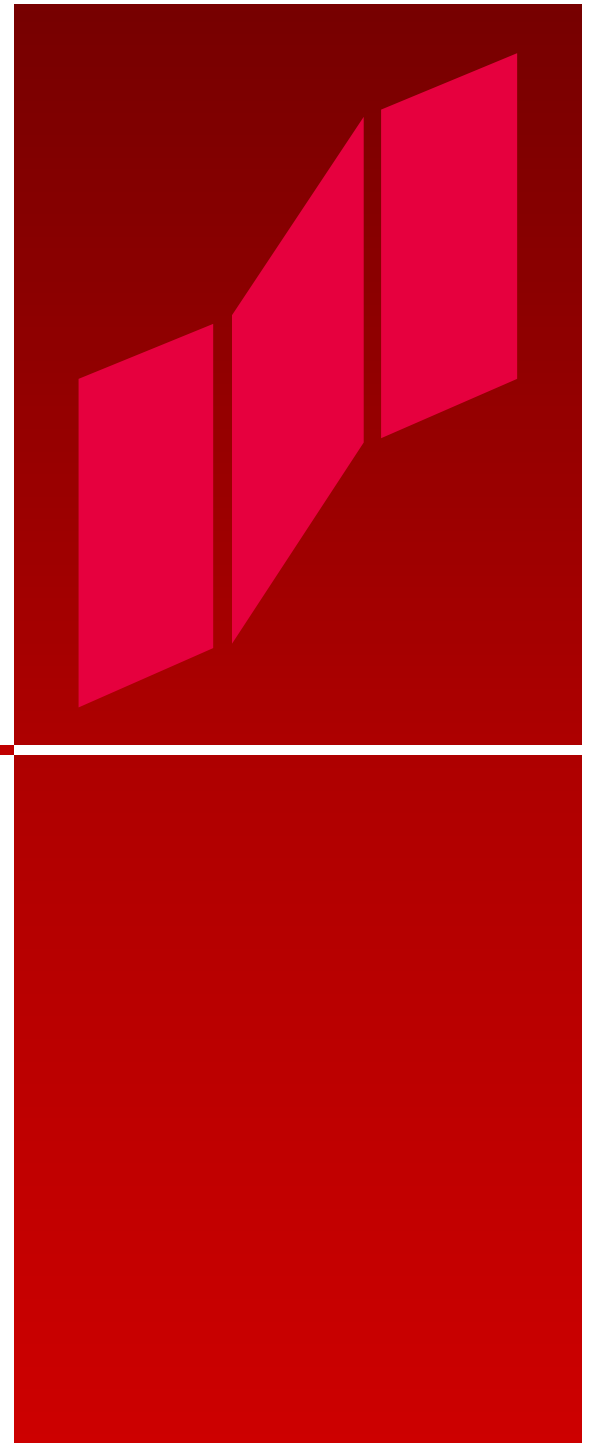
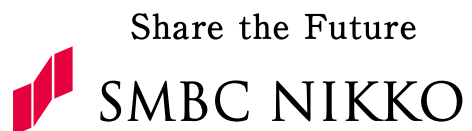


Earnings Announcement for the Third Quarter FY2016 ending March 31, 2017 (JGAAP)

SMBC Nikko Securities Inc.

January 27, 2017



		[Reference Data]	
Summary of business results for the 3Q 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 January 27, 2017 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 27, 2017) 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. 2017

9 months to
Dec.31 2016

- **Net operating revenue : ¥ 227.1 B (-3% Y on Y), Ordinary income : ¥ 48.6 B (-10%), Profit (*1) : ¥ 26.3 B (-34%)**
Although income had improved quarter by quarter, income and profit for this quarter decreased due to an uncertain market environment from the beginning of this period.
- Equity brokerage amount was ¥ 19.6 trillion (+5%).
Aggregate sales of product was ¥ 7.1 trillion (-0%). Sale of investment trusts was ¥ 1.7 trillion (-22%), foreign bonds was ¥ 1.9 trillion (-5%) and domestic bonds was ¥ 3.1 trillion (+30%).
- Underwriting commission was ¥ 25.9 B (-13%).
League table rankings for Apr. 2016 - Dec. 2016
2nd place (*2) in Global Equity & Equity-Related-Japan
3rd place (*3) in All Bonds in Yen
10th place (*4) in terms of value and 2nd in terms of number of deals for M&A announced deals
- SG&A was ¥ 181.1 B (-2%).
- An extraordinary loss of ¥ 11.2 B was recorded by restructuring and liquidation of business alliance with Barclays.
- As of the end of Dec. 2016, total assets was ¥ 10.7 trillion and net assets was ¥ 520.6 B.
Total assets decreased by payment of a dividend to our parent company in September 2016.
Capital adequacy ratio (non-consolidated) was 349%, reflecting the sound financial base of the company.

FY ending
Mar. 2017 3Q

- **Net operating revenue : ¥ 78.0 B (+4% Q on Q), Ordinary income : ¥ 17.1 B (+9%), Profit (*1) : ¥ 4.2 B (-62%)**
Although equity brokerage commissions and net trading income contributed to increase in operating revenue and ordinary income, an extraordinary loss caused decrease in profit.
- Aggregate sale of products was ¥ 2,146.3 B (-21%), foreign bonds was ¥ 690.4 B (+8%) and domestic bonds was ¥ 794.8 B (-41%).

Billions of Yen	FY2016		Q on Q	9 months to Dec. 31 2015	9 months to Dec. 31 2016	Y on Y
	2Q	3Q				
Operating revenue	82.0	87.2	+6%	254.7	250.3	-2%
Net operating revenue	75.4	78.0	+4%	235.2	227.1	-3%
SG&A	60.7	61.5	+1%	184.2	181.1	-2%
Ordinary income / loss	15.7	17.1	+9%	54.0	48.6	-10%
Income before taxes	16.0	5.9	-63%	57.7	37.2	-36%
Profit / loss(*1)	11.2	4.2	-62%	40.1	26.3	-34%
	Mar.-end '16	Dec.-end '16	From Mar. -end '16	Dec.-end '15	Dec.-end '16	Y on Y
Total assets (Trillions of yen)	10.4	10.7	+0.2	11.1	10.7	-0.4
Total net assets (Billions of yen)	697.8	520.6	-177.1	705.6	520.6	-185.0

(*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

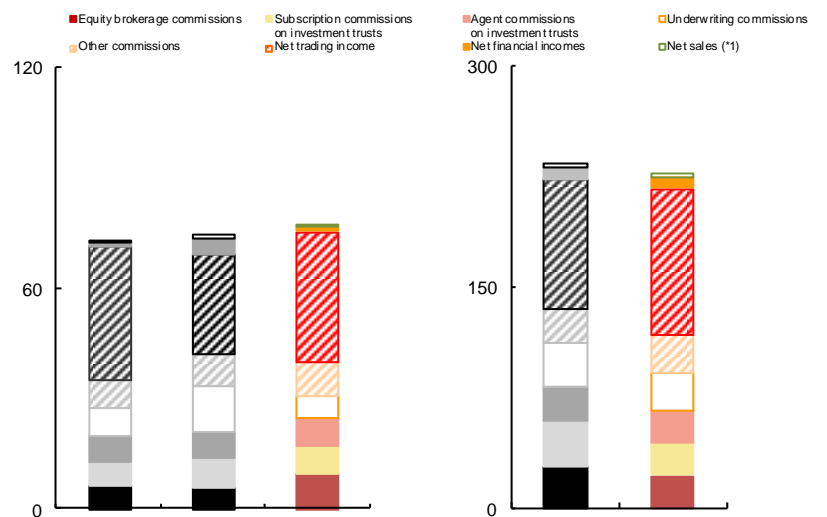
(*4) Source: THOMSON REUTERS, M&A announced deals with any Japanese involvement

Net operating revenue / Product sales

- ◇ Net operating revenue for this quarter was ¥ 78.0 B (+4% Q on Q), aggregate sale of products was ¥ 2,146.3 B (-21%). While underwriting commissions decrease, equity brokerage commissions and net trading income contributed to increase in income.
- ◇ For the 9 months ended Dec. 2016, net operating revenue was ¥ 227.1 B (-3% Y on Y), aggregate sales of product was ¥ 7,149.7 B (-0%). Net trading income and other commissions including fund wrap income had increased.

