

Earnings Announcement for the Second Quarter of FY2019 ending March 31, 2020 (JGAAP)

SMBC Nikko Securities Inc.

October 31, 2019



[Reference Data]

Summary of business results for the 2Q of FY ending Mar. 2020	2	Consolidated Business Results (Quarterly Trend)	14
Business Results (Quarterly Trend)	3	Non-consolidated Business Results (Quarterly Trend)	15
Net Operating Revenue	4	Operational Indicators-1	16
Commission Income	5	Operational Indicators-2	17
Net Trading Income (adjusted Net Financial Income)	6	Operational Indicators-3	18
SG&A	7	Business collaboration with Sumitomo Mitsui Banking Corporation	19
Balance Sheet / Capital Adequacy Ratio	8	Sum of bank-securities retail investment assets	20
League Tables	9		
Client Assets / Net Inflow of Assets	10		
Profit of Overseas Offices (Based on Management Accounting)	11		
Overseas Network	12		

The information contained in this document is based on data available as of October 31, 2019 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 (October 31, 2019) 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 2Q of the FY ending Mar. 2020

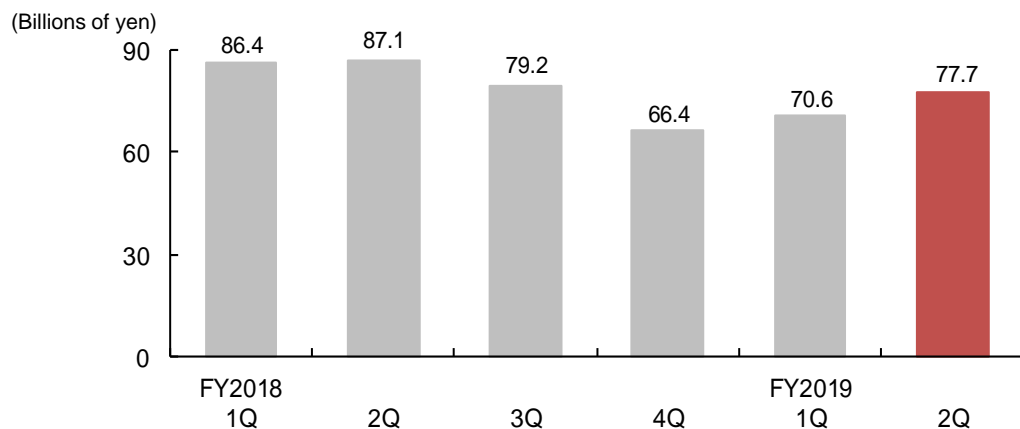
Q on Q	<ul style="list-style-type: none"> ■ Net operating revenue : ¥ 77.7 B (+10% Q on Q), Ordinary profit : ¥ 13.0 B (+2.0x), Profit (*) : ¥ 11.3 B (+2.2x) Although the tough business environment continues, both revenue and profit have grown compared to the previous quarter. Underwriting deals of both Equity and Debt has steadily increased. Furthermore, sales of investment trusts has increased by proposing the product which accurately matched the clients needs. ■ SG&A was ¥ 66.4 B (+2%).
Y on Y	<ul style="list-style-type: none"> ■ Net operating revenue : ¥ 148.4 B (-14% Y on Y), Ordinary profit : ¥ 19.4 B (-46%), Profit (*) : ¥ 16.4 B (-41%) Due to the uncertainty of the world economy, net trading income has decreased resulting as a decrease in both revenue and profit. ■ SG&A was ¥ 131.7 B (-6%).
Financial Conditions	<ul style="list-style-type: none"> ■ As of the end of Sep. 2019, total assets was ¥ 12.7 trillion, net assets was ¥ 830.2 B ■ Capital adequacy ratio (non-consolidated) was 356%, reflecting a sound financial base of the company.

Billions of Yen	FY2019		Q on Q	6 months to Sep. 30 2018	6 months to Sep. 30 2019	Y on Y
	1Q	2Q				
Operating revenue	92.7	96.4	+4%	194.2	189.2	-3%
Net operating revenue	70.6	77.7	+10%	173.5	148.4	-14%
SG&A	65.3	66.4	+2%	140.8	131.7	-6%
Ordinary profit / loss	6.4	13.0	2.0x	36.2	19.4	-46%
Profit before taxes	6.1	14.2	2.3x	35.4	20.3	-43%
Profit / loss(*1)	5.0	11.3	2.2x	27.9	16.4	-41%
	Mar.-end '19	Sep.-end '19	From Mar.-end '19	Sep.-end '18	Sep.-end '19	Y on Y
Total assets (Trillions of yen)	10.9	12.7	+1.8	11.2	12.7	+1.4
Total net assets (Billions of yen)	831.2	830.2	-1.0	831.8	830.2	-1.6

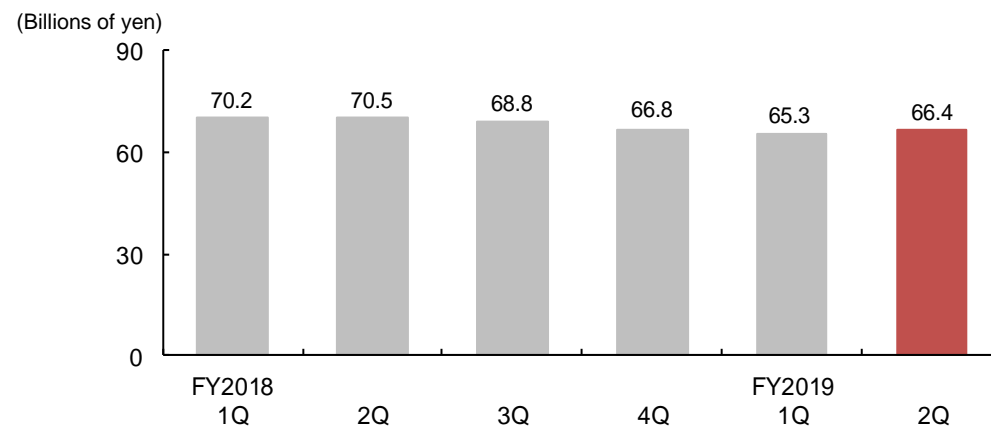
(*1) profit attributable to owners of parent

Business Results (Quarterly Trend)

