

Earnings Announcement for the Third Quarter of FY2020 ending March 31, 2021 (JGAAP)

SMBC Nikko Securities Inc.

January 27, 2021



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The information contained in this document is based on data available as of January 27, 2021 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, 2021) 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 the FY ending Mar. 2021

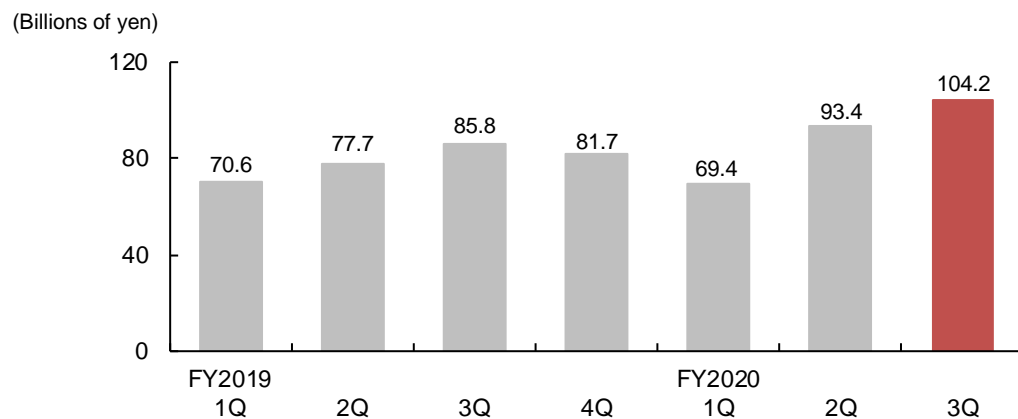
| | |
|-------------------------|---|
| FY ending Mar.2021 3Q | <ul style="list-style-type: none"> ■ Net Operating Revenue : ¥ 104.2 B (+12% Q on Q), Ordinary Profit : ¥ 32.7 B (+15%), Profit (*) : ¥ 27.2 B (+26%) High stock prices and stable market environments led to increase in subscription commission in investment trusts and equity trading. In addition, we managed to engage in large deals in underwriting of equities and bonds. We continue our portfolio proposal to our customers. ■ SG&A was ¥ 72.0 B (+6%). |
| 9 months to Dec.31 2020 | <ul style="list-style-type: none"> ■ Net Operating Revenue : ¥ 267.1 B (+14% Y on Y), Ordinary Profit : ¥ 68.6 B (+87%), Profit (*) : ¥ 55.5 B (2.0x) Market environment improved and stock prices were high in both domestic and US markets. Although expenses relative to business performance has increased, due to restricted cost management taken throughout the period, SG&A has remained at a same level. ■ SG&A was ¥ 202.5 B (+1%). |
| Financial Conditions | <ul style="list-style-type: none"> ■ As of the end of Dec. 2020, total assets was ¥ 11.5 trillion, net assets was ¥ 891.6 B ■ Capital adequacy ratio (non-consolidated) was 299%, reflecting a sound financial base of the company. |

| Billions of Yen | FY2020 | | Q on Q | 9 months to Dec. 31 2019 | 9 months to Dec. 31 2020 | Y on Y |
|------------------------------------|--------------|--------------|-------------------|--------------------------|--------------------------|--------|
| | 2Q | 3Q | | | | |
| Operating revenue | 109.9 | 130.7 | +19% | 298.0 | 336.4 | +13% |
| Net operating revenue | 93.4 | 104.2 | +12% | 234.3 | 267.1 | +14% |
| SG&A | 68.0 | 72.0 | +6% | 201.3 | 202.5 | +1% |
| Ordinary profit / loss | 28.3 | 32.7 | +15% | 36.6 | 68.6 | +87% |
| Profit before taxes | 28.4 | 40.1 | +41% | 37.3 | 77.8 | 2.1x |
| Profit / loss(*) | 21.7 | 27.2 | +26% | 27.6 | 55.5 | 2.0x |
| | Mar.-end '20 | Dec.-end '20 | From Mar.-end '20 | Dec.-end '19 | Dec.-end '20 | Y on Y |
| Total assets (Trillions of yen) | 12.2 | 11.5 | -0.6 | 11.5 | 11.5 | +0.0 |
| Total net assets (Billions of yen) | 851.4 | 891.6 | +40.1 | 849.1 | 891.6 | +42.5 |

