

Date: October 30, 2018

SMBC NIKKO SECURITIES INC.

URL: http://www.smbcnikko.co.jp/en/index.html

Consolidated Financial Results for the Six Months ended September 30, 2018 (JGAAP)

(Amounts less than one million yen are omitted.)

1. Overall business performance for the Six Months ended September 30, 2018

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Operating revenue		Net operating r	evenue	Operating p	rofit	Ordinary p	Ordinary profit		dinary profit Profit attributable to or of parent		
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%		
September 30, 2018	194,282	6.1	173,581	5.3	32,738	(18.4)	36,245	(13.5)	27,925	(3.2)		
September 30, 2017	183,027	12.2	164,880	10.6	40,108	35.6	41,898	33.0	28,857	31.0		

Note: Comprehensive income September 30, 2018 30,574million yen <(4.4%)> September 30, 2017 31,968million yen <246.7%>

(2) Consolidated financial condition

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2018	11,293,497	831,887	7.4
March 31, 2018	10,681,280	818,734	7.7

Reference: Equity (i.e. "Shareholder's equity" and "Accumulated other comprehensive income")

As of September 30, 2018 831,836 million yen As of March 31, 2018 818,586 million yen

2. Others

(1) Changes in significant subsidiaries during the period : None

(2) Adoption of the accounting method peculiar to quarterly financial statements : None

(3) Changes in the accounting policies, estimates and retrospective restatements

(i) Changes in the accounting policies with accounting standards revisions : None

(ii) Changes in the accounting policies other than the above : None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatements : None

Table of Contents for the Accompanying Materials

I. Summary information (Notes)	2
1. Changes in significant subsidiaries during the period	2
2. Adoption of the accounting method peculiar to quarterly financial statements	2
3. Changes in the accounting policies, estimates and retrospective restatement	2
4. Additional information	2
II. Consolidated Financial Statements	3
1. Consolidated Balance Sheets	3
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	5
3. Notes on Going Concern Assumption	7
4. Notes on Significant Changes in Shareholders' Equity	7
III. Supplementary Information	8
1. Commission Received	8
2. Net Trading Income	8
3. Quarterly Consolidated Statements of Income	9
IV. Non-consolidated Financial Statements	10
1. Non-consolidated Balance Sheets	10
2. Non-consolidated Statements of Income	12
3. Capital Adequacy Ratio on a stand-alone basis	14
4. Quarterly Non-consolidated Statements of Income	15

I. Summary information (Notes)

1. Changes in significant subsidiaries during the period

Not applicable

2. Adoption of the accounting method peculiar to quarterly financial statements

Not applicable

3. Changes in the accounting policies, estimates and retrospective restatement

Not applicable

4. Additional information

Changes caused by the application of the Partial Amendments to Accounting Standard for the Tax Effect Accounting

As the "Partial Amendments to Accounting Standard for the Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) has been applied to the consolidated financial statements as of the accounting period starting on April 1, 2018, SMBC Nikko has applied this amendment from the beginning of the current financial year. Accordingly, deferred tax assets and deferred tax liabilities are reclassified and included in the investments and other assets section and the non-current liabilities section, respectively.

II. Consolidated Financial Statements

1. Consolidated Balance Sheets

		(Millions of y
	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	1,003,617	1,233,506
Cash segregated as deposits	611,302	661,781
Trading products	3,179,742	3,106,498
Trading securities and other	2,681,112	2,600,061
Derivatives	498,629	506,436
Margin transaction assets	212,033	151,875
Loans on margin transactions	192,717	138,870
Cash collateral pledged for securities borrowing on margin transactions	19,315	13,004
Loans secured by securities	5,027,756	5,480,927
Cash collateral pledged for securities borrowed	4,956,494	3,688,425
Loans on Gensaki transactions	71,261	1,792,502
Short-term guarantee deposits	259,258	245,537
Accrued income	22,707	25,142
Other	49,492	76,349
Allowance for doubtful accounts	(12)	(4
Total current assets	10,365,897	10,981,614
Non-current assets		
Property, plant and equipment	27,347	26,693
Intangible assets	74,203	70,332
Investments and other assets	213,832	214,857
Investment securities	180,819	183,485
Long-term loans receivable	4,951	4,948
Long-term guarantee deposits	18,366	17,975
Deferred tax assets	3,754	3,034
Other	7,530	7,005
Allowance for doubtful accounts	(1,589)	(1,591
Total non-current assets	315,383	311,883
Total assets	10,681,280	11,293,497