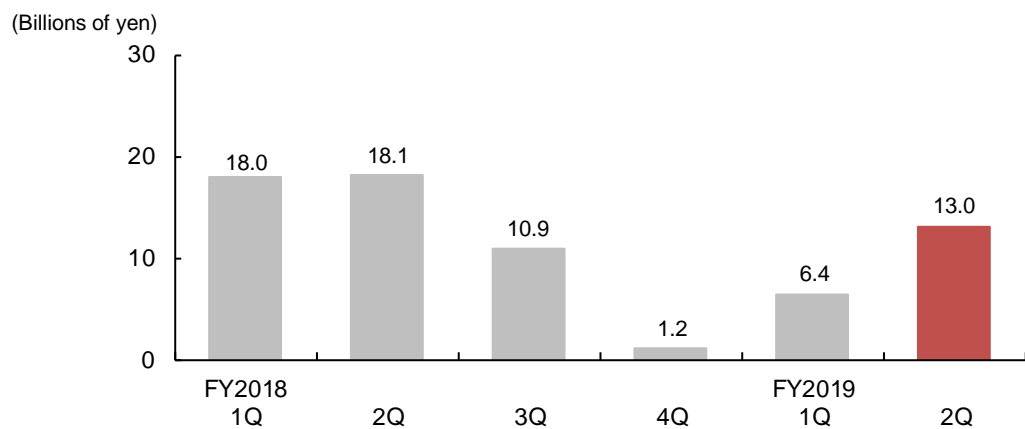
Net operating revenue



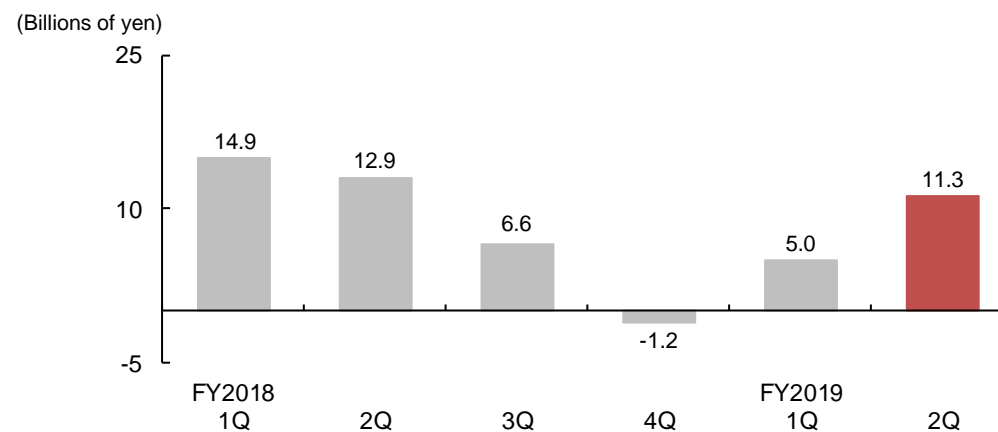
SG&A



Ordinary profit



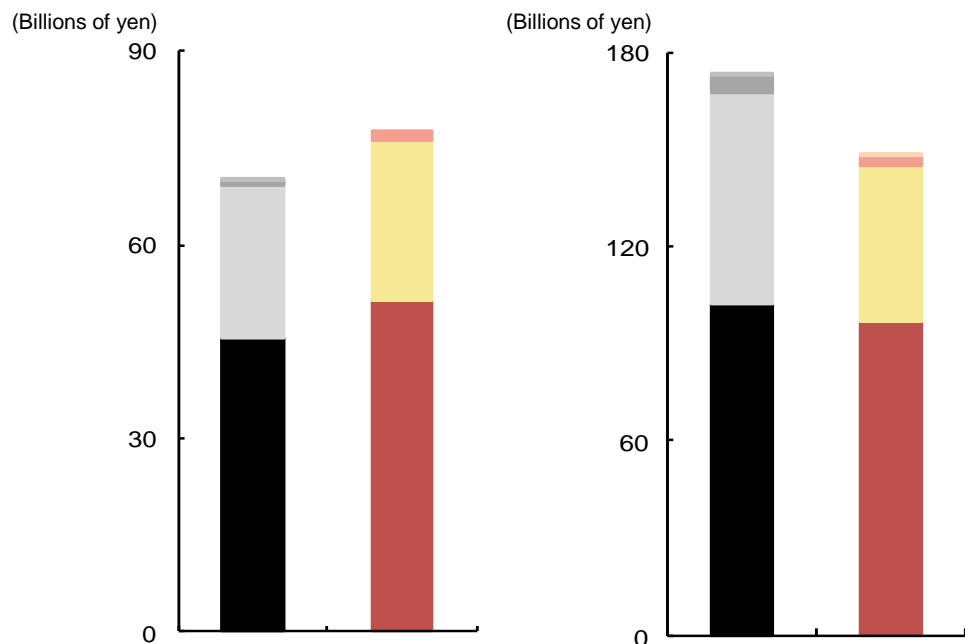
Profit (*)



(*) profit attributable to owners of parent

Net Operating Revenue

■ Commission income ■ Net trading income ■ Net financial income ■ Net sales (*)



	FY2019 1Q	2Q	Q on Q	6 months to Sep. 30 2018	6 months to Sep. 30 2019	Y on Y
Commission income	45.6	51.2	+12%	101.9	96.9	-5%
Net trading income	23.4	24.9	+6%	65.2	48.3	-26%
Net financial income	0.9	1.8	+93%	5.4	2.7	-49%
Net sales (*)	0.6	-0.2	-	0.9	0.4	-55%
Total	70.6	77.7	+10%	173.5	148.4	-14%

Q on Q

Commission income, Net trading income and Net financial income have grown, which lead the growth in Net operating revenue.

- ◇ Commission Income (Q on Q +5.6 B, +12%)
- ◇ Net Trading Income (Q on Q +1.5 B, +6%)
- ◇ Net Financial Income (Q on Q +0.9 B, +93%)

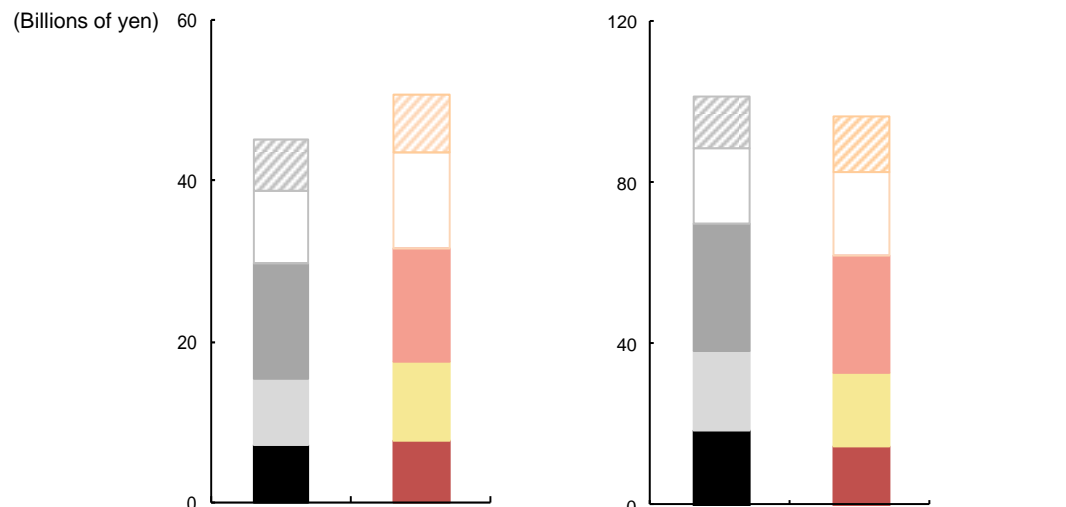
Y on Y

Each income has decreased, but the Net trading income was the main decrease.