Net operating revenue

(Billions of yen)

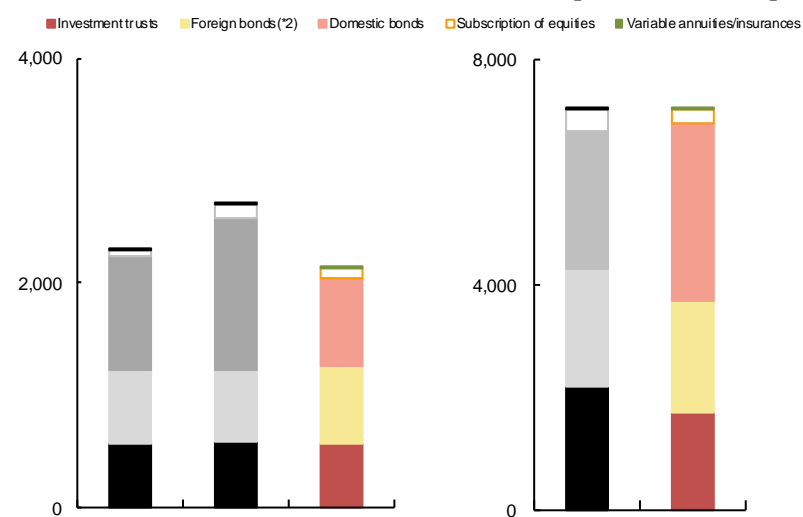


	FY2016 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2015	9 months to Dec. 31 2016	Y on Y
Equity brokerage commissions	6.6	6.3	9.4	+50%	28.4	22.4	-21%
Subscription commissions on investment trusts	6.7	8.1	7.8	-3%	31.3	22.7	-27%
Agent commissions on investment trusts	7.0	7.0	7.5	+6%	23.5	21.6	-8%
Underwriting commissions	7.5	12.1	6.2	-49%	29.7	25.9	-13%
Other commissions	7.3	8.8	9.1	+3%	23.5	25.4	+8%
Net trading income	36.7	27.2	35.7	+31%	87.9	99.7	+13%
Net financial incomes	0.7	4.4	1.3	-69%	8.5	6.5	-24%
Net sales (*1)	0.8	1.1	0.7	-34%	2.0	2.7	+35%
Total	73.6	75.4	78.0	+4%	235.2	227.1	-3%

Product Sales

(Billions of yen)

【non-consolidated】



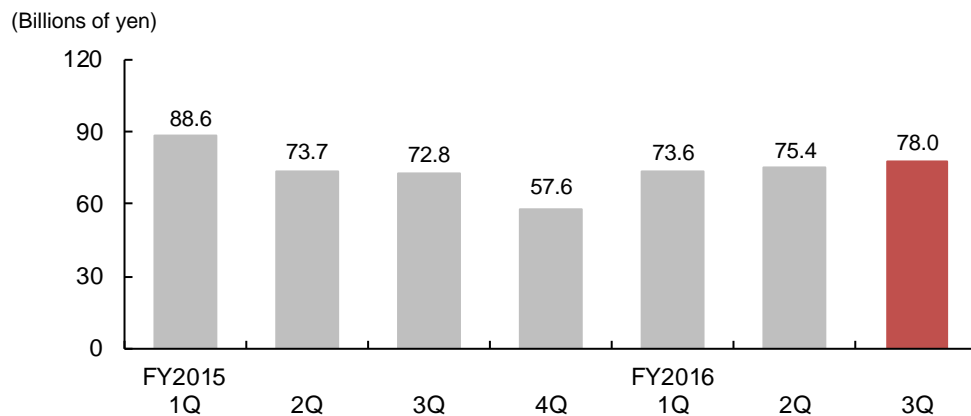
	FY2016 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2015	9 months to Dec. 31 2016	Y on Y
Investment trusts	561.9	583.2	560.6	-4%	2,182.0	1,705.7	-22%
Foreign bonds(*2)	657.0	638.8	690.4	+8%	2,094.2	1,986.2	-5%
Domestic bonds	1,021.8	1,357.8	794.8	-41%	2,434.8	3,174.4	+30%
(Retail - targeted JGBs)	(132.0)	(184.4)	(178.3)	(-3%)	(396.7)	(494.7)	(+25%)
Subscription of equities	51.1	117.5	88.8	-24%	401.9	257.5	-36%
Variable annuities/insurances	10.0	4.3	11.6	2.6x	55.9	25.9	-54%
Total	2,301.7	2,701.7	2,146.3	-21%	7,168.8	7,149.7	-0%

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

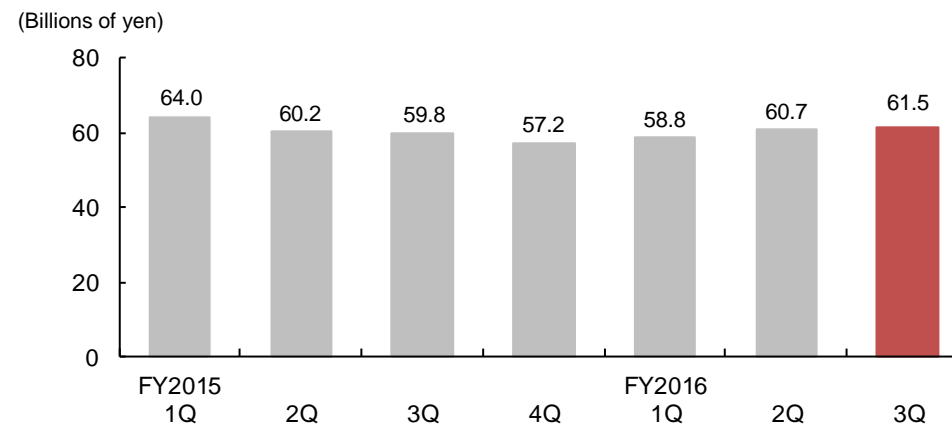
(*1) Other sales minus cost of sales

Business Results (Quarterly Trend)

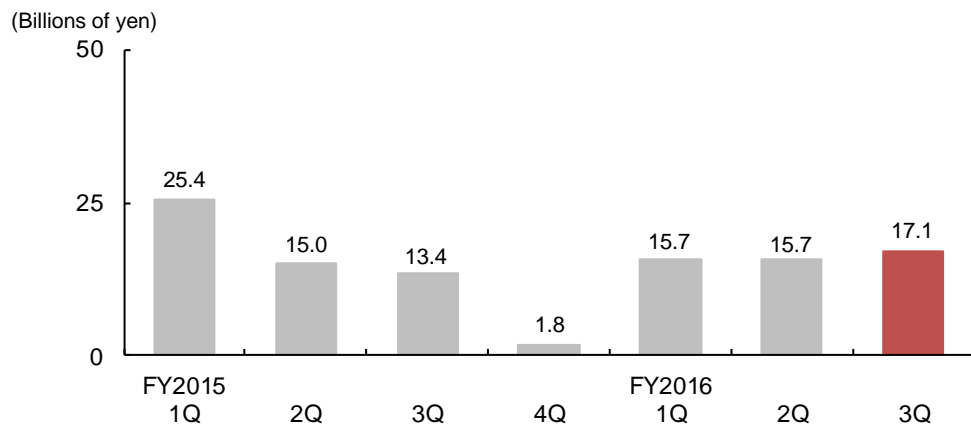
Net operating revenue



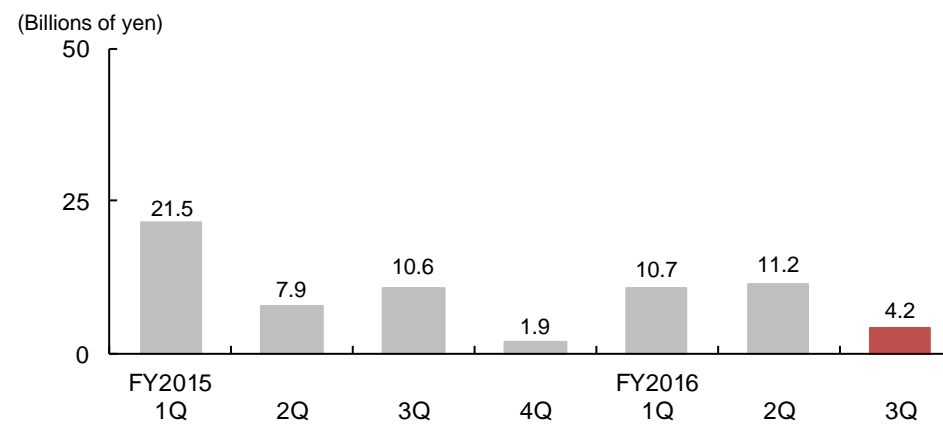
SG&A



Ordinary income



Profit (*)