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		(Millions of year
	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Trading products	2,494,694	2,231,725
Trading securities and other	1,993,514	1,716,558
Derivatives	501,179	515,166
Trade date accrual	55,326	145,187
Margin transaction liabilities	14,844	25,558
Borrowings on margin transactions	2,498	1,532
Cash received for securities lending on margin transactions	12,345	24,026
Loans payable secured by securities	5,006,004	5,161,336
Cash received on debt credit transaction of securities	4,042,870	2,280,812
Borrowings on Gensaki transaction	963,134	2,880,523
Deposits received	502,506	575,471
Guarantee deposits received	130,384	139,439
Short-term loans payable	484,108	1,134,100
Current portion of long-term loans payable	100,000	50
Commercial papers	145,700	61,100
Current portion of bonds payable	68,160	63,325
Income taxes payable	4,133	4,060
Other	73,694	55,328
Total current liabilities	9,079,558	9,596,683
Non-current liabilities		
Bonds payable	585,836	652,800
Long-term loans payable	175,550	184,200
Lease obligations	3,229	3,049
Deferred tax liabilities	10,385	16,322
Net defined benefit liabilities	2,891	3,071
Asset retirement obligations	2,207	2,321
Other	490	393
Total non-current liabilities	780,591	862,159
Reserves under special laws		
Reserve for financial products transaction liabilities	2,397	2,767
Total reserves under-special laws	2,397	2,767
Total liabilities	9,862,546	10,461,610
let assets		10, 101,010
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	457,714	457,722
Retained earnings	304,064	314,669
Total shareholders' equity	771,779	782,392
Accumulated other comprehensive income		702,002
Valuation difference on available-for-sale securities	45,945	48,101
Deferred gains or losses on hedges	8	(39)
Foreign currency translation adjustment	859	1,387
Remeasurements of defined benefit plans	(5)	(5)
Total accumulated other comprehensive income	46,807	49,444
Non-controlling interests	147	50
Total net assets	818,734	831,887
Total liabilities and net assets	10,681,280	11,293,497
The machine and not doodle	10,001,200	11,283,487

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income Consolidated Statements of Income