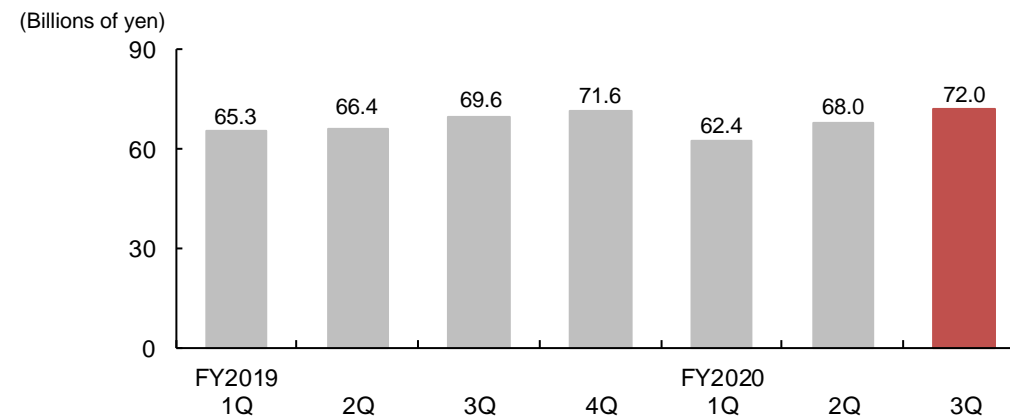
(*) profit attributable to owners of parent

Business Results (Quarterly Trend)