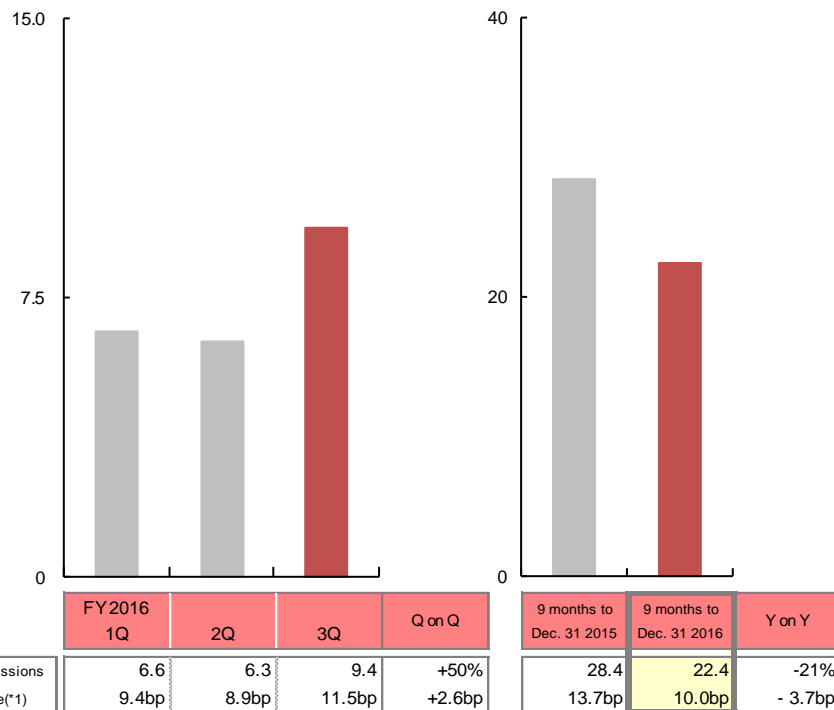
(*) Profit attributable to owners of parent

Equity brokerage commissions

- ◇ Equity brokerage amount for this quarter was ¥ 7,197.9 B (+16% Q on Q), and equity brokerage commissions was ¥ 9.4 B (+50%). Due to US presidential election, retail customers actively traded and TSE share and retail market share were expanded.
- ◇ For the 9 months ended Dec. 2016, equity brokerage amount was ¥ 19,602.8 B (+5% Y on Y), and equity brokerage commissions was ¥ 22.4 B (-21%).

Equity brokerage commissions

(Billions of yen)

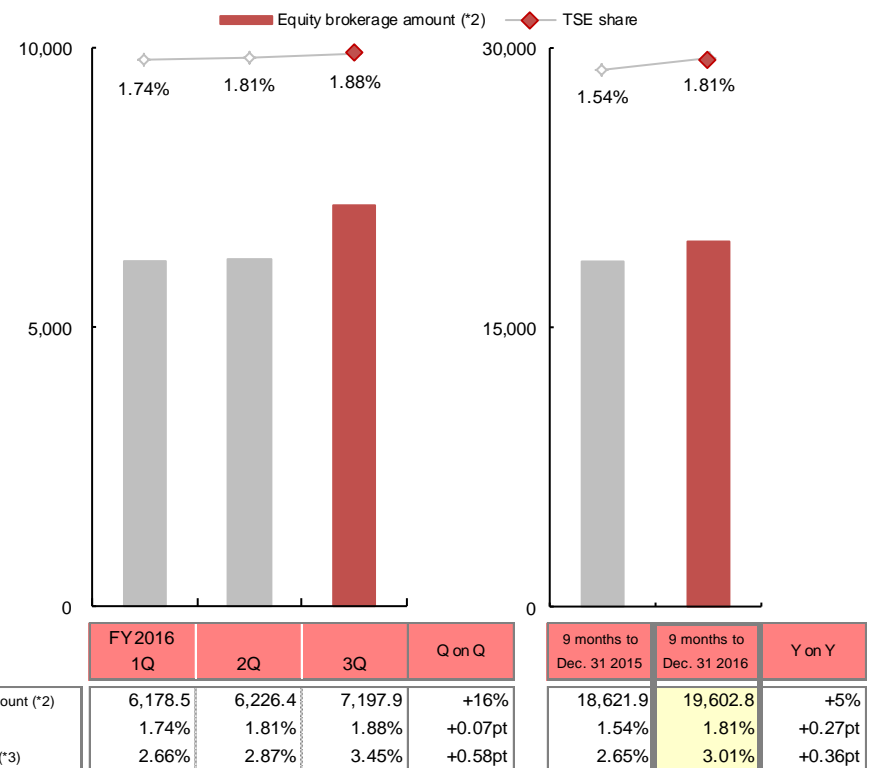


(*1) Adjusted brokerage commissions / brokerage amounts
(Scope: cash and margin transactions)

Equity brokerage amount / TSE share

(Billions of yen)

【non-consolidated】



(*2) All stock exchanges

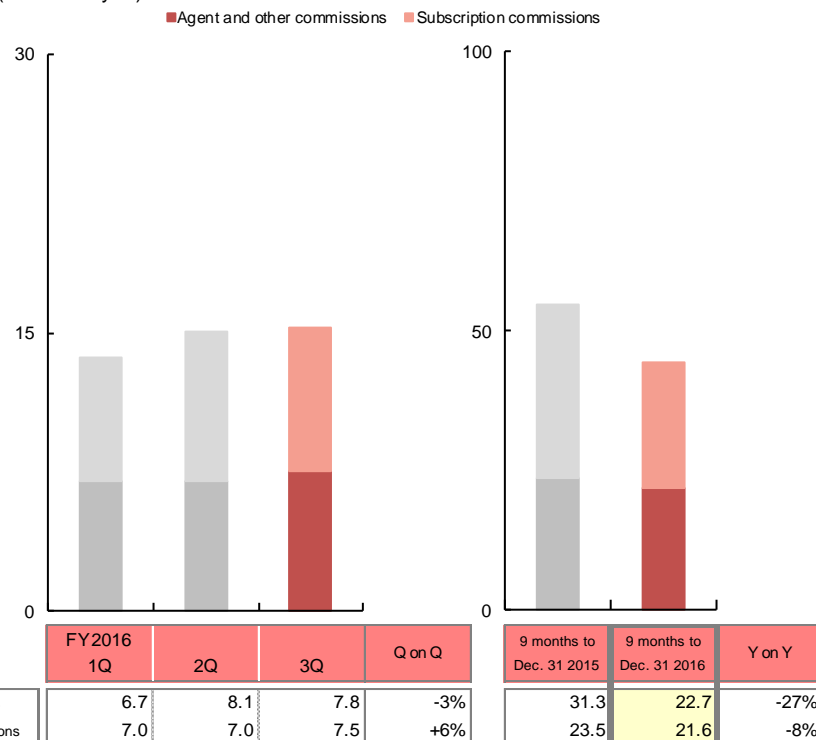
(*3) Total of 1st and 2nd sections of Tokyo and Nagoya stock exchanges

Commissions on investment trusts

- ◇ Sale of investment trusts for this quarter was ¥ 560.6 B (-4% Q on Q), subscription commissions on investment trusts was ¥ 7.8 B (-3%). Due to sale of variety of stock investment trusts and expansion of associated client assets, income remained at favorable level as previous quarter.
- ◇ For the 9 months ended Dec. 2016, sale of investment trusts was ¥ 1,705.7 B (-22% Y on Y), subscription commissions on investment trusts was ¥ 22.7 B (-27%).