Operating revenue September 30, 2017 September 30, 20 Commission received 85,222 101,8 Commissions to consignees 17,987 20,0 Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors 12,480 18,6 Fee for offering, secondary distribution and solicitation for selling and others for professional investors 20,961 20,58 Other fees received 33,793 42,2 Net trading income 72,778 65,2 Financial revenue 20,588 20,3 Other sales 4,436 6,8 Total operating revenue 183,027 194,4 Financial expenses 14,232 14,4 Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,8 Selling, general and administrative expenses 19,273 21,8 Personnel expenses 19,273 21,8 Personnel expenses 19,273 21,8 Personnel expenses 10,932 13,2 Office cost 13,264 15,			(Millions of yer
Commission received 85,222 101,5 Commissions to consignees 17,987 20,0 Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors 12,480 18,6 Fee for offering, secondary distribution and solicitation for selling and others for professional investors 20,961 20,5 Other fees received 33,793 42,2 Net trading income 72,778 65,2 Financial revenue 20,588 20,2 Other sales 4,436 6,8 Total operating revenue 183,027 194,2 Financial expenses 14,232 14, Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,8 Selling, general and administrative expenses 19,273 21,8 Selling general and administrative expenses 59,829 66,6 Real estate expenses 59,829 66,6 Real estate expenses 10,932 13,264 15,5 Depreciation 12,066 12,5 Taxes and dues 2,			Six months ended September 30, 2018
Commissions to consignees 17,987 20,0 Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors 12,480 18,6 Fee for offering, secondary distribution and solicitation for selling and others for professional investors 20,961 20,961 Other fees received 33,793 42,2 Net trading income 72,778 65,2 Financial revenue 20,588 20,2 Other sales 4,436 6,8 Total operating revenue 183,027 194,2 Financial expenses 14,232 14,7 Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,8 Selling, general and administrative expenses 19,273 21,8 Trading related expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,5 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total	Operating revenue		
Commissions to consignees 17,987 20,0 Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors 12,480 18,6 Fee for offering, secondary distribution and solicitation for selling and others for professional investors 20,961 20,5 Other fees received 33,793 42,2 Net trading income 72,778 65,2 Financial revenue 20,588 20,2 Other sales 4,436 6,8 Total operating revenue 183,027 194,2 Financial expenses 14,232 14,7 Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,8 Selling, general and administrative expenses 19,273 21,6 Trading related expenses 19,273 21,6 Real estate expenses 19,322 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,5 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total s	Commission received	85,222	101,924
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors 12,480 18,6 Fee for offering, secondary distribution and solicitation for selling and others for professional investors 20,961 20,58 Other fees received 33,793 42,2 Net trading income 72,778 65,2 Financial revenue 20,588 20,2 Other sales 4,436 6,8 Total operating revenue 183,027 194,2 Financial expenses 14,232 14,7 Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,8 Selling, general and administrative expenses 19,273 21,8 Fersonnel expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,9 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 <t< td=""><td>Commissions to consignees</td><td></td><td>20,051</td></t<>	Commissions to consignees		20,051
and others for professional investors Other fees received 33,793 42,2 Net trading income 72,778 65,2 Financial revenue 20,588 20,0 Other sales 4,436 6,6 Total operating revenue 183,027 194,2 Financial expenses 14,232 14,7 Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,5 Selling, general and administrative expenses 19,273 21,6 Personnel expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,5 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 22,00 Total selling general expenses 89,00 22,00 Toreign exchange gains 280		12,480	18,686
Net trading income 72,778 65,2 Financial revenue 20,588 20,2 Other sales 4,436 6,8 Total operating revenue 183,027 194,2 Financial expenses 14,232 14,7 Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,8 Selling, general and administrative expenses 19,273 21,8 Personnel expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,5 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280<		20,961	20,977
Financial revenue 20,588 20,2 Other sales 4,436 6,8 Total operating revenue 183,027 194,2 Financial expenses 14,232 14,7 Cost of other sales 3,914 5,6 Net operating revenue 164,880 173,5 Selling, general and administrative expenses 19,273 21,6 Trading related expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,5 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Other fees received	33,793	42,208
Other sales 4,436 6,8 Total operating revenue 183,027 194,2 Financial expenses 14,232 14,7 Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,5 Selling, general and administrative expenses 19,273 21,6 Trading related expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,5 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,6 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Net trading income	72,778	65,253
Total operating revenue 183,027 194,2 Financial expenses 14,232 14,7 Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,5 Selling, general and administrative expenses 19,273 21,6 Trading related expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,5 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,6 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Financial revenue	20,588	20,246
Financial expenses 14,232 14,7 Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,5 Selling, general and administrative expenses 19,273 21,6 Trading related expenses 19,273 21,8 Personnel expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,9 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Other sales	4,436	6,858
Cost of other sales 3,914 5,9 Net operating revenue 164,880 173,5 Selling, general and administrative expenses 19,273 21,6 Trading related expenses 59,829 66,6 Personnel expenses 10,932 13,2 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,9 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Total operating revenue	183,027	194,282
Cost of other sales 3,914 5,5 Net operating revenue 164,880 173,5 Selling, general and administrative expenses 19,273 21,6 Trading related expenses 59,829 66,6 Personnel expenses 10,932 13,2 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,9 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Financial expenses	14,232	14,776
Net operating revenue 164,880 173,8 Selling, general and administrative expenses 319,273 21,8 Trading related expenses 19,273 21,8 Personnel expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,9 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Cost of other sales		5,924
Selling, general and administrative expenses Trading related expenses 19,273 21,8 Personnel expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,8 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Net operating revenue		173,581
Personnel expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,9 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Selling, general and administrative expenses	·	
Personnel expenses 59,829 66,6 Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,9 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Trading related expenses	19,273	21,893
Real estate expenses 10,932 13,2 Office cost 13,264 15,0 Depreciation 12,066 12,5 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Personnel expenses		66,670
Office cost 13,264 15,0 Depreciation 12,066 12,9 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Real estate expenses		13,273
Depreciation 12,066 12,5 Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Office cost		15,003
Taxes and dues 2,292 2,7 Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Dividend income 816 1,1 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Depreciation		12,981
Other 7,112 8,2 Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Taxes and dues		2,739
Total selling, general and administrative expenses 124,771 140,8 Operating profit 40,108 32,7 Non-operating income Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,7 Foreign exchange gains 280 2	Other		8,280
Operating profit 40,108 32,7 Non-operating income Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2	Total selling, general and administrative expenses		140,843
Non-operating income Dividend income Share of profit of investments accounted for using equity method Foreign exchange gains 280 2			32,738
Dividend income 816 1,6 Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2		-,	
Share of profit of investments accounted for using equity method 889 1,1 Foreign exchange gains 280 2		816	1,665
Foreign exchange gains 280 2	Share of profit of investments accounted for using equity method		1,119
			225
0000	Other	184	867
	Total non-operating income		3,878
	Non-operating expenses		0,0.0
Interest expenses 74		74	65
Bond issuance cost 126			51
Loss on disposal of noncurrent assets 45			_
			255
			371
	Ordinary profit		36,245

		(Millions of yen)
	Six months ended	Six months ended
	September 30, 2017	September 30, 2018
Extraordinary income		
Total extraordinary income		_
Extraordinary losses		
Impairment losses	122	295
Loss on valuation of investment securities	_	119
Provision of reserve for financial products transaction liabilities	305	370
Integration related costs	462	_
Total extraordinary loss	890	786
Profit before income taxes and non-controlling interests	41,008	35,459
Income taxes - current	3,179	1,358
Income taxes - deferred	8,968	6,163
Income taxes	12,148	7,521
Profit	28,859	27,938
Profit attributable to non-controlling interests	1	12
Profit attributable to owners of parent	28,857	27,925

Consolidated Statements of Comprehensive Income

		(Millions of yen)
	Six months ended	Six months ended
	September 30, 2017	September 30, 2018
Profit	28,859	27,938
Other comprehensive income		
Valuation difference on available-for-sale securities	3,259	2,158
Foreign currency translation adjustment	1,896	1,756
Share of other comprehensive income of affiliates accounted for using equity method	(2,045)	(1,278)
Total other comprehensive income	3,109	2,636
Comprehensive income	31,968	30,574
Comprehensive income attributable to:		
Owners of parent	31,967	30,561
Non-controlling interests	1	12

3. Notes on Going Concern Assumption

Not applicable

4. Notes on Significant Changes in Shareholder's Equity

Appropriation of surplus was resolved at the ordinary general meeting of shareholders held on June 18, 2018. As a result, the retained earnings decreased by 17,320 million yen in the six months ended September 30, 2018, and outstanding amount of retained earnings at the end of the period was 314,669 million yen.