- ◇ Commission Income (Y on Y -5.0 B, -5%)
- ◇ Net Trading Income (Y on Y -16.9 B, -26%)
- ◇ Net Financial Income (Y on Y -2.7 B, -49%)

Commission Income

- Equity brokerage commissions
- Fund wrap fee and agency commissions on investment trusts
- Other commissions
- Subscription commissions on investment trusts
- Underwriting commissions



(Billions of yen)	FY2019 1Q	2Q	Q on Q	6 months to Sep. 30 2018	6 months to Sep. 30 2019	Y on Y
Equity brokerage commissions	7.2	7.7	+7%	18.9	15.0	-21%
Subscription commissions on investment trusts	8.3	9.8	+18%	19.5	18.2	-7%
Fund wrap fee and agency commissions on investment trusts	14.5	14.3	-1%	31.7	28.9	-9%
Underwriting commissions	8.8	11.8	+35%	18.6	20.6	+11%
Other commissions	6.5	7.3	+12%	12.9	13.9	+8%
Total	45.6	51.2	+12%	101.9	96.9	-5%
Equity brokerage amount (*1)	8,119.1	8,469.6	+4%	16,848.3	16,588.7	-2%
TSE share (%)	2.41%	2.51%	+0.10pt	2.10%	2.46%	+0.36pt
Retail market share (%) (*2)	4.59%	5.17%	+0.58pt	4.43%	4.87%	+0.44pt
Sale of investment trusts(*3)	277.3	343.9	+24%	665.8	621.3	-7%
Client assets of investment trusts	10,257.4	10,485.6	+2%	10,804.3	10,485.6	-3%
Client assets of fund wrap	1,985.7	2,025.0	+2%	1,931.8	2,025.0	+5%

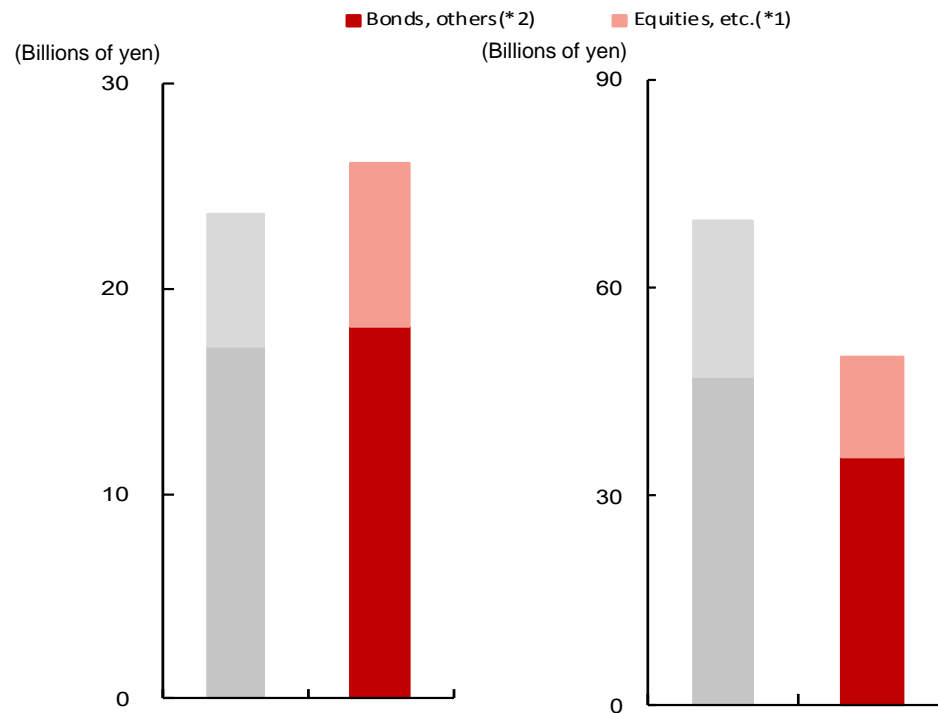
Q on Q

- ◇ Equity Brokerage Commissions (Q on Q +0.5 B, +7%)
Both TSE share and retail market share grew steadily.
- ◇ Subscription commissions on investment trusts (Q on Q +1.5 B, +18%)
The sales of investment trusts steadily increased, especially for balanced funds and bond funds.
- ◇ Underwriting Commissions (Q on Q +3.0 B, +35%)
Underwriting of bonds continued to actively acquire deals. Furthermore, underwriting of stocks increased which led to the large increase of underwriting commissions.

Y on Y

- ◇ Equity Brokerage Commissions (Y on Y -3.9 B, -21%)
- ◇ Subscription commissions on investment trusts (Y on Y -1.3 B, -7%)
Compared to the FY2018 1H which had a positive mind for investing from the steady fundamentals, the equity brokerage amount and sale of investment trusts of individual investors have decreased.
- ◇ Underwriting Commissions (Y on Y +2.0 B, +11%)
Bond underwriting was active due to the high needs of corporate funding as well as the market condition allowing to issue bonds at low interest rates.

Net Trading Income (adjusted Net Financial Income)



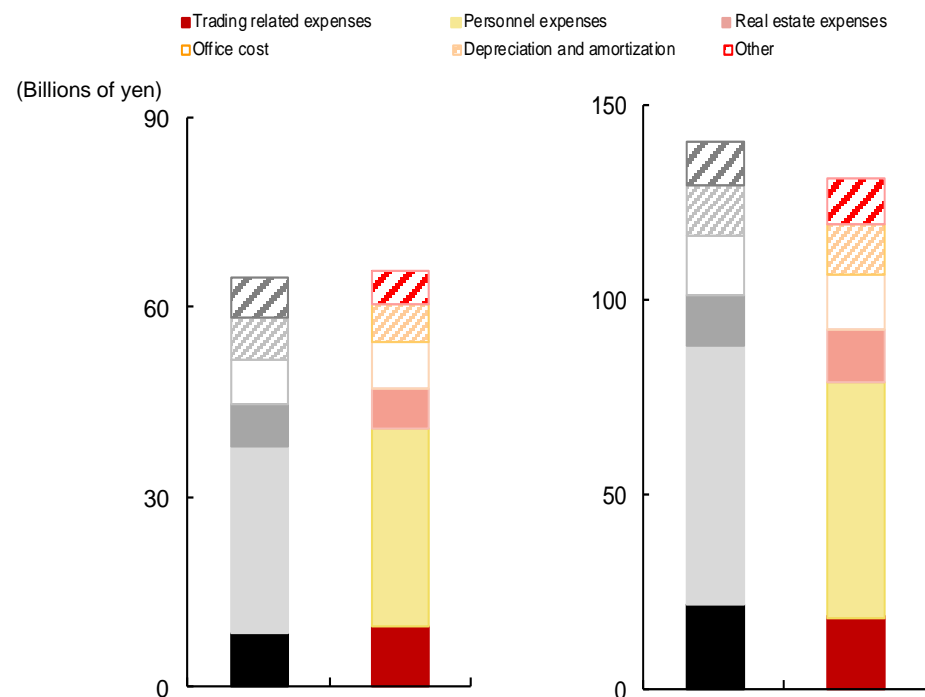
(Billions of yen)	FY2019 1Q	2Q	Q on Q	6 months to Sep. 30 2018	6 months to Sep. 30 2019	Y on Y
Equities, etc. (*1)	6.5	8.0	+23%	22.4	14.6	-35%
(dividend, etc)	(1.5)	(2.7)	(+81%)	(4.8)	(4.2)	(-12%)
Bonds, others (*2)	17.2	18.1	+6%	47.2	35.4	-25%
(interest)	(-1.2)	(-1.4)	(-)	(-0.4)	(-2.6)	(-)
Total (*3)	23.7	26.2	+10%	69.7	50.0	-28%

Q on Q

- ◇ Equities, etc. (Q on Q +1.5 B, +23%)
The net trading income increased mainly from the rise of OTC transaction of foreign stocks.
- ◇ Bonds, others (Q on Q +0.9 B, +6%)
Even though the domestic interest rate are in a downtrend, there was increase in income by the efficient management of trading positions.

Y on Y

- ◇ Equities, etc. (Y on Y -7.8 B, -35%)
- ◇ Bonds, others (Y on Y -11.8 B, -25%)
The sales of foreign bonds and OTC transaction of foreign stocks have decreased in the retail sector.