Subscription commissions / Agent and other commissions

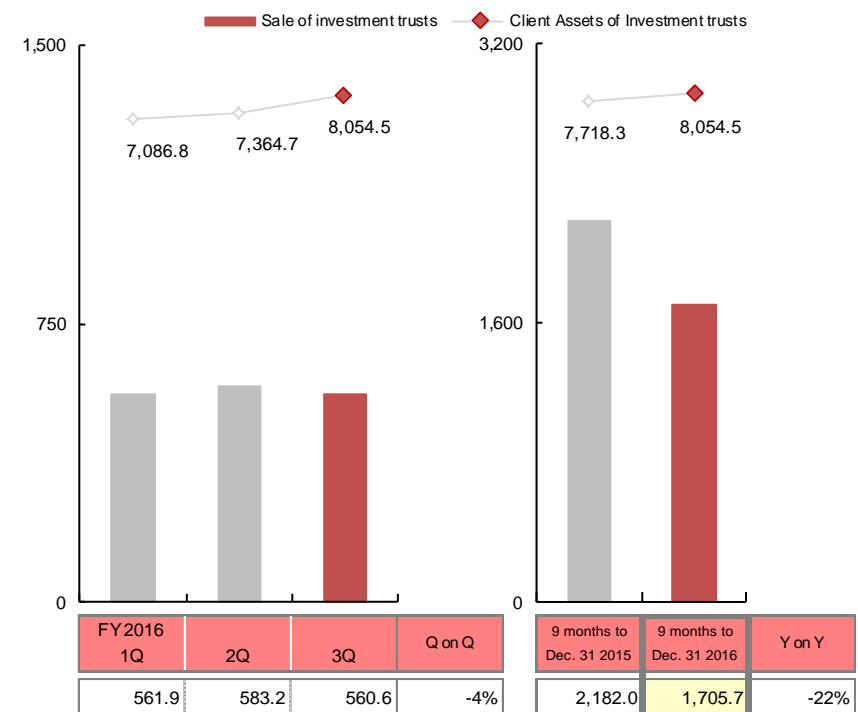
(Billions of yen)



Sales / Client Assets of Investment trusts

(Billions of yen)

【non-consolidated】

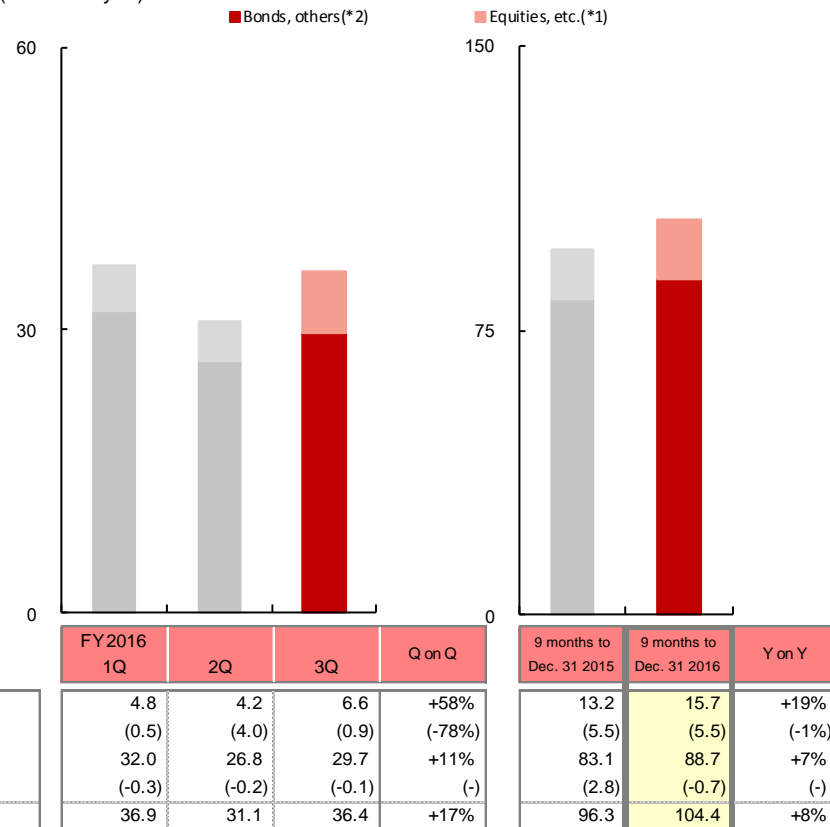


Net trading income

- ◇ Net trading income (adjusted net financial income) for this quarter was ¥ 36.4 B (+17% Q on Q), the sale of foreign bonds was ¥ 690.4 B (+8%). With depreciation of the yen and rising stock prices, sale of foreign bonds and foreign stocks pushed up net trading income.
- ◇ For the 9 months ended Dec. 2016, net trading income (adjusted net financial income) was ¥ 104.4 (+8% Y on Y).

Net trading income (adjusted net financial incomes)

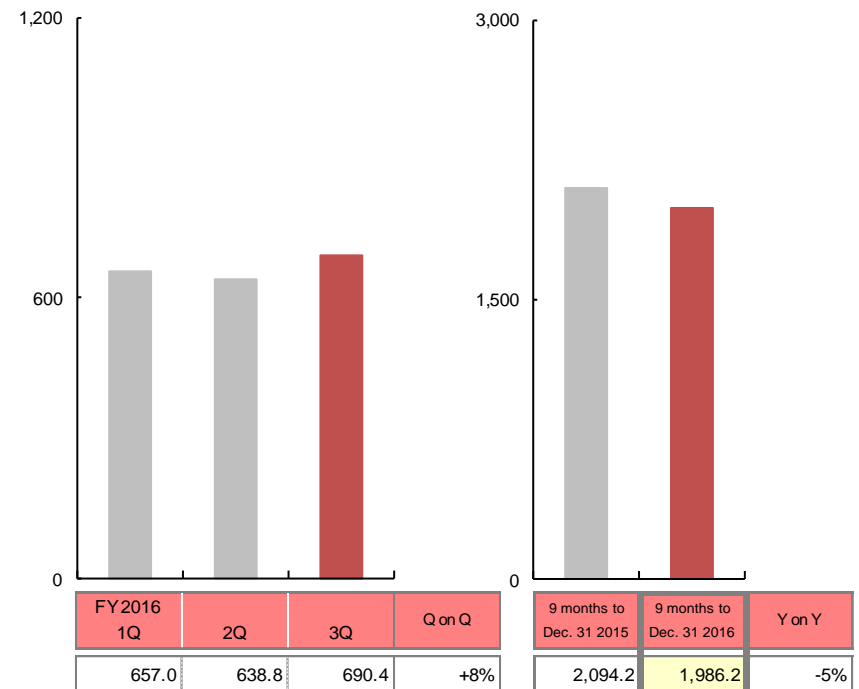
(Billions of yen)



Sale of foreign bonds

(Billions of yen)

【non-consolidated】



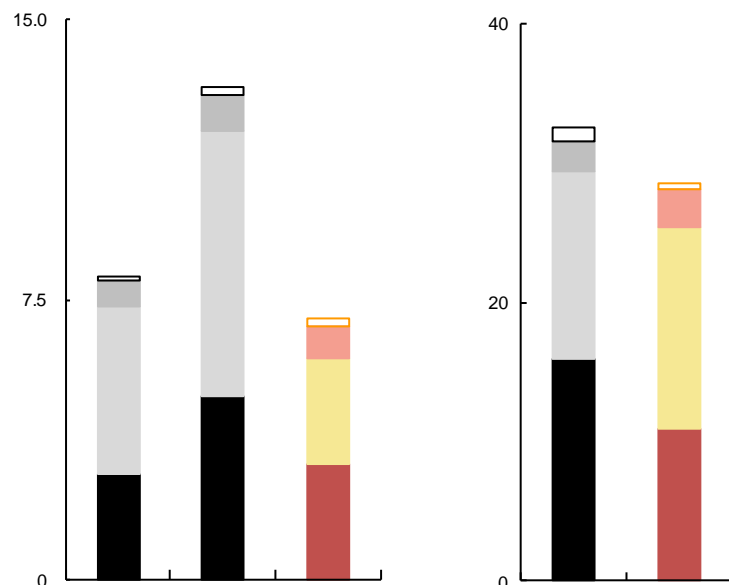
· Net trading income (adjusted net financial incomes) is supplemented with the ex dividend, etc.
 (*1) include dividend from trading position, etc.
 (*2) include interest income from trading position
 (*3) exclude funding costs

Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commissions for this quarter was ¥ 6.2 B (-49% Q on Q). It decreased compared to the last quarter when finance was more active.
- ◇ For Apr. 2016 - Dec. 2016, book runner in Global Equity & Equity-Related-Japan: share 18.6% in 2nd place, lead manager in All Bonds in Yen: share 16.8% in 3rd place.