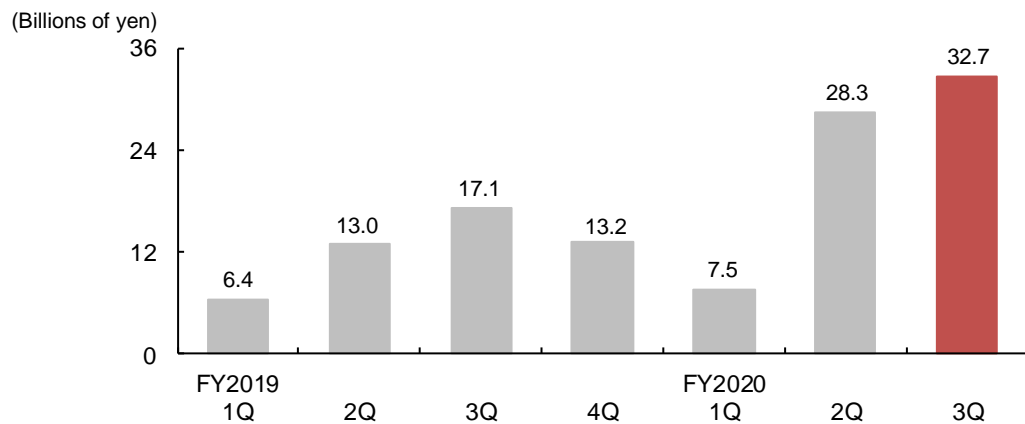
Net Operating Revenue



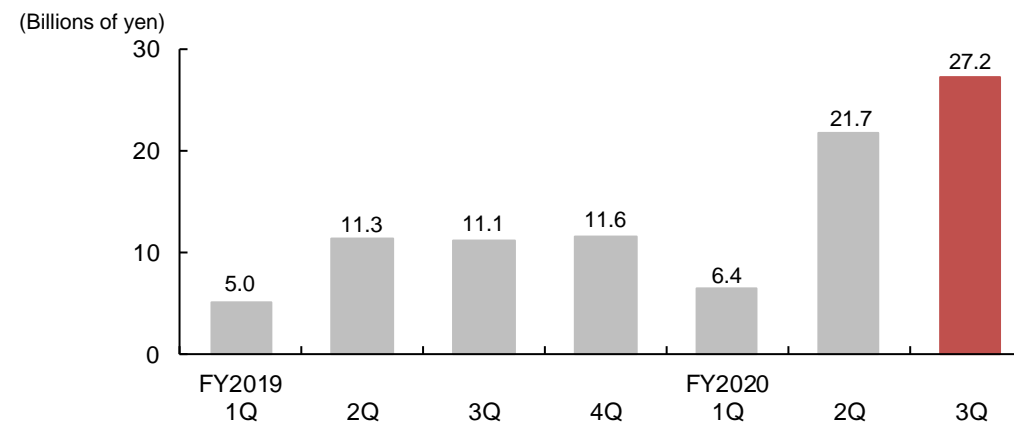
SG&A



Ordinary Profit

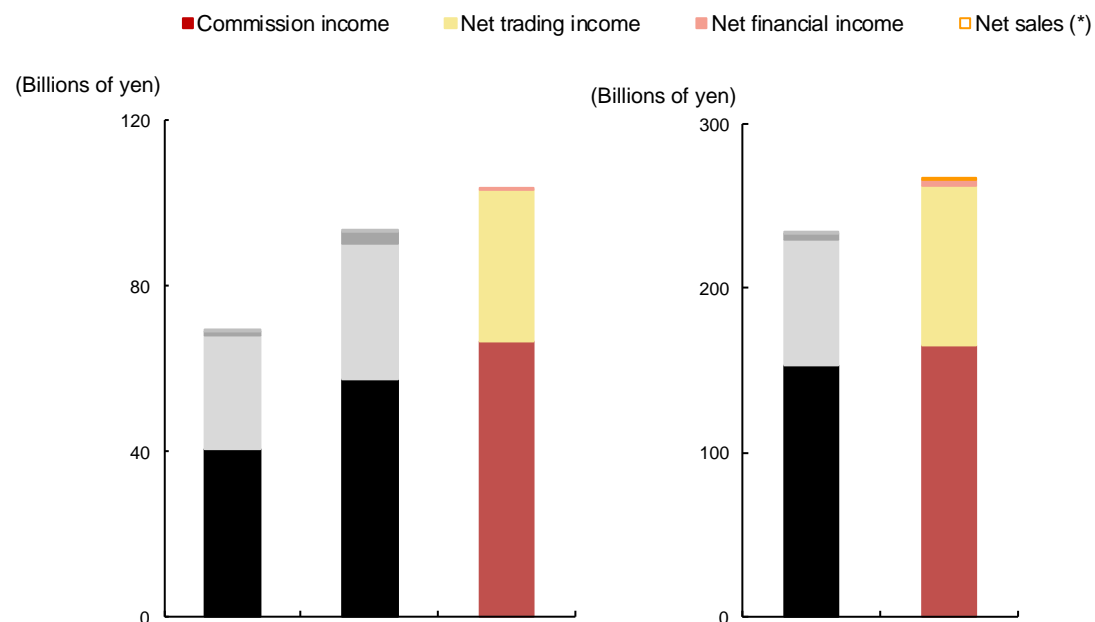


Profit (*)



(*) profit attributable to owners of parent

Net Operating Revenue



| | FY2020 1Q | 2Q | 3Q | Q on Q | 9 months to Dec. 31 2019 | 9 months to Dec. 31 2020 | Y on Y |
|----------------------|--------------|-------------|--------------|-------------|-----------------------------|-----------------------------|-------------|
| Commission income | 40.6 | 57.6 | 66.5 | +16% | 153.0 | 164.8 | +8% |
| Net trading income | 27.3 | 32.7 | 37.0 | +13% | 76.7 | 97.2 | +27% |
| Net financial income | 1.2 | 2.9 | 0.4 | -83% | 3.8 | 4.6 | +21% |
| Net sales (*) | 0.1 | 0.1 | 0.0 | -29% | 0.6 | 0.3 | -48% |
| Total | 69.4 | 93.4 | 104.2 | +12% | 234.3 | 267.1 | +14% |

Q on Q

Increase in Commission income and Net trading income led to increase in Net operating revenue.