(Billions of yen)

	FY2019 1Q	2Q	Q on Q	6 months to Sep. 30 2018	6 months to Sep. 30 2019	Y on Y
Trading related expenses	8.6	9.7	+13%	21.8	18.4	-16%
Personnel expenses	29.4	31.2	+6%	66.6	60.7	-9%
Real estate expenses	6.7	6.4	-5%	13.2	13.2	-0%
Office cost	7.1	7.3	+2%	15.0	14.4	-3%
Depreciation and amortization	6.9	6.2	-10%	12.9	13.1	+1%
Other	6.3	5.3	-15%	11.0	11.7	+6%
SG&A	65.3	66.4	+2%	140.8	131.7	-6%
SG&A / Net operating revenue	92%	85%	- 7pt	81%	89%	+8pt

Q on Q

◇ Trading Related Expenses (Q on Q +1.1 B, +13%)

◇ Personnel Expenses (Q on Q +1.8 B, +6%)

The expenses relative to the business performance has risen.

Y on Y

◇ Trading Related Expenses (Y on Y -3.4 B, -16%)

◇ Personnel Expenses (Y on Y -5.9 B, -9%)

The expenses relative to transaction amount and business performance have decreased.

Balance Sheet / Capital Adequacy Ratio

(Billions of Yen)	Mar.19	Sep.19	Variance
Current assets	10,613.8	12,465.5	+1,851.6
Trading products	2,944.2	4,146.9	+1,202.7
Loans secured by securities	5,206.4	6,198.1	+991.7
Other current assets	2,463.1	2,120.3	-342.7
Noncurrent assets	303.7	291.3	-12.3
Tangible assets	28.1	27.8	-0.3
Intangible assets	68.8	67.5	-1.2
Investments and other assets	206.7	195.8	-10.8
Total assets	10,917.6	12,756.9	+1,839.3
Current liabilities	9,247.8	11,277.4	+2,029.5
Trading products	2,454.7	2,733.9	+279.2
Loans payable secured by securities	4,871.5	6,432.9	+1,561.4
Short-term loans payable / Commercial papers	1,064.5	1,111.9	+47.4
Other current liabilities	857.1	998.6	+141.4
Noncurrent liabilities / Reserves under the special laws	838.4	649.1	-189.2
Total liabilities	10,086.3	11,926.6	+1,840.3
Total net assets	831.2	830.2	-1.0
Total liabilities and net assets	10,917.6	12,756.9	+1,839.3

【non-consolidated】

(Billions of Yen)	Mar.19	Sep.19	Variance
Basic items	738.0	750.7	+12.6
Supplementary items	45.2	39.7	-5.4
Deductible assets	174.1	171.9	-2.2
Net capital	609.1	618.5	+9.4
Risk total	160.1	173.9	+13.7
Market Risk	55.0	58.2	+3.1
Counterparty Risk	34.1	43.9	+9.8
Basic Risk	70.9	71.6	+0.7
Capital Adequacy Ratio	380%(*)	356%	-25pt

(*) The presentation of the Basic items of the previous fiscal year has taken account the outflow s of fund relevant to the dividend payments that occurred after the year-end. The Capital adequacy ratio is recalculated with the certain amount.

【non-consolidated】

Credit ratings on Long Term (as of October 31, 2019)

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

League Tables

Global Equity & Equity-Related-Japan (*1) Apr. 2019 - Sep. 2019

Rank	Book runner	Amount (bill of yen)	Mkt.Share (%)
1	Nomura	278.6	18.8%
2	Mizuho	249.3	16.8%
3	Mitsubishi UFJ Morgan Stanley	231.4	15.6%
4	SMBC Nikko	227.2	15.4%
5	Daiwa	151.4	10.2%

IPO (*2) Apr. 2019 - Sep. 2019 【non-consolidated】

【Based on Deals】			【Based on Underwriting Amounts】		
Rank	Lead Manager	No. Deals	Rank	Underwriting Amount	Amount (bill of yen)
1	SMBC Nikko	5	1	Nomura	41.5
1	Nomura	5	2	SMBC Nikko	26.2
1	Daiwa	5	3	Daiwa	25.6
4	Mizuho	3	4	Mizuho	13.4
4	Tokai Tokyo	3	5	SBI	4.2

All Bonds in Yen (*3) Apr. 2019 - Sep. 2019 【non-consolidated】

Rank	Manager	Amount (bill of yen)	Mkt.Share (%)
1	Mizuho	3,045.5	22.2%
2	SMBC Nikko	2,648.4	19.3%
3	Mitsubishi UFJ Morgan Stanley	2,462.9	17.9%
4	Daiwa	2,459.7	17.9%
5	Nomura	2,287.1	16.7%

Financial Advisory (*4) Apr. 2019 - Sep. 2019

【Based on Deals】			【Based on Deal Size】		
Rank	Advisor	No. Deals	Rank	Advisor	Deal size (bill of yen)
1	Sumitomo Mitsui Financial Group	73	1	Nomura	3,100.3
2	Mizuho Financial Group	58	2	Morgan Stanley	3,098.3
3	Deloitte	52	3	Goldman Sachs	2,208.6
4	Nomura	50	4	Sumitomo Mitsui Financial Group	1,992.3
5	Kaede Group	49	5	Mizuho Financial Group	1,762.0

(*1) Source: prepared by SMBC Nikko based on the information published by REFINITIV (including oversea entities)

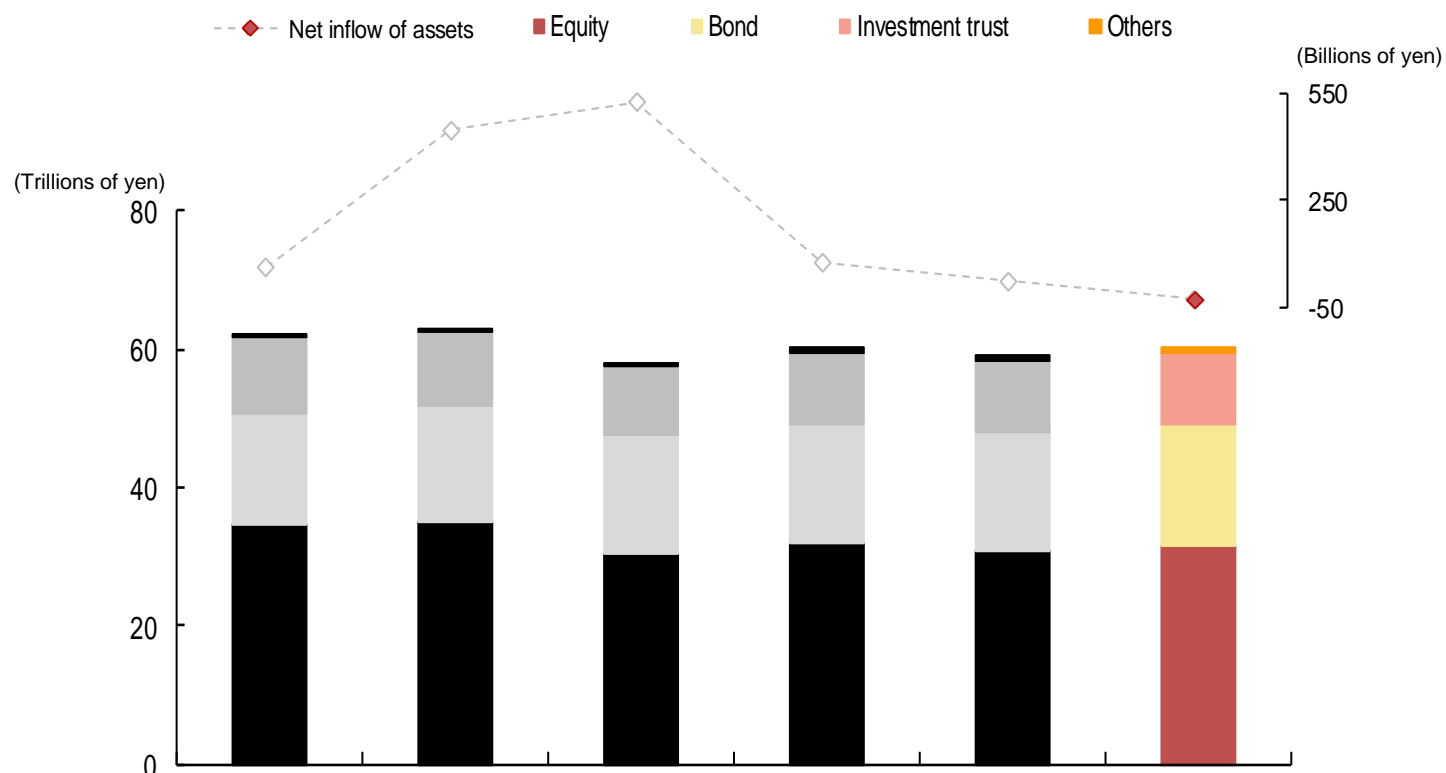
(*2) Source: prepared by SMBC Nikko based on the information published by REFINITIV (only the deals listed on the Japanese stock market)