Underwriting commissions (Equities / Bonds)

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



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

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura Securities	541.8	25.7%
2	SMBC Nikko Securities	390.8	18.6%
3	Mitsubishi UFJ Morgan Stanley	342.1	16.2%
4	Mizuho Securities	286.2	13.6%
5	Daiwa Securities	196.8	9.4%

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

All Bonds in Yen Apr. 2016 - Dec. 2016

【non-consolidated】

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	Mizuho Securities	3,355.1	21.9%
2	Mitsubishi UFJ Morgan Stanley	3,128.7	20.4%
3	SMBC Nikko Securities	2,572.5	16.8%
4	Nomura Securities	2,541.0	16.5%
5	Daiwa Securities	2,280.2	14.9%

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 - Dec. 2016 in the league table of M&A financial advisor for Japanese involvement announced deals:
With 101 deals acquired in total, ranked 10th in terms of value (market share 15.0%) and 2nd in terms of number of deals (market share 4.1%).

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

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Mizuho Financial Group	6,522.0	40.4%
2	Morgan Stanley	4,574.4	28.3%
3	Lazard	4,435.8	27.5%
4	The Raine Group LLC	4,136.1	25.6%
10	Sumitomo Mitsui Financial Group	2,427.8	15.0%

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

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Mizuho Financial Group	149	6.0%
2	Sumitomo Mitsui Financial Group	101	4.1%
3	Nomura	97	3.9%
4	Daiwa Securities Group Inc	53	2.1%
5	Plutus Consulting Co Ltd	43	1.7%

Major announced deals Apr. 2016 – Dec. 2016

Hitachi Construction Machinery / Bradken

Hitachi Construction Machinery Co., Ltd. acquired Bradken Limited through TOB. (SMBC Nikko and Moelis Australia serve as advisors for Hitachi Construction Machinery Co., Ltd.)

SHOWA DENKO / SGL Carbon

SHOWA DENKO K.K. agreed to acquire SGL GE Holding GmbH which engages in the graphite electrode business from SGL Carbon SE. (SMBC Nikko and Moelis & Company serve as advisors for SHOWA DENKO K.K.)

LINTEC / MACtac Americas

LINTEC Corporation acquired all the membership interests of MACtac Americas, LLC. from Evergreen Holdings IV, LLC (SMBC Nikko serves as an advisor for LINTEC Corporation.)

Panasonic / PanaHome

Panasonic Corporation and PanaHome Corporation agreed to make PanaHome Corporation a wholly subsidiary via stock exchange. (SMBC Nikko serves as an advisor for PanaHome Corporation.)

FUJIFILM / Wako Pure Chemical

Wako Pure Chemical Industries, Ltd., a subsidiary of Takeda Pharmaceutical Company Limited. announced that FUJIFILM Corporation, will acquire all the outstanding shares of Wako through a share buyback by Wako and a subsequent tender offer by FUJIFILM. (SMBC Nikko serves as an advisor for Wako Pure Chemical Industries, Ltd.)

Daiwa House / Stanley-Martin Communities

Daiwa House Industry Co., Ltd. concluded a purchase agreement to acquire 82% of the membership interests of Stanley-Martin Communities, LLC from the funding family and investment funds through Daiwa House USA Inc., a subsidiary of Daiwa House Industry Co., Ltd. (SMBC Nikko serves as an advisor for Daiwa House Industry Co., Ltd.)

Business collaboration with Sumitomo Mitsui Banking Corporation

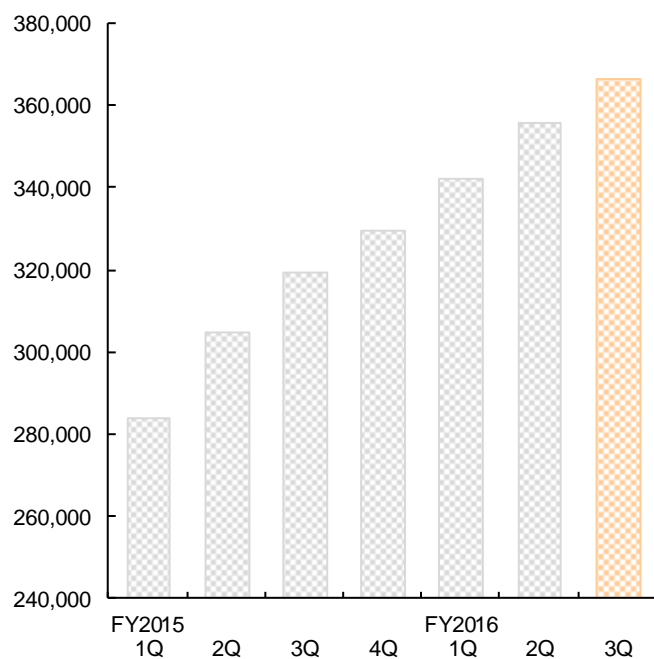
【non-consolidated】

◇ Collaboration with SMBC kept on track as the number of individual customers' accounts and the referral of corporate clients grew steadily.

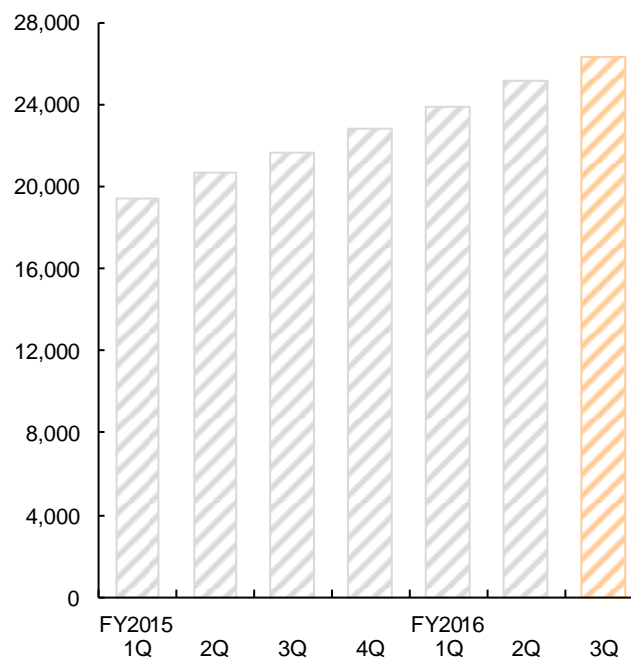
Asset management (Referral service and financial products intermediary service (*1))

Investment banking (Referral service)

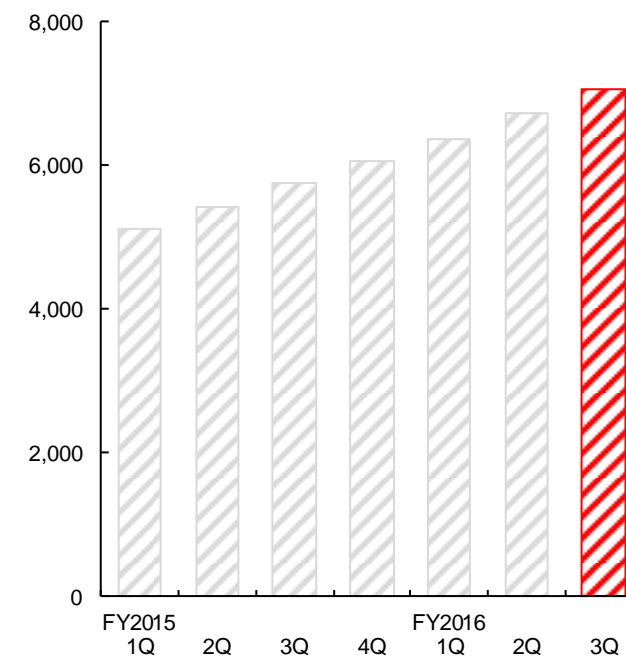
Individual customer (No. of accounts) (*2)



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.