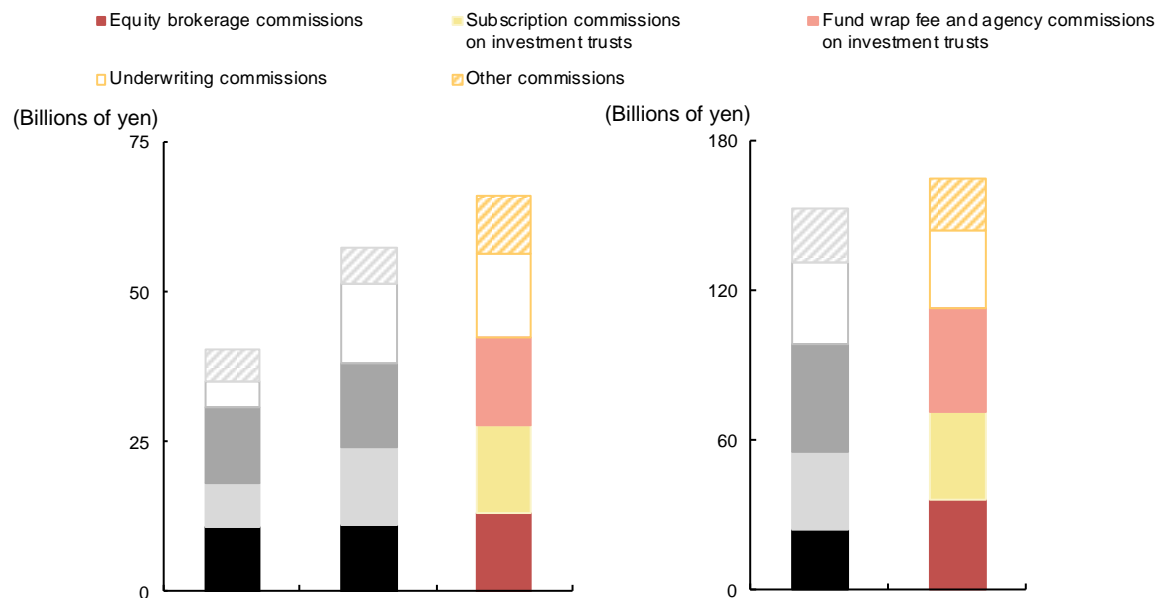
- ◇ Commission Income (Q on Q +8.9 B, +16%)
- ◇ Net Trading Income (Q on Q +4.3 B, +13%)
- ◇ Net Financial Income (Q on Q -2.5 B, -83%)

Y on Y

Compared to last fiscal year, increase in Commission income and Net trading income led to increase in Net operating revenue.

- ◇ Commission Income (Y on Y +11.8 B, +8%)
- ◇ Net Trading Income (Y on Y +20.5 B, +27%)
- ◇ Net Financial Income (Y on Y +0.8 B, +21%)

Commission Income



Q on Q

- ◇ Equity Brokerage Commissions (Q on Q +1.9 B, +17%)
- ◇ Subscription Commissions on Investment Trusts (Q on Q +1.6 B, +12%)
Due to high stock prices and a favorable market, trading and sales of investments grew steadily.
- ◇ Underwriting Commissions (Q on Q +0.9 B, +7%)
Managed to engage in large deals in both underwriting of equities and bonds. Issuance needs for the purpose of securing cash continued.
- ◇ Other Commissions (Q on Q +3.7 B, +62%)
Increase in M&A income.