(*3) Source: prepared by SMBC Nikko based on the information published by REFINITIV (corporate bonds, FILP agency/municipality bonds(proportional shares as lead manager),samurai bonds)

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

Client Assets / Net Inflow of Assets

【non-consolidated】



(Trillions of yen)

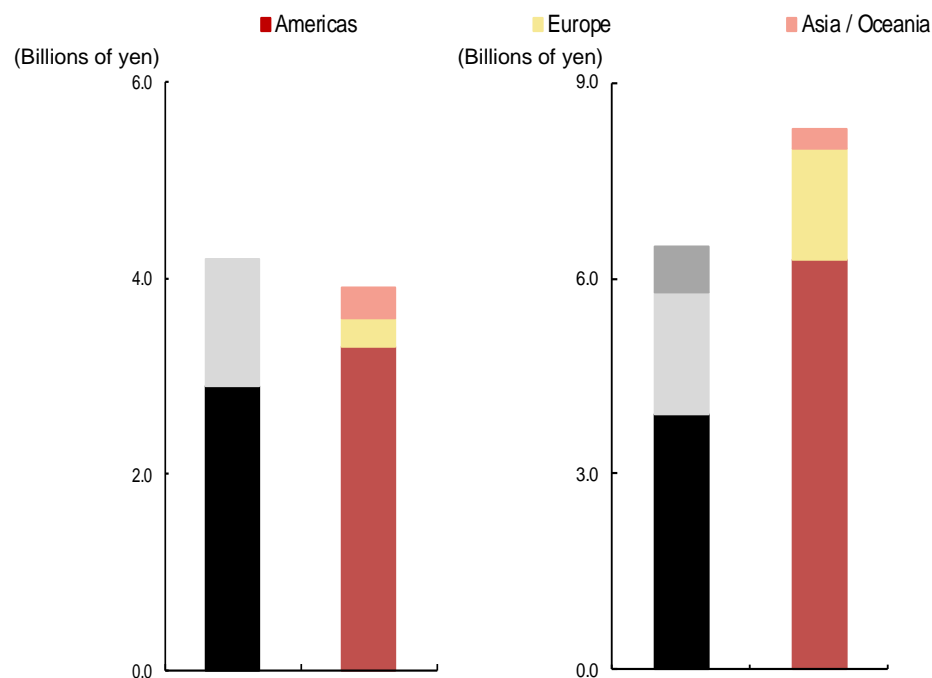
	FY2018 Jun.	Sep.	Dec.	Mar.	FY2019 Jun.	Sep.
Equity	34.5	34.9	30.5	31.9	30.7	31.7
Bond	16.4	16.8	17.1	17.4	17.5	17.5
Investment trust	10.7	10.8	10.0	10.4	10.3	10.5
Others	0.5	0.5	0.5	0.5	0.5	0.5
Client assets	62.2	63.0	58.0	60.2	59.0	60.1

(Billions of yen)

	1Q	2Q	3Q	4Q	1Q	2Q
Net inflow (outflow) of assets(*)	61.7	443.6	523.8	74.6	21.6	-28.6
Inflow of assets	1,266.3	1,466.6	1,662.3	1,232.8	1,222.8	1,460.6
Outflow of assets	-1,204.6	-1,022.9	-1,138.5	-1,158.2	-1,201.2	-1,489.2

(*) Sum of Net inflow of assets of the sales division (including Public Institutions Divisions and etc.)

Profit of Overseas Offices (Based on Management Accounting)



(Billions of yen)	FY2019 1Q	2Q	Q on Q	6 months to Sep. 30 2018	6 months to Sep. 30 2019	Y on Y
Americas	2.9	3.3	+13%	3.9	6.3	+60%
Europe	1.3	0.3	-74%	1.9	1.7	-12%
Asia / Oceania	0.0	0.3	4.2x	0.7	0.3	-54%
Overseas Offices Total(*)	4.4	4.0	-9%	6.7	8.4	+26%

Q on Q

◇ Overseas Offices Profit (Q on Q -0.4 B, -9%)

All regions (Americas, Europe and Asia / Oceania) have gained a net profit.

Continuing on from the previous quarter, the DCM business of each overseas offices has led the profit due to the high needs of corporate funding.

Y on Y

◇ Overseas Offices Profit (Y on Y +1.7 B, +26%)

All regions (Americas, Europe and Asia / Oceania) have gained a net profit.

The increase of profit was led by the steadily growth of the DCM business and the FIST business.

Overseas Network

SMBC Nikko Bank (Luxembourg)

- Fund custody
- Fund administration

SMBC Nikko Investment Fund Management Company

- Fund management

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 Securities (Hong Kong)

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

SMBC Nikko Securities (Singapore)

- Japanese equity and fixed-income sales and trading
- M&A advisory
- Private wealth business
- IR arrangement

SMBC Nikko Capital Markets Europe

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

SMBC Nikko Investment Consulting (Shanghai)

- M&A advisory related services

SMBC Nikko Securities America (San Francisco Branch)

- Japanese equity sales and trading, US equity brokerage
- M&A advisory
- IR arrangement

