001	4,237	7,518
Flotation and distribution fees	12,223	11,023	10,490	4,692	7,529
Other commissions	13,539	14,032	14,309	12,996	12,898
Net trading income	40,067	22,079	25,813	23,263	36,757
Equities	3,684	104	3,877	2,611	4,313
Bonds / Others	36,382	21,974	21,936	20,651	32,444
Financial revenue	7,120	7,914	6,549	7,607	5,385
Other sales	2,479	3,172	2,803	3,416	3,534
Financial expenses	5,241	3,303	4,520	3,604	4,653
Cost of sales	1,938	2,306	2,174	2,801	2,674
Net operating revenue	88,647	73,708	72,875	57,667	73,685
SG&A	64,095	60,298	59,878	57,276	58,814
Operating income / loss	24,552	13,410	12,996	390	14,870
Ordinary income / loss	25,478	15,076	13,456	1,816	15,750
Extraordinary income / loss	6,246	-2,506	-18	-253	-497
Income before income taxes	31,724	12,569	13,438	1,563	15,252
Income taxes-current	708	6,464	5,878	398	585
Income taxes-deferred	9,418	-1,808	-3,089	-804	3,913
Profit / loss	21,597	7,912	10,648	1,969	10,753
Profit attributable to owners of parent	21,593	7,904	10,639	1,969	10,750

Non-consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2015				FY2016
	1Q	2Q	3Q	4Q	1Q
Operating revenue	90,922	73,941	74,431	58,633	75,119
Commissions received	44,041	44,169	42,256	27,913	33,132
Brokerage commissions	10,636	9,516	8,854	7,191	6,679
Underwriting and distribution commissions	8,962	10,799	10,001	4,237	7,518
Flotation and distribution fees	12,037	10,982	10,489	4,665	7,459
Other commissions	12,405	12,870	12,911	11,818	11,475
Net trading income	40,067	22,079	25,813	23,263	36,757
Equities	3,684	104	3,877	2,611	4,313
Bonds / Others	36,382	21,974	21,935	20,651	32,444
Financial revenue	6,813	7,693	6,361	7,456	5,228
Financial expenses	4,962	3,111	4,360	3,483	4,535
Net operating revenue	85,959	70,830	70,070	55,149	70,584
SG&A	62,816	58,885	58,269	55,057	57,762
Operating income / loss	23,143	11,945	11,801	91	12,821
Ordinary income / loss	23,390	12,507	11,804	611	13,097
Extraordinary income / loss	4,611	-4,588	-15	-243	-500
Income before income taxes	28,001	7,919	11,788	367	12,596
Income taxes-current	561	5,932	5,518	-2,086	421
Income taxes-deferred	8,548	-3,201	-1,703	1,390	3,466
Profit / loss	18,892	5,187	7,973	1,064	8,709

Operational Indicators -1

【non-consolidated】

◇ Sales of Products

(Billions of yen)	FY2015				FY2016
	1Q	2Q	3Q	4Q	1Q
Investment trusts	788.4	654.2	739.4	497.2	561.9
(Equity investment trusts)	(531.6)	(436.7)	(453.4)	(298.4)	(392.8)
(Foreign registered investment trusts)	(126.7)	(92.9)	(112.8)	(63.9)	(68.4)
Foreign bonds (*)	817.5	588.8	687.9	621.6	657.0
(Foreign currency bonds)	(236.7)	(193.5)	(276.3)	(200.5)	(214.0)
Domestic bonds	746.3	947.6	740.9	491.9	1,021.8
(Retail target JGBs)	(129.7)	(151.7)	(115.3)	(143.7)	(132.0)
Public offering	121.3	94.1	186.4	37.4	51.1
Annuity / insurance	19.1	18.9	18.0	16.2	10.0
Total	2,492.5	2,303.7	2,372.6	1,664.4	2,301.7

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

◇ Market Share

	FY2015				FY2016
	1Q	2Q	3Q	4Q	1Q
ECM Global Equity (*1)	12.5%	13.7%	14.0%	13.2%	19.9%
DCM All Bonds in Yen (*2)	15.9%	16.8%	16.9%	15.7%	20.4%
M&A Japan related (*3)	18.0%	17.4%	28.4%	24.8%	6.7%

(*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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◇ Direct Channel Ratio (*1)

	FY2015				FY2016
	1Q	2Q	3Q	4Q	1Q
Based on number of transaction	90.0%	91.5%	85.8%	93.2%	92.9%
(Nikko EZ Trade)	(83.8%)	(85.9%)	(81.1%)	(88.5%)	(89.0%)
Based on commissions	43.0%	44.4%	36.0%	47.4%	38.0%
(Nikko EZ trade)	(27.8%)	(29.5%)	(23.8%)	(32.0%)	(26.2%)

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

◇ Brokerage Commissions Rate (*2)

(Billions of yen)	FY2015				FY2016
	1Q	2Q	3Q	4Q	1Q
Equity brokerage amounts	6,412.8	6,285.5	5,923.6	6,326.4	6,178.5
Equity brokerage commissions (*3)	10.7	8.9	8.7	7.0	6.6
Equity commissions rate	15.3bp	12.4bp	13.3bp	9.7bp	9.4bp

(*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

【non-consolidated】

(Thousands of accounts)	FY2015				FY2016
	Jun. 15	Sep. 15	Dec. 15	Mar. 16	Jun. 16
Total accounts	2,629	2,666	2,712	2,731	2,739
Cash management accounts	2,294	2,332	2,372	2,396	2,405
Newly opened accounts	42	55	59	37	33

◇ Number of Branches

【non-consolidated】

	FY2015				FY2016
	Jun. 15	Sep. 15	Dec. 15	Mar. 16	Jun. 16
Branches	123	123	123	123	123

◇ Number of Employees

	FY2015				FY2016
	Jun. 15	Sep. 15	Dec. 15	Mar. 16	Jun. 16
Employees	10,022	9,936	9,829	9,685	10,352
Number of 4 overseas employees (SPG)	378	396	413	427	443

- 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.