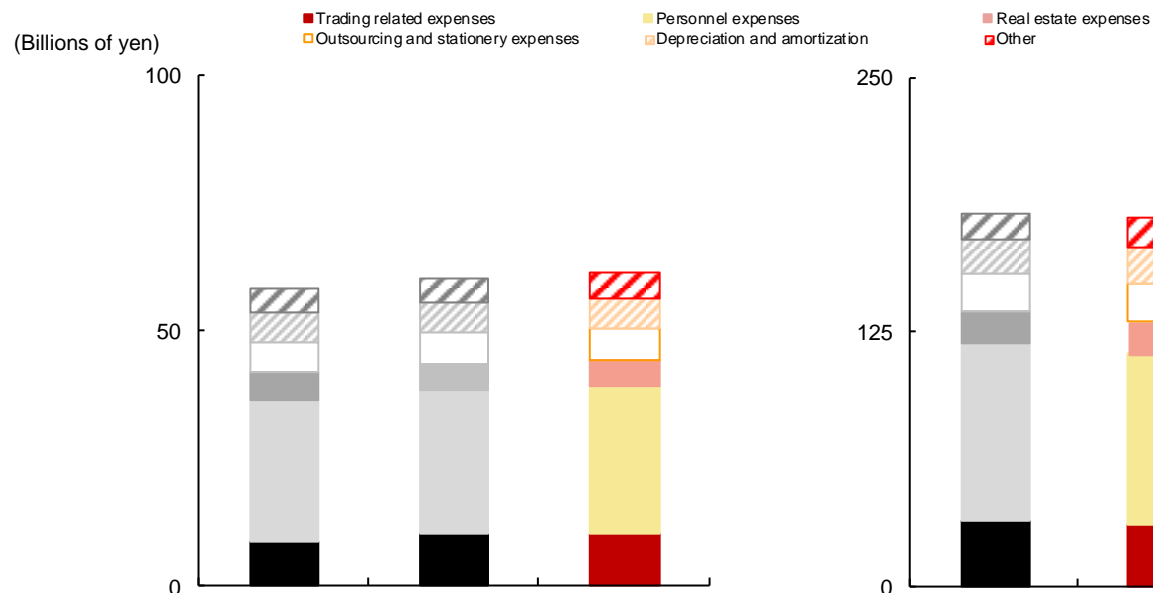
(*1) Financial products intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

(*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 ¥ 61.5 B (+1% Q on Q).
- ◇ For the 9 months ended Dec. 2016, SG&A was ¥ 181.1 B (-2% Y on Y), trading related expenses and personnel expenses linked to company operations decreased.



(Billions of yen)	FY2016 1Q	2Q	3Q	Q on Q	9 months to Dec. 31 2015	9 months to Dec. 31 2016	Y on Y
Trading related expenses	8.8	10.5	10.3	-2%	32.6	29.7	-9%
Personnel expenses	27.7	28.1	28.8	+2%	86.9	84.7	-3%
Real estate expenses	5.4	5.1	5.1	-0%	16.5	15.6	-5%
Outsourcing and stationery expenses	6.0	6.0	6.2	+3%	18.4	18.3	-0%
Depreciation and amortization	5.8	5.9	5.9	-0%	16.0	17.8	+11%
Other	4.9	4.7	5.0	+7%	13.6	14.7	+8%
SG&A/ Fixed expense	58.8	60.7	61.5	+1%	184.2	181.1	-2%
SG&A/ Net operating revenue	80%	81%	79%	- 2pt	78%	80%	+1pt

Balance Sheet / Capital Adequacy Ratio

- ◇ At the end of Sep. 2016, ¥ 200.0 B was paid as a dividend to our parent company.
At the same time, subordinated loan was borrowed and capital adequacy ratio has kept its standard which enabled further business expansion.

(Billions of Yen)	Mar.16	Dec.16	Variance
Current assets	10,220.3	10,522.0	+301.7
Trading products	3,673.1	2,841.0	-832.1
Loans secured by securities	5,007.4	5,690.7	+683.3
Other current assets	1,539.8	1,990.2	+450.4
Noncurrent assets	258.7	255.0	-3.7
Tangible assets	26.7	25.7	-0.9
Intangible assets	84.6	81.1	-3.5
Investments and other assets	147.4	148.1	+0.6
Total assets	10,479.1	10,777.1	+297.9
Current liabilities	9,147.3	9,513.4	+366.0
Trading products	2,464.5	2,582.4	+117.8
Loans payable secured by securities	5,104.8	5,221.8	+116.9
Short-term loans payable / Commercial papers	1,054.7	952.4	-102.3
Other current liabilities	523.1	756.7	+233.6
Noncurrent liabilities / Reserves under the special laws	634.0	743.1	+109.0
Total liabilities	9,781.3	10,256.5	+475.1
Total net assets	697.8	520.6	-177.1
Total liabilities and net assets	10,479.1	10,777.1	+297.9

【non-consolidated】

(Billions of Yen)	Mar.16	Dec.16	Variance
Basic items	656.6	477.4	-179.1
Supplementary items	14.9	120.5	+105.5
Deductible assets	162.3	159.6	-2.7
Net capital	509.2	438.3	-70.8
Risk total	128.6	125.4	-3.1
Market Risk	43.8	49.9	+6.0
Counterparty Risk	22.9	17.4	-5.5
Basic Risk	61.7	58.0	-3.7
Capital Adequacy Ratio	396%	349%	-47pt

【non-consolidated】

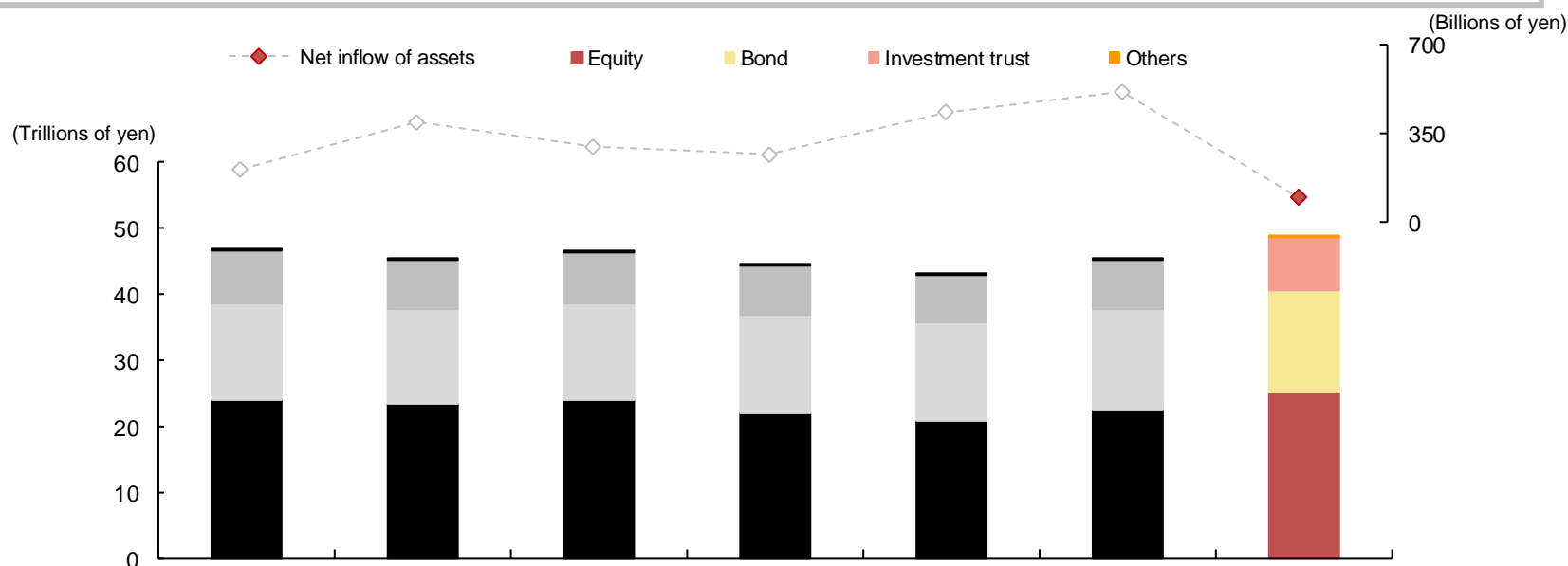
Credit ratings on Long Term (as of Jan 27, 2017)

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

Client Assets / Net Inflow of Assets

【non-consolidated】

- ◇ Overall client assets at the end of Dec. 2016 was ¥ 49.0 trillion (+8% Q on Q).
- ◇ Net inflow of assets at sales division for this quarter was ¥ 98.1 B.