Y on Y

- ◇ Equity Brokerage Commissions (Y on Y +10.9 B, +45%)
- ◇ Subscription Commissions on Investment Trusts (Y on Y +4.6 B, +15%)
Driven by the improved market environment, transaction volume has increased.
- ◇ Underwriting Commissions (Y on Y -1.6 B, -5%)
Although it was a low start due to spread of COVID-19, rise in issuance needs contributed to its recovery.

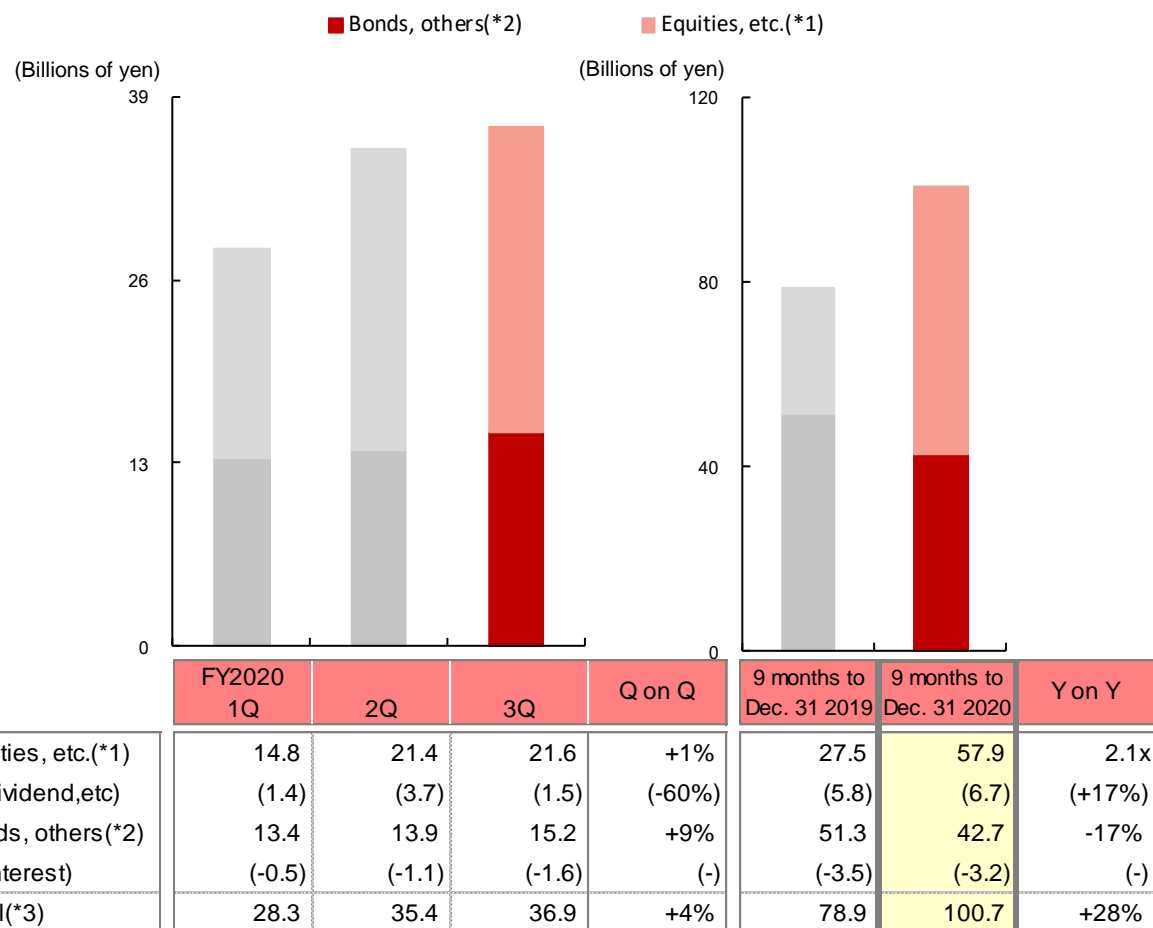
| (Billions of yen) | FY2020 1Q | 2Q | 3Q | Q on Q | 9 months to Dec. 31 2019 | 9 months to Dec. 31 2020 | Y on Y |
|---|--------------|-------------|-------------|-------------|-----------------------------|-----------------------------|------------|
| Equity brokerage commissions | 10.8 | 11.3 | 13.2 | +17% | 24.5 | 35.4 | +45% |
| Subscription commissions on investment trusts | 7.4 | 13.1 | 14.7 | +12% | 30.7 | 35.3 | +15% |
| Fund wrap fee and agency commissions on investment trusts | 12.7 | 13.9 | 14.7 | +5% | 43.5 | 41.4 | -5% |
| Underwriting commissions | 4.3 | 13.1 | 14.0 | +7% | 33.1 | 31.5 | -5% |
| Other commissions | 5.2 | 6.0 | 9.7 | +62% | 20.9 | 21.0 | +0% |
| Total | 40.6 | 57.6 | 66.5 | +16% | 153.0 | 164.8 | +8% |
| Equity brokerage amount (*1) | 10,230.3 | 9,615.8 | 11,700.2 | +22% | 26,454.5 | 31,546.3 | +19% |
| TSE share (%) | 2.54% | 2.54% | 2.74% | +0.21pt | 2.56% | 2.61% | +0.04pt |
| Retail market share (%) (*2) | 4.60% | 5.25% | 4.79% | -0.46pt | 5.05% | 4.87% | -0.18pt |
| Sale of investment trusts(*3) | 257.7 | 486.7 | 548.1 | +13% | 1,055.3 | 1,292.5 | +22% |
| Client assets of investment trusts | 10,062.5 | 10,385.9 | 10,898.3 | +5% | 10,862.8 | 10,898.3 | +0% |
| Client assets of fund wrap | 2,012.3 | 2,065.1 | 2,148.7 | +4% | 2,140.0 | 2,148.7 | +0% |