· Dividends information

(1) Total amount of dividends: 17,320 million yen (Dividends per share is an amount derived by dividing the

total amount of dividends by the total number of issued shares(200,001

shares))

(2) Effective date: June 19, 2018(3) Dividend resource: Retained earnings

III. Supplementary Information

1. Commission Received

(1) Breakdown by Categories

(Millions of yen, except for percentages)

	Six months ended			Six months ended		Increase/(Decrease)			Decrease)	
	Sep	otember 30, 2017	7	Sept	ember 30, 2018	3		Amount		Rate of change
Commissions to consignees		17,987			20,051			2,064		11.5 %
< Equities >	<	17,200	>	<	18,994	>	<	1,794	>	< 10.4 >
< Bonds >	<	55	>	<	85	>	<	29 :	>	< 53.3 >
< Investment trusts >	<	658	>	<	799	>	<	140	>	< 21.3 >
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors		12,480			18,686			6,205		49.7
< Equities >	<	5,528	>	<	9,475	>	<	3,946	>	< 71.4 >
< Bonds >	<	6,635	>	<	8,862	>	<	2,227	>	< 33.6 >
Fee for offering, secondary distribution and solicitation for selling and others for professional investors		20,961			20,977			16		0.1
< Investment trusts >	<	19,571	>	<	19,569	>	<	(1)	>	< 0.0 >
Other fees received		33,793			42,208			8,415		24.9
Total		85,222			101,924			16,701		19.6

(2) Breakdown by Products

(Millions of yen, except for percentages)

	Six months ended	onths ended Six months ended		Decrease)
	September 30, 2017	September 30, 2018	Amount	Rate of change
Equities	23,034	28,836	5,801	25.2 %
Bonds	9,163	11,159	1,996	21.8
Investment trusts	36,304	41,133	4,829	13.3
Other	16,719	20,793	4,073	24.4
Total	85,222	101,924	16,701	19.6

2. Net Trading Income

(Millions of yen, except for percentages)

		(no or you, oxcopt for percentages			
	Six months ended	Six months ended	Increase/(Decrease)		
	September 30, 2017	September 30, 2018	Amount	Rate of change		
Net trading income on equities	14,138	17,546	3,407	24.1 %		
Net trading income on bonds and others	58,640	47,707	(10,932)	(18.6)		
Total	72,778	65,253	(7,525)	(10.3)		

3. Quarterly Consolidated Statements of Income

(Millions of yen)