(Trillions of yen)	FY2015				FY2016		
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
Equity	24.1	23.3	23.9	22.1	21.0	22.5	25.1
Bond	14.5	14.6	14.7	14.9	14.9	15.3	15.4
Investment trust	8.1	7.4	7.7	7.2	7.1	7.4	8.1
Others	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Client assets(*1)	47.0	45.6	46.6	44.5	43.3	45.5	49.0

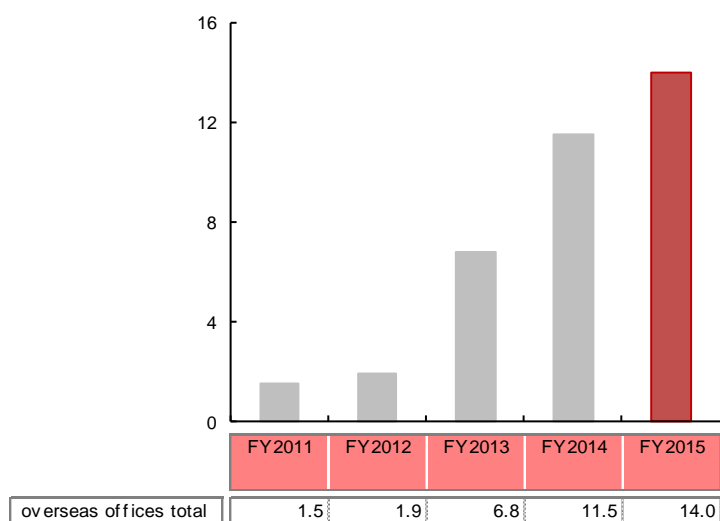
(Billions of yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	Net inflow (outflow) of assets <sales division>	206.9	393.0	296.2	264.9	434.2	513.1
Inflow of assets	1,380.2	1,376.4	1,316.9	1,392.4	1,409.3	1,347.8	1,107.3
Outflow of assets	-1,173.3	-983.3	-1,020.7	-1,127.5	-975.0	-834.7	-1,009.2

(*) From this quarter, retrospective adjustment was introduced to client assets(bond) from 1Q FY2014 to 2Q FY 2016. On this table, it is applied from 1Q FY2015 to 2Q FY 2016.

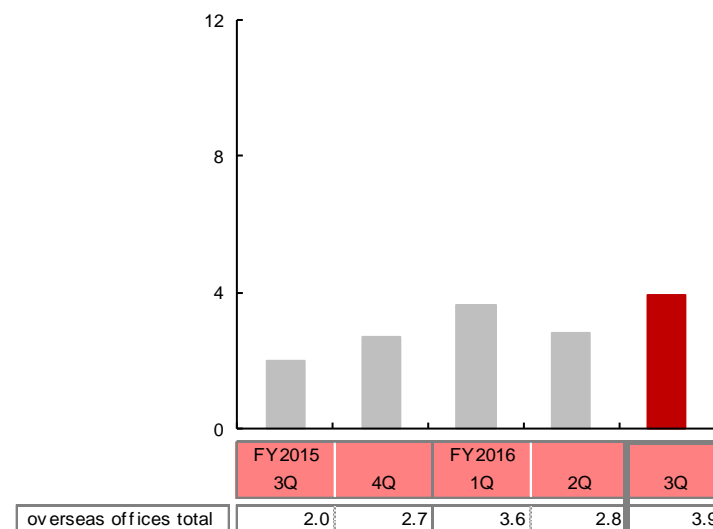
Business Trends of Overseas Offices

- ◇ Earnings based on managerial accounting for this quarter was ¥ 3.9 B (+40% Q on Q).
- ◇ Earnings based on managerial accounting steadily changed thanks to 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 Investment Consulting (Shanghai)

- M&A advisory related services

SMBC Nikko Securities America (San Francisco Branch)

- Japanese / US equity brokerage
- M&A advisory
- IR arrangement

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 Securities (Singapore)

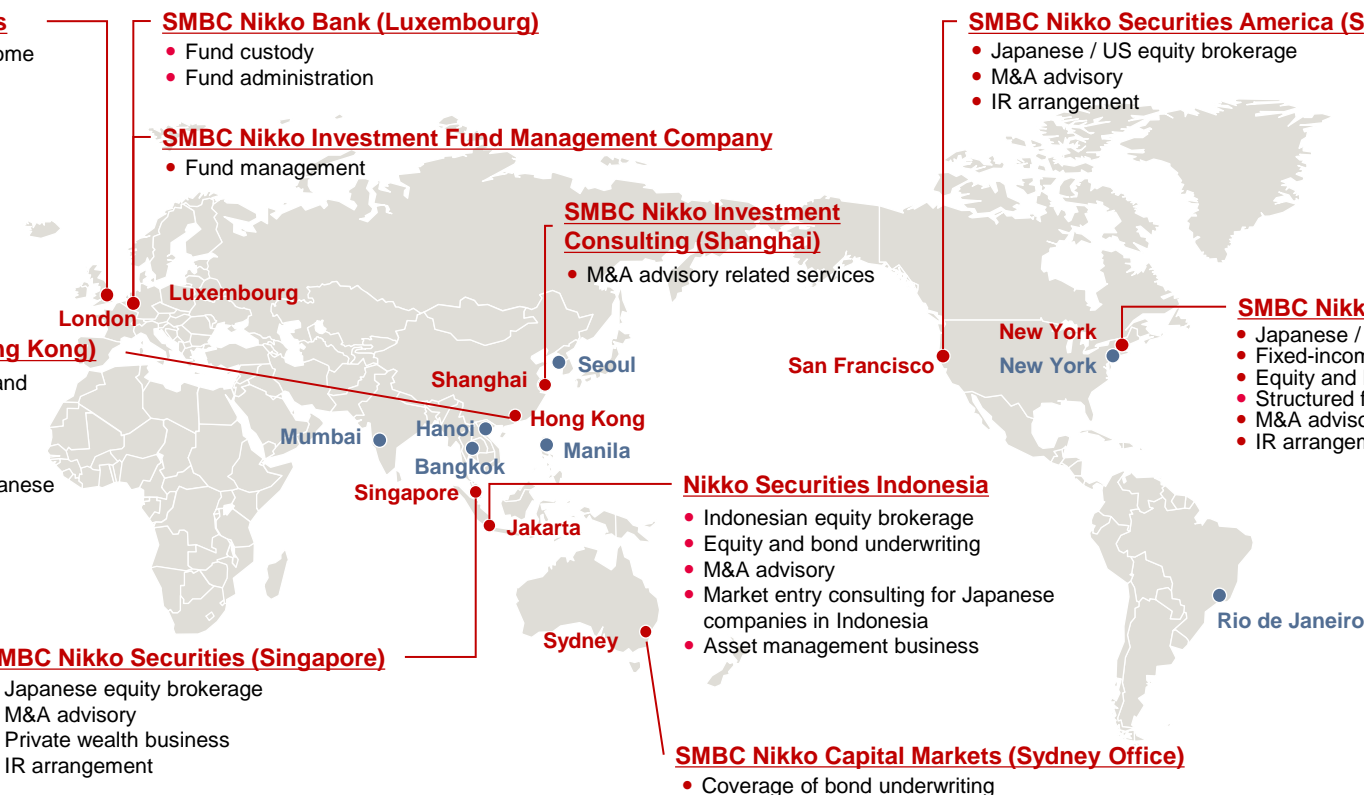
- Japanese equity brokerage
- M&A advisory
- Private wealth business
- IR arrangement

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 DCM business

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

Launched woman activate promotion “Withus”

SMBC Nikko launched “Withus” project in November 2016 to create a place for women to communicate and interact. We chose this name for the project based on our wish to deepen the bonds between us.



“Withus” sessions are held to find solutions by sharing issues and difficulties with group members of a department or a branch manager and three middle managers. SMBC Nikko continues to establish in-house systems to promote women’s activities.

Start of operations at equity advice center in Osaka

SMBC Nikko set up an equity advice center in Osaka on January 10, 2017. Previously, this center had only been operating from Tokyo to cover the entire country.