(*1) Total of all stock exchanges

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

(*3) Sales of No-load funds are excluded

Net Trading Income (adjusted Net Financial Income)

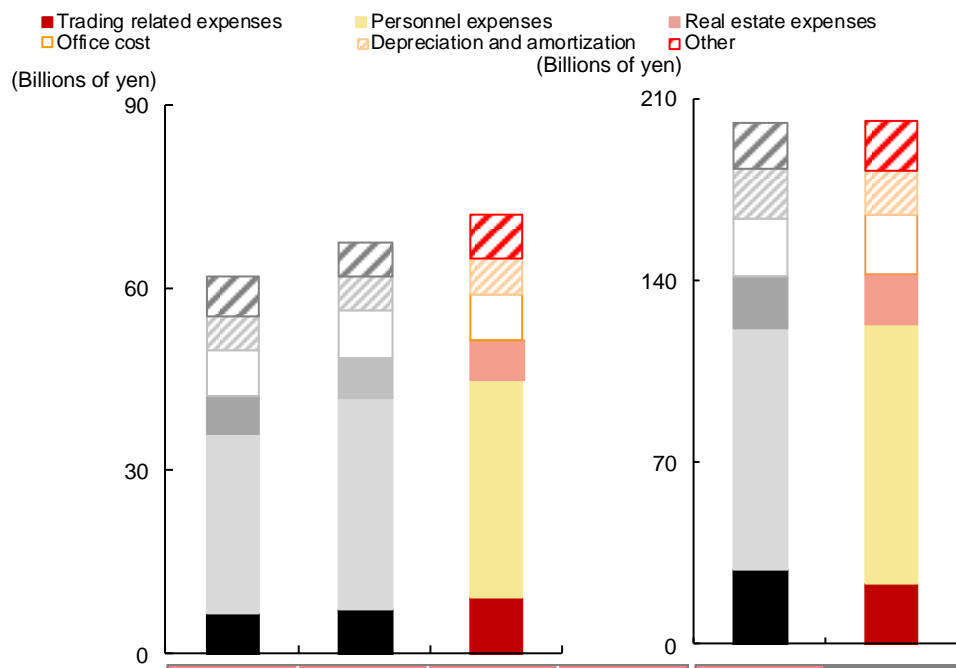


Q on Q

- ◇ Equities, etc. (Q on Q +0.2 B, +1%)
OTC transaction of foreign equities continued to remain at a same level.
- ◇ Bonds, others (Q on Q +1.3 B, +9%)
Low activity of customers continued.

Y on Y

- ◇ Equities, etc. (Y on Y +30.4 B, 2.1x)
Expanding OTC transactions caused the large increase in income.
- ◇ Bonds, others (Y on Y -8.6 B, -17%)
Interest rates generally dropped in both domestic and overseas, impacting negatively to our customers activity.



| (Billions of yen) | FY2020 1Q | 2Q | 3Q | Q on Q | 9 months to Dec. 31 2019 | 9 months to Dec. 31 2020 | Y on Y |
|-------------------------------|--------------|------|------|--------|-----------------------------|-----------------------------|--------|
| Trading related expenses | 6.8 | 7.5 | 8.9 | +18% | 28.8 | 23.3 | -19% |
| Personnel expenses | 29.4 | 34.7 | 36.2 | +4% | 93.5 | 100.4 | +7% |
| Real estate expenses | 6.3 | 6.5 | 6.3 | -3% | 19.6 | 19.3 | -2% |
| Office cost | 7.3 | 7.6 | 7.5 | -0% | 22.3 | 22.5 | +1% |
| Depreciation and amortization | 5.7 | 5.8 | 5.8 | +1% | 19.2 | 17.4 | -10% |
| Other | 6.6 | 5.6 | 7.0 | +23% | 17.6 | 19.3 | +10% |
| SG&A / Fixed expense | 62.4 | 68.0 | 72.0 | +6% | 201.3 | 202.5 | +1% |
| SG&A / Net operating revenue | 90% | 73% | 69% | - 4pt | 86% | 76% | - 10pt |

Q on Q

- ◇ Trading Related Expenses (Q on Q +1.4 B, +18%)
 - ◇ Personnel Expenses (Q on Q +1.5 B, +4%)
- The expenses relative to business performance has risen.

Y on Y

- ◇ Trading Related Expenses (Y on Y -5.5 B, -19%)
- Due to continuous restrained cost management, travel expenses and advertising expenses decreased.
- ◇ Personnel Expenses (Y on Y +6.9 B, +7%)
- The expenses relative to business performance has risen.

Balance Sheet / Capital Adequacy Ratio

【non-consolidated】

| (Billions of Yen) | Mar.20 | Dec.20 | Variance |
|---|-----------------|-----------------|---------------|
| Current assets | 11,953.2 | 11,258.5 | -694.7 |
| Trading products | 3,296.4 | 3,199.5 | -96.8 |
| Loans secured by securities | 6,172.1 | 5,896.5 | -275.5 |
| Other current assets | 2,484.6 | 2,162.3 | -322.2 |
| Noncurrent assets | 323.7 | 335.5 | +11.8 |
| Tangible assets | 30.3 | 31.2 | +0.8 |
| Intangible assets | 67.9 | 68.9 | +1.0 |
| Investments and other assets | 225.4 | 235.3 | +9.9 |
| Total assets | 12,276.9 | 11,594.1 | -682.8 |
| Current liabilities | 10,866.5 | 10,218.5 | -647.9 |
| Trading products | 2,687.7 | 2,504.6 | -183.1 |
| Loans payable secured by securities | 5,560.9 | 5,063.2 | -497.6 |
| Short-term loans payable / Commercial papers | 1,475.5 | 1,421.2 | -54.2 |
| Other current liabilities | 1,142.2 | 1,229.3 | +87.0 |
| Noncurrent liabilities / Reserves under the special laws | 558.9 | 483.8 | -75.0 |
| Total liabilities | 11,425.4 | 10,702.4 | -723.0 |
| Total net assets | 851.4 | 891.6 | +40.1 |
| Total liabilities and net assets | 12,276.9 | 11,594.1 | -682.8 |