< Bonds > Fee for offering, secondary distribution and solicitation for selling and others for professional investors < 2,742 > < 3,858 > < 2,704 > < 4,469 > < 4,392 > 10,304 12,948 16,585 10,669 10,308									Mill	ions of yen)
Seperiter 30, 2017 December 31, 2017 Relate		F'					·		F	
Departing revenue		Cont			•				Con	
Commission received 43,495 56,257 57,984 50,357 51,566 Commissions to consignees 8,821 12,822 11,785 10,393 9,657 < Equities > Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors 6,820 10,180 9,078 8,866 9,820 < Equities > Captilies > Ca	Operating revenue	Зері	ember 30, 2017)	DE	ecember 31, 2017)	+	Walch 31, 2010)	Julie 30, 2016)	Sep	lember 30, 2016)
Commissions to consignees			<i>1</i> 3 <i>1</i> 95		56 257		57 984	50 357		51 566
< Equitiles > < 8,506 > < 12,447 > < 11,061 > < 9,987 > < 9,006 > Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors < 3,908 > < 6,191 > < 6,314 > < 4,244 > < 5,230 > < Equitiles > < 3,908 > < 6,191 > < 6,314 > < 4,449 > < 5,230 > < Bonds > < 2,742 > < 3,668 > < 2,704 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > </td <td></td> <td></td> <td>•</td> <td></td> <td>•</td> <td></td> <td>•</td> <td></td> <td></td> <td>•</td>			•		•		•			•
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors < Equities > < 3,908 > < 6,191 > < 6,314 > < 4,244 > < 5,230 > < 43,92 > < 8,866 9,820 < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,469 > < 4,4				١.			-	· ·		
distribution and solicitation for selling and others for professional investors \$\ \circ \text{2, ryd} \circ \circ \circ \text{2, ryd} \circ	•	<	0,300 >	^	12,447	`	11,001 >	< 9,967 >	<	9,006 >
Sends Send	distribution and solicitation for selling and others		6,820		10,180		9,078	8,866		9,820
Fee for offering, secondary distribution and solicitation for selling and others for professional investors 10,304 12,948 16,585 10,669 10,308	< Equities >	<	3,908 >	<	6,191 >	> <	6,314 >	< 4,244 >	<	5,230 >
10,304 12,948 16,585 10,669 10,308 1	< Bonds >	<	2,742 >	<	3,858 >	> <	2,704 >	< 4,469 >	<	4,392 >
Other fees received 17,549 20,306 20,534 20,427 21,780 Net trading income 34,770 40,493 34,057 34,057 31,196 Financial revenue 10,988 10,669 9,740 9,547 10,698 Other sales 2,288 2,352 2,822 3,404 3,453 Total operating revenue 91,543 109,773 104,605 97,367 96,914 Financial expenses 6,769 10,025 7,156 7,871 6,904 Cost of other sales 2,057 2,090 2,631 3,055 2,868 Net operating revenue 82,716 97,657 94,816 86,439 87,141 Selling, general and administrative expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471	solicitation for selling and others for professional		10,304		12,948		16,585	10,669		10,308
Net trading income 34,770 40,493 34,057 34,057 31,196 Financial revenue 10,988 10,669 9,740 9,547 10,698 Other sales 2,288 2,352 2,822 3,404 3,453 Total operating revenue 91,543 109,773 104,605 97,367 96,914 Financial expenses 6,769 10,025 7,156 7,871 6,904 Cost of other sales 2,057 2,090 2,631 3,055 2,868 Net operating revenue 82,716 97,657 94,816 86,439 87,141 Selling, general and administrative expenses 9,893 11,224 12,289 10,420 11,472 Personnel expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,	< Investment trusts >	<	9,518 >	<	12,332	> <	15,628 >	< 10,132 >	<	9,437 >
Financial revenue 10,988 10,669 9,740 9,547 10,698 Other sales 2,288 2,352 2,822 3,404 3,453 Total operating revenue 91,543 109,773 104,605 97,367 96,914 Financial expenses 6,769 10,025 7,156 7,871 6,904 Cost of other sales 2,057 2,090 2,631 3,055 2,868 Net operating revenue 82,716 97,657 94,816 86,439 87,141 Selling, general and administrative expenses 11,224 12,289 10,420 11,472 Personnel expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201	Other fees received		17,549		20,306		20,534	20,427		21,780
Other sales 2,288 2,352 2,822 3,404 3,453 Total operating revenue 91,543 109,773 104,605 97,367 96,914 Financial expenses 6,769 10,025 7,156 7,871 6,904 Cost of other sales 2,057 2,090 2,631 3,055 2,868 Net operating revenue 82,716 97,657 94,816 86,439 87,141 Selling, general and administrative expenses 11,224 12,289 10,420 111,472 Personnel expenses 9,893 11,224 12,289 10,420 111,472 Personnel expenses 9,893 11,224 12,289 10,420 111,472 Personnel expenses 9,379 36,685 35,685 33,290 33,380 Real estate expenses 6,379 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 <t< td=""><td>Net trading income</td><td></td><td>34,770</td><td></td><td>40,493</td><td></td><td>34,057</td><td>34,057</td><td></td><td>31,196</td></t<>	Net trading income		34,770		40,493		34,057	34,057		31,196
Total operating revenue 91,543 109,773 104,605 97,367 96,914 Financial expenses 6,769 10,025 7,156 7,871 6,904 Cost of other sales 2,057 2,090 2,631 3,055 2,868 Net operating revenue 82,716 97,657 94,816 86,439 87,141 Selling, general and administrative expenses 11,424 12,289 10,420 11,472 Personnel expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 <td>Financial revenue</td> <td></td> <td>10,988</td> <td></td> <td>10,669</td> <td></td> <td>9,740</td> <td>9,547</td> <td></td> <td>10,698</td>	Financial revenue		10,988		10,669		9,740	9,547		10,698
Financial expenses 6,769 10,025 7,156 7,871 6,904 Cost of other sales 2,057 2,090 2,631 3,055 2,868 Net operating revenue 82,716 97,657 94,816 86,439 87,141 Selling, general and administrative expenses 11,224 12,289 10,420 11,472 Personnel expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148	Other sales		2,288		2,352		2,822	3,404		3,453
Cost of other sales 2,057 2,090 2,631 3,055 2,868 Net operating revenue 82,716 97,657 94,816 86,439 87,141 Selling, general and administrative expenses 17ading related expenses 9,893 11,224 12,289 10,420 11,472 Personnel expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,887 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating expenses 185	Total operating revenue		91,543		109,773		104,605	97,367		96,914