The center assigns a dedicated adviser for each customer to respond their requests related to equities. It offers an original service of customer support for their stock portfolios, by offering research information, some advices and follow-up service while cooperating with staff at the branches. The Osaka center covers our branches located in the 6 prefectures in the Kansai area.

Nikko Contact Center awards and certifications

The Nikko Contact Center has continued to receive awards from objective outside evaluation organizations for its advanced telephone customer services and mixed sales model.

■ Gold awards in 1 category and silver awards in 5 categories at Contact Center World Award 2016

Nikko contact center entered in 6 categories and received following awards at the finals of "Contact Center World Award 2016" which accredits excellent firms and individual persons operating a contact center from November 7 to 11, 2016 in Las Vegas.

"Best Outbound Campaign"	Golden award
"Best Contact Center"	Silver award
"Best In Customer Service (Large)"	Silver award
"Best In Customer Service (Middle)"	Silver award
"Best Sales Campaign"	Silver award
"Best Technology Innovation"	Silver award



This is the first time that a Japanese entity has received awards in 6 categories in one single competition.

■ Granted 3 stars for 11 consecutive years in HDI Bench-marking

Nikko Contact Center was granted the rank of 3 stars for customer service for the 11 consecutive years on a survey of HDI bench-marking. Nikko is the only domestic company to receive this award.



Nikko Contact Center also receive 3 stars for its web support portal for the 7th consecutive years.



Reference Data



Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2015				FY2016		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	95,827	79,319	79,570	64,074	81,013	82,070	87,298
Commissions received	46,160	46,153	44,403	29,787	35,335	42,582	40,261
Brokerage commissions	11,435	10,297	9,602	7,859	7,390	6,753	10,167
Underwriting and distribution commissions	8,962	10,799	10,001	4,237	7,518	12,182	6,237
Flotation and distribution fees	12,223	11,023	10,490	4,692	7,529	9,192	8,854
Other commissions	13,539	14,032	14,309	12,996	12,898	14,452	15,002
Net trading income	40,067	22,079	25,813	23,263	36,757	27,294	35,706
Equities	3,684	104	3,877	2,611	4,313	161	5,756
Bonds / Others	36,382	21,974	21,936	20,651	32,444	27,132	29,950
Financial revenue	7,120	7,914	6,549	7,607	5,385	8,511	7,633
Other sales	2,479	3,172	2,803	3,416	3,534	3,683	3,696
Financial expenses	5,241	3,303	4,520	3,604	4,653	4,101	6,269
Cost of sales	1,938	2,306	2,174	2,801	2,674	2,547	2,943
Net operating revenue	88,647	73,708	72,875	57,667	73,685	75,422	78,085
SG&A	64,095	60,298	59,878	57,276	58,814	60,720	61,599
Operating income / loss	24,552	13,410	12,996	390	14,870	14,701	16,485
Ordinary income / loss	25,478	15,076	13,456	1,816	15,750	15,750	17,195
Extraordinary income / loss	6,246	-2,506	-18	-253	-497	298	-11,277
Income before income taxes	31,724	12,569	13,438	1,563	15,252	16,049	5,917
Income taxes-current	708	6,464	5,878	398	585	5,272	6,945
Income taxes-deferred	9,418	-1,808	-3,089	-804	3,913	-512	-5,312
Profit / loss	21,597	7,912	10,648	1,969	10,753	11,289	4,285
Profit attributable to owners of parent	21,593	7,904	10,639	1,969	10,750	11,281	4,279

Non-consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2015				FY2016		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	90,922	73,941	74,431	58,633	75,119	75,977	80,448
Commissions received	44,041	44,169	42,256	27,913	33,132	40,334	37,326
Brokerage commissions	10,636	9,516	8,854	7,191	6,679	6,081	9,155
Underwriting and distribution commissions	8,962	10,799	10,001	4,237	7,518	12,182	6,237
Flotation and distribution fees	12,037	10,982	10,489	4,665	7,459	9,178	8,834
Other commissions	12,405	12,870	12,911	11,818	11,475	12,892	13,098
Net trading income	40,067	22,079	25,813	23,263	36,757	27,294	35,706
Equities	3,684	104	3,877	2,611	4,313	161	5,756
Bonds / Others	36,382	21,974	21,935	20,651	32,444	27,132	29,950
Financial revenue	6,813	7,693	6,361	7,456	5,228	8,349	7,416
Financial expenses	4,962	3,111	4,360	3,483	4,535	3,987	6,123
Net operating revenue	85,959	70,830	70,070	55,149	70,584	71,990	74,325
SG&A	62,816	58,885	58,269	55,057	57,762	59,099	59,207
Operating income / loss	23,143	11,945	11,801	91	12,821	12,890	15,118
Ordinary income / loss	23,390	12,507	11,804	611	13,097	13,402	15,115
Extraordinary income / loss	4,611	-4,588	-15	-243	-500	302	-11,277
Income before income taxes	28,001	7,919	11,788	367	12,596	13,704	3,837
Income taxes-current	561	5,932	5,518	-2,086	421	4,957	6,891
Income taxes-deferred	8,548	-3,201	-1,703	1,390	3,466	-723	-5,682
Profit / loss	18,892	5,187	7,973	1,064	8,709	9,470	2,628

Operational Indicators -1

【non-consolidated】

◇ Sales of Products

(Billions of yen)	FY2015				FY2016		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Investment trusts	788.4	654.2	739.4	497.2	561.9	583.2	560.6
(Equity investment trusts)	(531.6)	(436.7)	(453.4)	(298.4)	(392.8)	(471.3)	(420.0)
(Foreign registered investment trusts)	(126.7)	(92.9)	(112.8)	(63.9)	(68.4)	(80.5)	(74.5)
Foreign bonds (*)	817.5	588.8	687.9	621.6	657.0	638.8	690.4
(Foreign currency bonds)	(236.7)	(193.5)	(276.3)	(200.5)	(214.0)	(219.8)	(239.9)
Domestic bonds	746.3	947.6	740.9	491.9	1,021.8	1,357.8	794.8
(Retail target JGBs)	(129.7)	(151.7)	(115.3)	(143.7)	(132.0)	(184.4)	(178.3)
Public offering	121.3	94.1	186.4	37.4	51.1	117.5	88.8
Annuity / insurance	19.1	18.9	18.0	16.2	10.0	4.3	11.6
Total	2,492.5	2,303.7	2,372.6	1,664.4	2,301.7	2,701.7	2,146.3

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

◇ Market Share

	FY2015				FY2016		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
ECM Global Equity (*1)	12.5%	13.7%	14.0%	13.2%	19.9%	19.3%	18.6%
DCM All bonds in Yen (*2)	15.9%	16.8%	16.9%	15.7%	20.4%	18.2%	16.8%
M&A Japan related (*3)	18.0%	17.4%	28.4%	24.8%	6.7%	14.7%	15.0%

(*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	2Q	3Q
Based on number of transaction	90.0%	91.5%	85.8%	93.2%	92.9%	92.4%	91.1%
(Nikko EZ Trade)	(83.8%)	(85.9%)	(81.1%)	(88.5%)	(89.0%)	(88.8%)	(86.5%)
Based on commissions	43.0%	44.4%	36.0%	47.4%	38.0%	28.3%	33.5%
(Nikko EZ trade)	(27.8%)	(29.5%)	(23.8%)	(32.0%)	(26.2%)	(19.8%)	(22.6%)

(*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)	FY2015				FY2016		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Equity brokerage amount	6,412.8	6,285.5	5,923.6	6,326.4	6,178.5	6,226.4	7,197.9
Equity brokerage commissions (*3)	10.7	8.9	8.7	7.0	6.6	6.3	9.4
Equity commissions rate	15.3bp	12.4bp	13.3bp	9.7bp	9.4bp	8.9bp	11.5bp

(*2) "Equity brokerage amount" 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.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
Total accounts	2,629	2,666	2,712	2,731	2,739	2,759	2,775
Cash management accounts	2,294	2,332	2,372	2,396	2,405	2,426	2,446
Newly opened accounts	42	55	59	37	33	39	37

◇ Number of Branches

【non-consolidated】

	FY2015				FY2016		
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
Number of branches	123	123	123	123	123	124	124

◇ Number of Employees

	FY2015				FY2016		
	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
Number of employees	10,022	9,936	9,829	9,685	10,352	10,325	10,198
Number of 4 overseas employees	378	396	413	427	443	457	467

- 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.