SMBC Nikko Securities America

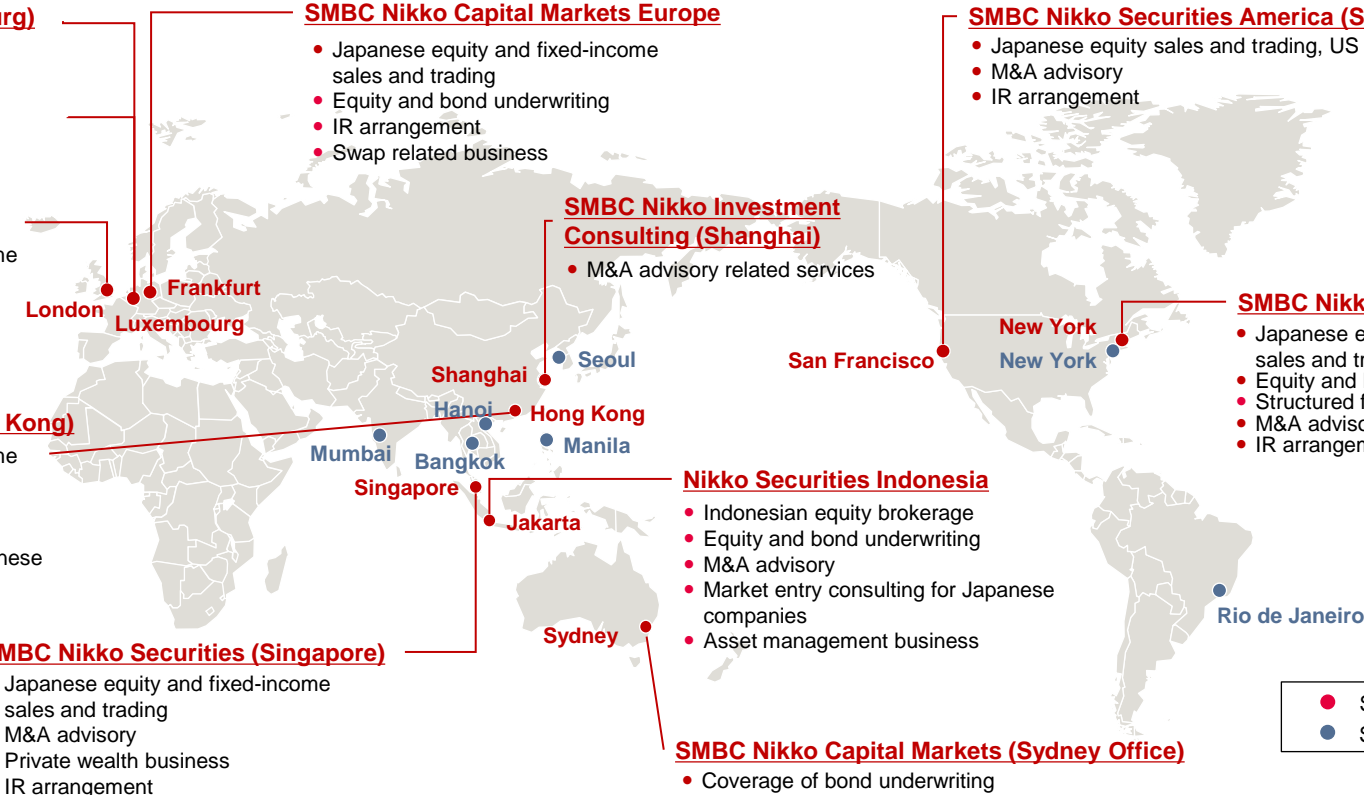
- Japanese equity and fixed-income sales and trading, US equity brokerage
- Equity and bond underwriting
- Structured finance
- M&A advisory
- IR arrangement

Nikko Securities Indonesia

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

SMBC Nikko Capital Markets (Sydney Office)

- Coverage of bond underwriting



● SMBC Nikko Group Company
● SMBC Nikko Business Partner

Business Partners (Asia)

KB 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 Capital Company (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

Reference Data



Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2018				FY2019	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	97,367	96,914	92,853	82,389	92,780	96,480
Commissions received	50,357	51,566	52,947	42,161	45,619	51,282
Commissions to consignees	10,393	9,657	9,703	8,415	7,859	8,495
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,866	9,820	15,968	4,824	8,821	11,870
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	10,669	10,308	6,819	7,422	9,157	11,073
Other fees received	20,427	21,780	20,456	21,498	19,780	19,843
Net trading income	34,057	31,196	24,965	21,518	23,464	24,912
Equities	10,721	6,824	8,309	7,992	5,031	5,285
Bonds / Others	23,336	24,371	16,656	13,525	18,433	19,626
Financial revenue	9,547	10,698	11,686	15,708	21,199	18,085
Other sales	3,404	3,453	3,253	3,001	2,497	2,200
Financial expenses	7,871	6,904	10,812	13,052	20,255	16,263
Cost of other sales	3,055	2,868	2,820	2,844	1,843	2,432
Net operating revenue	86,439	87,141	79,220	66,492	70,681	77,784
SG&A	70,291	70,551	68,836	66,870	65,344	66,429
Operating profit / loss	16,148	16,589	10,383	-378	5,336	11,354
Ordinary profit / loss	18,051	18,194	10,925	1,284	6,469	13,019
Extraordinary income / loss	-652	-133	-1,340	-2,818	-321	1,181
Profit before income taxes	17,398	18,060	9,585	-1,533	6,148	14,200
Income taxes	2,397	5,123	2,937	-140	1,058	2,828
Profit / loss	15,001	12,936	6,648	-1,393	5,089	11,371
Profit attributable to owners of parent	14,996	12,928	6,645	-1,260	5,094	11,363

Non-consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2018				FY2019	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	90,835	89,859	87,082	76,918	87,482	91,164
Commissions received	47,490	48,552	51,211	40,225	43,170	48,493
Commissions to consignees	9,673	8,857	9,010	7,673	7,168	7,754
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,866	9,820	15,968	4,824	8,488	11,432
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	10,635	10,177	6,666	7,367	9,129	11,056
Other fees received	18,315	19,697	19,567	20,359	18,384	18,249
Net trading income	34,053	30,943	24,491	21,313	23,464	24,912
Equities	10,721	6,567	7,834	7,787	5,031	5,285
Bonds / Others	23,331	24,376	16,656	13,525	18,433	19,626
Financial revenue	9,292	10,363	11,379	15,378	20,847	17,759
Financial expenses	7,683	6,692	10,609	12,833	20,000	16,066
Net operating revenue	83,152	83,166	76,472	64,084	67,482	75,097
SG&A	68,473	68,297	67,249	64,181	63,653	65,423
Operating profit / loss	14,678	14,869	9,223	-96	3,828	9,673
Ordinary profit / loss	15,714	16,038	9,377	1,050	4,757	10,663
Extraordinary income / loss	-655	-133	-1,265	-2,511	-240	296
Profit before income taxes	15,059	15,905	8,112	-1,460	4,516	10,959
Income taxes	2,742	4,675	2,539	-408	568	2,269
Profit / loss	12,316	11,229	5,572	-1,051	3,947	8,689

Operational Indicators -1

【non-consolidated】

◇ Sales of Products

(Billions of yen)	FY2018				FY2019	
	1Q	2Q	3Q	4Q	1Q	2Q
Investment trusts	650.7	638.2	545.9	430.0	533.9	689.3
(Equity investment trusts)	(535.4)	(509.3)	(382.0)	(267.5)	(377.4)	(484.1)
(Foreign registered investment trusts)	(98.2)	(98.8)	(131.8)	(129.4)	(115.8)	(160.8)
Fund wrap	97.8	65.6	85.3	71.3	69.4	61.4
Foreign bonds (*1)	734.2	934.6	714.4	692.2	672.5	477.5
(Foreign currency bonds)	(233.4)	(233.3)	(315.8)	(248.8)	(222.7)	(228.3)
Domestic bond	881.5	1,218.1	1,016.6	502.0	1,105.2	1,652.0
(Retail target JGBs)	(116.8)	(184.6)	(130.5)	(213.4)	(175.9)	(289.4)
Public offering	91.0	108.4	419.3	55.3	66.6	92.4
Annuity / insurance	25.1	39.7	37.7	48.7	39.6	30.7
Total	2,480.3	3,004.5	2,819.1	1,799.5	2,487.1	3,003.4