Net operating revenue 82,716 97,657 94,816 86,439 87,141 Selling, general and administrative expenses 9,893 11,224 12,289 10,420 11,472 Personnel expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income — — — — </td <td>Financial expenses</td> <td></td> <td>6,769</td> <td></td> <td>10,025</td> <td></td> <td>7,156</td> <td>7,871</td> <td></td> <td>6,904</td>	Financial expenses		6,769		10,025		7,156	7,871		6,904
Selling, general and administrative expenses 9,893 11,224 12,289 10,420 11,472 Personnel expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income — — — — <t< td=""><td>Cost of other sales</td><td></td><td>2,057</td><td></td><td>2,090</td><td></td><td>2,631</td><td>3,055</td><td></td><td>2,868</td></t<>	Cost of other sales		2,057		2,090		2,631	3,055		2,868
Trading related expenses 9,893 11,224 12,289 10,420 11,472 Personnel expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income — — — — — <td< td=""><td>Net operating revenue</td><td></td><td>82,716</td><td></td><td>97,657</td><td></td><td>94,816</td><td>86,439</td><td></td><td>87,141</td></td<>	Net operating revenue		82,716		97,657		94,816	86,439		87,141
Personnel expenses 30,245 32,996 35,685 33,290 33,380 Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary losses 517 931 4,210 652 133 Profit before income taxes and non-controlling interests 20,420 29,599 18,342 17	Selling, general and administrative expenses									
Real estate expenses 5,379 5,649 6,569 6,585 6,687 Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating income 825 1,233 2,534 2,082 1,795 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary losses 517 931 4,210 652 133 Profit before income taxes and non-controlling interests 20,420 29,599 18,342 17,398<	Trading related expenses		9,893		11,224		12,289	10,420		11,472
Office cost 6,624 7,264 7,497 7,690 7,313 Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating income 825 1,233 2,534 2,082 1,795 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income —	Personnel expenses		30,245		32,996		35,685	33,290		33,380
Depreciation 6,087 6,170 6,471 6,499 6,482 Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating income 825 1,233 2,534 2,082 1,795 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income —	Real estate expenses		5,379		5,649		6,569	6,585		6,687
Taxes and dues 728 1,220 1,602 1,537 1,201 Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating income 825 1,233 2,534 2,082 1,795 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income — — — — — — Extraordinary losses 517 931 4,210 652 133 Profit before income taxes and non-controlling interests 20,420 29,599 18,342 17,398 18,060 Income taxes 6,054 8,918 4,169 2,397 5,123 Profit 14,365 20,681 14,172 15,001 </td <td>Office cost</td> <td></td> <td>6,624</td> <td></td> <td>7,264</td> <td></td> <td>7,497</td> <td>7,690</td> <td></td> <td>7,313</td>	Office cost		6,624		7,264		7,497	7,690		7,313
Other 3,459 3,728 4,522 4,268 4,012 Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating income 825 1,233 2,534 2,082 1,795 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income —	Depreciation		6,087		6,170		6,471	6,499		6,482
Total selling, general and administrative expenses 62,418 68,254 74,637 70,291 70,551 Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating income 825 1,233 2,534 2,082 1,795 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income — — — — — — Extraordinary losses 517 931 4,210 652 133 Profit before income taxes and non-controlling interests 20,420 29,599 18,342 17,398 18,060 Income taxes 6,054 8,918 4,169 2,397 5,123 Profit 14,365 20,681 14,172 15,001 12,936 Profit attributable to non-controlling interests (0) 4 1 4 8	Taxes and dues		728		1,220		1,602	1,537		1,201
Operating profit 20,297 29,402 20,178 16,148 16,589 Non-operating income 825 1,233 2,534 2,082 1,795 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income -	Other		3,459		3,728		4,522	4,268		4,012
Non-operating income 825 1,233 2,534 2,082 1,795 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income — 133 3 — — —	Total selling, general and administrative expenses		62,418		68,254		74,637	70,291		70,551
Non-operating income 825 1,233 2,534 2,082 1,795 Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income — 3 18,060 — 18,060 — </td <td>Operating profit</td> <td></td> <td>20,297</td> <td></td> <td>29,402</td> <td></td> <td>20,178</td> <td>16,148</td> <td></td> <td>16,589</td>	Operating profit		20,297		29,402		20,178	16,148		16,589
Non-operating expenses 185 105 160 180 191 Ordinary profit 20,938 30,531 22,552 18,051 18,194 Extraordinary income —			825	T	1,233		2,534			
Extraordinary income -	-									
Extraordinary income -	Ordinary profit		20,938		30,531		22,552	18,051		18,194
Profit before income taxes and non-controlling interests 20,420 29,599 18,342 17,398 18,060 Income taxes 6,054 8,918 4,169 2,397 5,123 Profit 14,365 20,681 14,172 15,001 12,936 Profit attributable to non-controlling interests (0) 4 1 4 8			_	T	_		_	_		_
Profit before income taxes and non-controlling interests 20,420 29,599 18,342 17,398 18,060 Income taxes 6,054 8,918 4,169 2,397 5,123 Profit 14,365 20,681 14,172 15,001 12,936 Profit attributable to non-controlling interests (0) 4 1 4 8	Extraordinary losses		517		931		4,210	652		133
Income taxes 6,054 8,918 4,169 2,397 5,123 Profit 14,365 20,681 14,172 15,001 12,936 Profit attributable to non-controlling interests (0) 4 1 4 8	Profit before income taxes and non-controlling interests		20,420	T	29,599			17,398		18,060
Profit attributable to non-controlling interests (0) 4 1 4 8	Income taxes			T						
Profit attributable to non-controlling interests (0) 4 1 4 8	Profit		14,365		20,681		14,172	15,001		12,936
Profit attributable to owners of parent 14,365 20,677 14,170 14,996 12,928	Profit attributable to non-controlling interests		(0)	T	4		1			8
	Profit attributable to owners of parent		14,365		20,677		14,170	14,996		12,928