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

◇ Market Share

	FY2018				FY2019	
	1Q	2Q	3Q	4Q	1Q	2Q
ECM Global Equity (*2)	15.9%	13.4%	15.4%	15.4%	10.7%	15.4%
DCM All bond in Yen (*3)	16.4%	18.7%	18.7%	17.3%	18.7%	19.3%
M&A Japan related (*4)	36.9%	29.5%	25.9%	23.5%	11.2%	17.9%

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

(*3) All Bonds in Yen, Lead manager

(*4) Any Japanese involvement announced : Rank value

Source: prepared by SMBC Nikko based on the information published by REFINITIV

Source: prepared by SMBC Nikko based on the information published by REFINITIV

Source: prepared by REFINITIV

◇ Direct Channel Ratio (*1)

	FY2018				FY2019	
	1Q	2Q	3Q	4Q	1Q	2Q
Based on number of transaction	91.3%	92.1%	90.7%	92.9%	91.9%	91.8%
(Nikko EZ trade)	(87.3%)	(88.3%)	(87.0%)	(89.9%)	(88.9%)	(89.1%)
Based on commissions	20.5%	22.1%	22.6%	28.7%	26.3%	24.1%
(Nikko EZ trade)	(12.5%)	(13.0%)	(14.3%)	(18.5%)	(16.1%)	(15.1%)

(*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)	FY2018				FY2019	
	1Q	2Q	3Q	4Q	1Q	2Q
Equity brokerage amount	8,721.3	8,127.0	9,285.0	7,498.3	8,119.1	8,469.6
Equity brokerage commissions (*3)	9.9	9.0	8.9	7.8	7.2	7.7
Equity commissions rate	10.5bp	10.1bp	8.7bp	8.6bp	8.1bp	8.4bp

(*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)	FY2018				FY2019	
	Jun.18	Sep.18	Dec.18	Mar.19	Jun.19	Sep.19
Total accounts	3,352	3,370	3,397	3,425	3,433	3,449
Cash management accounts	2,872	2,883	2,911	2,929	2,936	2,949
Newly opened accounts	40	39	48	38	30	31

◇ Number of Branches

【non-consolidated】

	FY2018				FY2019	
	Jun.18	Sep.18	Dec.18	Mar.19	Jun.19	Sep.19
Branches	149	148	148	142	142	143

◇ Number of Employees

	FY2018				FY2019	
	Jun.18	Sep.18	Dec.18	Mar.19	Jun.19	Sep.19
Employees	12,382	12,169	12,010	11,759	12,119	11,917
Number of employees in overseas offices	676	703	727	753	770	791

- (*)Overseas offices total is defined as the total of: (Included (*) from First Quarter of FY2019 and retroactively calculated the results of FY2018 in the same basis)
- ✓ Employees of consolidated subsidiaries which are SMBC Nikko Securities (Hong Kong), SMBC Nikko Securities (Singapore), SMBC Nikko Capital Markets Europe, SMBC Nikko Investment Consulting (Shanghai) (*1), SMBC Nikko Bank (Luxembourg) (*1) and SMBC Nikko Investment Fund Management Company (*1).
 - ✓ Employees of affiliated companies which are Securities Product Group of SMBC Nikko Capital Markets and SMBC Nikko Securities America.

Business collaboration with Sumitomo Mitsui Banking Corporation

【non-consolidated】

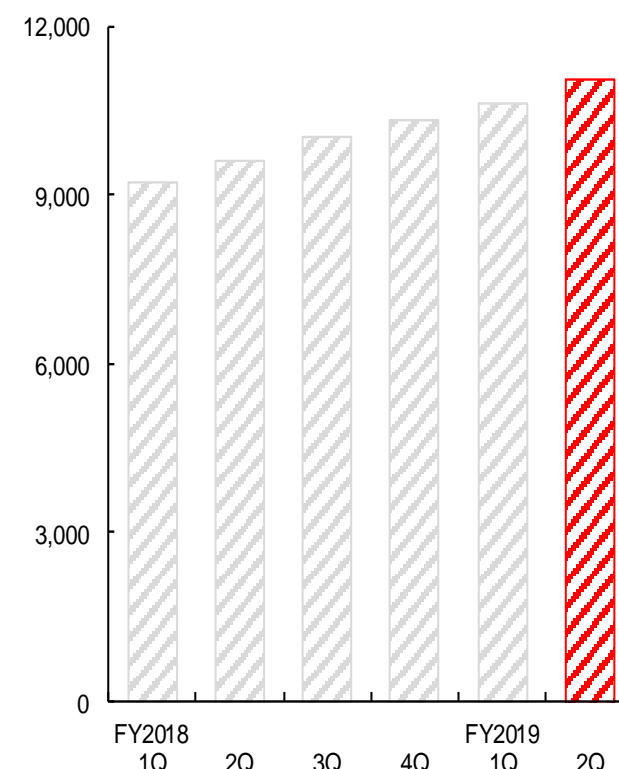
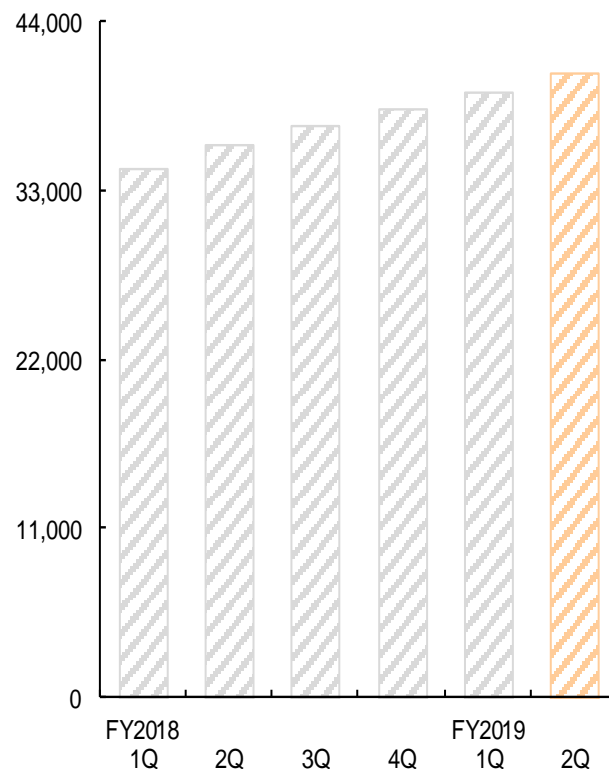
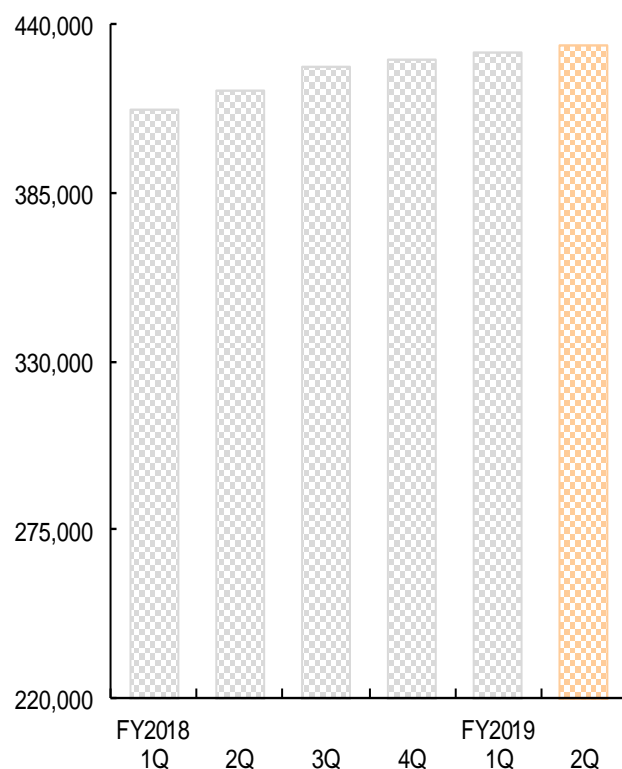
Asset management (Referral service and financial products intermediary service (*1))

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.

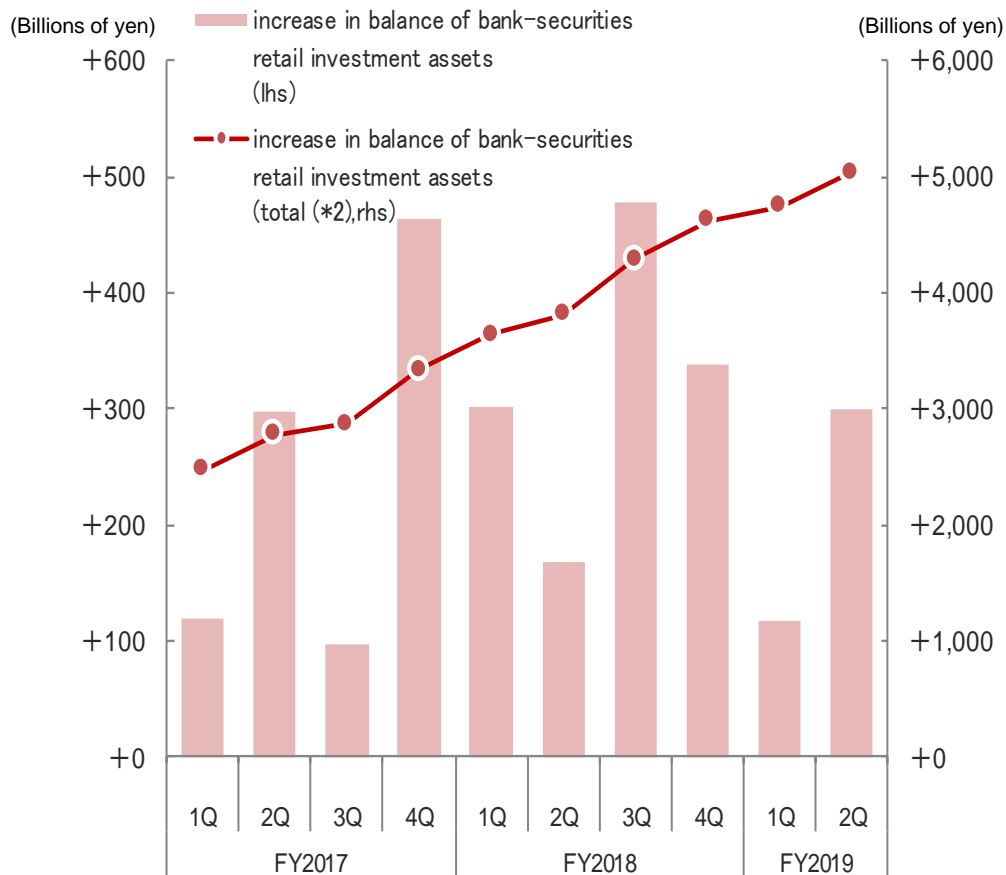
(*1) Financial products intermediary services by SMBC: SMBC Nikko commissions SMBC to solicit and intermediate securities transactions to customers.

(*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.

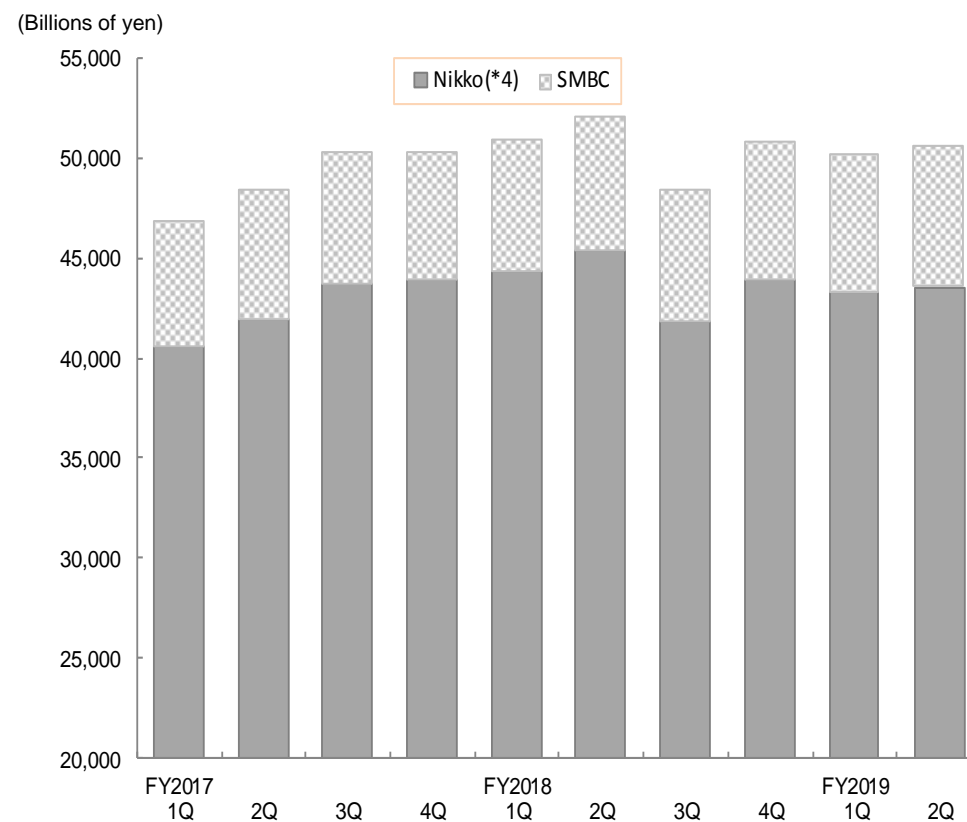
(*3) The number of the accumulated acquired deals on asset management with corporate clients via SMBC's referral services and financial products intermediary services on behalf of SMBC Nikko since the inception of respective services.

Sum of bank-securities retail investment assets

Increase in balance of bank-securities retail investment assets (*1)



Balance of bank-securities retail investment assets (*3)



(*1) Sum of retail investment assets (foreign deposit, investment trusts, single premium life insurance) change of SMBC and investment assets (net inflow of assets) change at the sales division (retail) of Nikko

(*2) cumulative amount since FY 2013 1Q

(*3) Sum of retail investment assets (foreign deposit, investment trusts, single premium life insurance) of SMBC and investment assets (client assets) at the sales division (including Public Institutions Divisions and etc.) of Nikko

(*4) The amount of investment assets of former SMBC Friend Securities Co. Ltd. are included since FY 2017 1Q to FY2017 3Q