IV. Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets

	As of March 31, 2018	(Millions of year) As of September 30, 201
Assets		<u> </u>
Current assets		
Cash and deposits	883,338	1,103,319
Cash segregated as deposits	611,280	661,759
Trading products	3,179,742	3,106,498
Trading securities and other	2,681,112	2,600,061
Derivatives	498,629	506,436
Margin transaction assets	212,033	151,875
Loans on margin transactions	192,717	138,870
Cash collateral pledged for securities borrowing on margin transactions	19,315	13,004
Loans secured by securities	5,027,756	5,480,927
Cash collateral pledged for securities borrowed	4,956,494	3,688,425
Loans on Gensaki transactions	71,261	1,792,502
Short-term guarantee deposits	259,258	245,537
Short-term loans receivable	38,143	35,197
Accrued income	20,620	23,406
Other	46,840	68,990
Allowance for doubtful accounts	(12)	(4
Total current assets	10,279,002	10,877,507
Non-current assets		
Property, plant and equipment	9,056	8,964
Intangible assets	18,466	16,332
Investments and other assets	234,968	239,860
Investment securities	114,266	117,063
Stocks of subsidiaries and affiliates	95,023	97,646
Long-term loans receivable	4,937	4,936
Long-term guarantee deposits	17,573	17,122
Other	4,756	4,681
Allowance for doubtful accounts	(1,589)	(1,591
Total non-current assets	262,491	265,157
Total assets	10,541,493	11,142,665

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	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Trading products	2,494,694	2,231,725
Trading securities and other	1,993,514	1,716,558
Derivatives	501,179	515,166
Trade date accrual	55,326	145,187
Margin transaction liabilities	14,844	25,558
Borrowings on margin transactions	2,498	1,532
Cash received for securities lending on margin transactions	12,345	24,026
Loans payable secured by securities	5,006,004	5,161,336
Cash received on debt credit transaction of securities	4,042,870	2,280,812
Borrowings on Gensaki transaction	963,134	2,880,523
Deposits received	416,289	484,849
Guarantee deposits received	130,384	139,439
Short-term loans payable	488,700	1,138,500
Current portion of long-term loans payable	100,000	50
Commercial papers	145,700	61,100
Current portion of bonds payable	68,160	63,325
Income taxes payable	2,935	2,634
Other	58,393	37,654
Total current liabilities	8,981,432	9,491,360
Non-current liabilities	0,301,432	9,491,300
Bonds payable	585,836	652,800
Long-term loans payable	175,550	184,200
Lease obligations	474	443
Deferred tax liabilities	8,533	15,197
Provision for retirement benefits	2,559	2,725
Asset retirement obligations		•
Other	1,986 249	2,093 201
Total non-current liabilities		
Reserves under special laws	775,189	857,661
Reserve for financial products transaction liabilities	2.207	0.767
Total reserves under special laws	2,397	2,767
Total liabilities	2,397	2,767
Net assets	9,759,019	10,351,790
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	457,714	457,714
Other capital surplus	457,714	,
Retained earnings	· ·	457,714
Legal retained earnings	268,044	274,269
Other retained earnings	2,500	2,500
Retained earnings Retained earnings brought forward	265,544	271,769
Total shareholders' equity	265,544	271,769
Valuation and translation adjustments	735,758	741,983
Valuation difference on available-for-sale securities	40.745	40.000
Total valuation and translation adjustments	46,715	48,890
Total net assets	46,715	48,890
Total liabilities and net assets	782,473	790,874
Total liabilities and fiel assets	10,541,493	11,142,665

2. Non-consolidated Statements of Income

		(Millions of yer
	Six months ended	Six months ended
	September 30, 2017	September 30, 2018
Operating revenue		
Commission received	79,981	96,043
Commissions to consignees	16,598	18,531
Commission for underwriting, secondary distribution and	40,400	40,000
solicitation for selling and others for professional investors Fee for offering, secondary distribution and solicitation for selling	12,480	18,686
and others for professional investors	20,876	20,812
Other fees received	30,026	38,012
Net trading income	72,777	64,996
Financial revenue	20,174	19,655
Total operating revenue	172,933	180,695
Financial expenses	13,925	14,376
Net operating revenue	159,008	166,319
Selling, general and administrative expenses		,
Trading related expenses	17,889	20,180
Personnel expenses	54,041	59,824
Real estate expenses	9,692	11,879
Office cost	28,356	30,951
Depreciation	3,565	4,140
Taxes and dues	2,039	2,375
Other	6,583	7,419
Total selling, general and administrative expenses	122,168	136,770
Operating profit	36,840	29,548
Non-operating income		
Dividend income	811	1,663
Other	133	808
Total non-operating income	945	2,471
Non-operating expenses		
Bond issuance cost	126	51
Other	82	215
Total non-operating expenses	208	266
Ordinary profit	37,577	31,753

		(Millions of yen)
	Six months ended	Six months ended
	September 30, 2017	September 30, 2018
Extraordinary income		
Total extraordinary income	_	_
Extraordinary losses		
Impairment losses	122	295
Loss on valuation of investment securities	_	122
Provision of reserve for financial products transaction liabilities	305	370
Integration related costs	462	_
Total extraordinary loss	890	788
Profit before income taxes	36,686	30,964
Income taxes - current	2,982	1,252
Income taxes - deferred	8,154	6,166
Income taxes	11,136	7,418
Profit	25.549	23.545

3. Capital Adequacy Ratio on a stand-alone basis

(Millions of yen)

		As of March 31, 2018	As of September 30, 2018	
Basic items	((A)	735,758	741,983
	Valuation difference on available-for-sale securities and others		46,715	48,890
	Reserve for financial products transaction liabilities		2,397	2,767
Supplementary items	Allowance for doubtful accounts		2	2
	Short-term subordinated debt		100,000	I
Total ((B)	149,114	51,660
Deductible assets	((C)	166,043	167,765
Net capital	(A) + (B) - (C)	(D)	718,829	625,879
	Market Risk		62,440	54,424
Risk items	Counterparty Risk		24,282	33,601
INISK ILGITIS	Basic Risk		74,245	73,128
	Total ((E)	160,968	161,153
Capital adequacy ratio	(D) / (E)*100		446.5%	388.3%

4. Quarterly Non-consolidated Statements of Income

(Millions of yen)

									<u> IVIIII</u>	ions of yen)
	F	Y2017 2Q		FY2017 3Q	ı	FY2017 4Q		FY2018 1Q	F	Y2018 2Q
	Con	(July 1 to stember 30, 2017	,	(October 1 to December 31, 2017)		(January 1 to March 31, 2018)		(April 1 to June 30, 2018)	Con	(July 1 to tember 30, 2018)
Operating revenue	Set	ntember 30, 2017) !	December 31, 2017)	-	Watch 31, 2010)	ŀ	Julie 30, 2010)	Sep	tember 30, 2016)
Commission received		40,737		53,276		55,292		47,490		48,552
Commissions to consignees		8,149		12,055		11,324		9,673		8,857
< Equities >	<	7,833		·				< 9,267 >	_	8,354 >
Commission for underwriting, secondary		7,000		11,000 >		10,000		V 0,201 >		0,004 >
distribution and solicitation for selling and others for professional investors		6,820		10,180		9,078		8,866		9,820
< Equities >	<	3,908	> <	< 6,191 >	<	6,314 >		< 4,244 >	<	5,230 >
< Bonds >	<	2,742	> <	< 3,858 >	<	2,704 >		< 4,469 >	<	4,392 >
Fee for offering, secondary distribution and solicitation for selling and others for professional		10,281		12,925		16,485		10,635		10,177
investors < Investment trusts >	<	9,518		< 12,332 >		15,628 >		< 10,132 >	_	9,437 >
Other fees received		15,485		18,114		18,404		18,315	`	19,697
Net trading income		34,770		40,492		34,056		34,053		30,943
Financial revenue		10,773		10,456		9,508		9,292		10,363
Total operating revenue		86,282		104,225		98,857		90,835		89,859
Financial expenses		6,609		9,856		7,010		7,683		6,692
·			-		-	,	ŀ		L	· · · · · · · · · · · · · · · · · · ·
Net operating revenue	_	79,672	+	94,368	-	91,846	-	83,152	▙	83,166
Selling, general and administrative expenses										
Trading related expenses		9,184		10,432		11,604		9,695		10,484
Personal expenses		27,295		29,908		32,411		29,903		29,920
Real estate expenses		4,753		4,949		5,910		5,934		5,945
Office cost		14,088		14,212		14,923		15,673		15,277
Depreciation		1,811		1,860		2,070		2,068		2,072
Taxes and dues		669		1,044		1,490		1,339		1,036
Other		3,174		3,407		3,938		3,858		3,560
Total selling, general and administrative expenses		60,978	-	65,815		72,349	ļ	68,473		68,297
Operating profit		18,693	_	28,552	_	19,497	ļ	14,678	<u> </u>	14,869
Non-operating income		632		360		1,782		1,165		1,305
Non-operating expenses		97	4	148	_	124		129	<u> </u>	137
Ordinary profit	\perp	19,228	_	28,764	_	21,155		15,714	$ldsymbol{f eta}$	16,038
Extraordinary income		_		_		_		_	1	_
Extraordinary losses		517		943		4,464	ļ	655	$ldsymbol{f eta}$	133
Profit before income taxes		18,710	\perp	27,821	_	16,691		15,059	L	15,905
Income taxes		5,676	1	8,571	_	3,736	ļ	2,742		4,675
Profit		13,034		19,249		12,954	1	12,316		11,229