| (Billions of Yen) | Mar.20 | Dec.20 | Variance |
|-------------------------------|-------------|-------------|-------------|
| Basic items | 757.3 | 810.4 | +53.0 |
| Supplementary items | 37.4 | 41.0 | +3.5 |
| Deductible assets | 203.2 | 266.1 | +62.8 |
| Net capital | 591.5 | 585.3 | -6.2 |
| Risk total | 192.1 | 196.0 | +3.9 |
| Market Risk | 51.4 | 69.3 | +17.8 |
| Counterparty Risk | 65.3 | 46.5 | -18.7 |
| Basic Risk | 75.2 | 80.1 | +4.8 |
| Capital Adequacy Ratio | 308% | 299% | -9pt |

【non-consolidated】

Credit ratings on Long Term (as of January 27, 2021)

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

League Tables

Global Equity & Equity-Related-Japan (*1) Apr. 2020 - Dec. 2020

| Rank | Book runner | Amount (bill of yen) | Mkt.Share (%) |
|------|-------------------------------|-------------------------|------------------|
| 1 | Nomura | 590.1 | 15.4% |
| 2 | SMBC Nikko | 577.1 | 15.1% |
| 3 | Daiwa | 496.5 | 13.0% |
| 4 | Mitsubishi UFJ Morgan Stanley | 475.1 | 12.4% |
| 5 | Mizuho | 428.0 | 11.2% |

IPO (*2) Apr. 2020 - Dec. 2020 【non-consolidated】

| 【Based on Deals】 | | | 【Based on Underwriting Amounts】 | | |
|------------------|--------------|-----------|---------------------------------|---------------------|-------------------------|
| Rank | Lead Manager | No. Deals | Rank | Underwriting Amount | Amount (bill of yen) |
| 1 | Nomura | 17 | 1 | SMBC Nikko | 59.6 |
| 2 | Mizuho | 14 | 2 | Daiwa | 52.4 |
| 3 | Daiwa | 12 | 3 | Nomura | 48.9 |
| 3 | SBI | 12 | 4 | Mizuho | 45.7 |
| 5 | SMBC Nikko | 11 | 5 | SBI | 32.6 |

All Bonds in Yen (*3) Apr. 2020 - Dec. 2020 【non-consolidated】

| Rank | Manager | Amount (bill of yen) | Mkt.Share (%) |
|------|-------------------------------|-------------------------|------------------|
| 1 | Mizuho | 4,782.1 | 22.6% |
| 2 | SMBC Nikko | 3,876.2 | 18.3% |
| 3 | Nomura | 3,872.9 | 18.3% |
| 4 | Mitsubishi UFJ Morgan Stanley | 3,752.6 | 17.7% |
| 5 | Daiwa | 3,617.0 | 17.1% |

Financial Advisory (*4) Apr. 2020 - Dec. 2020

| 【Based on Deals】 | | | 【Based on Deal Size】 | | |
|------------------|---------------------------------|-----------|----------------------|---------------------------------|----------------------------|
| Rank | Advisor | No. Deals | Rank | Advisor | Deal size (bill of yen) |
| 1 | Sumitomo Mitsui Financial Group | 78 | 1 | Morgan Stanley | 10,991.7 |
| 2 | Nomura | 70 | 2 | Nomura | 10,669.0 |
| 2 | Deloitte | 70 | 3 | Goldman Sachs | 6,084.6 |
| 4 | KPMG | 58 | 4 | Deloitte | 5,878.5 |
| 5 | Mizuho Financial Group | 51 | 8 | Sumitomo Mitsui Financial Group | 3,260.1 |

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

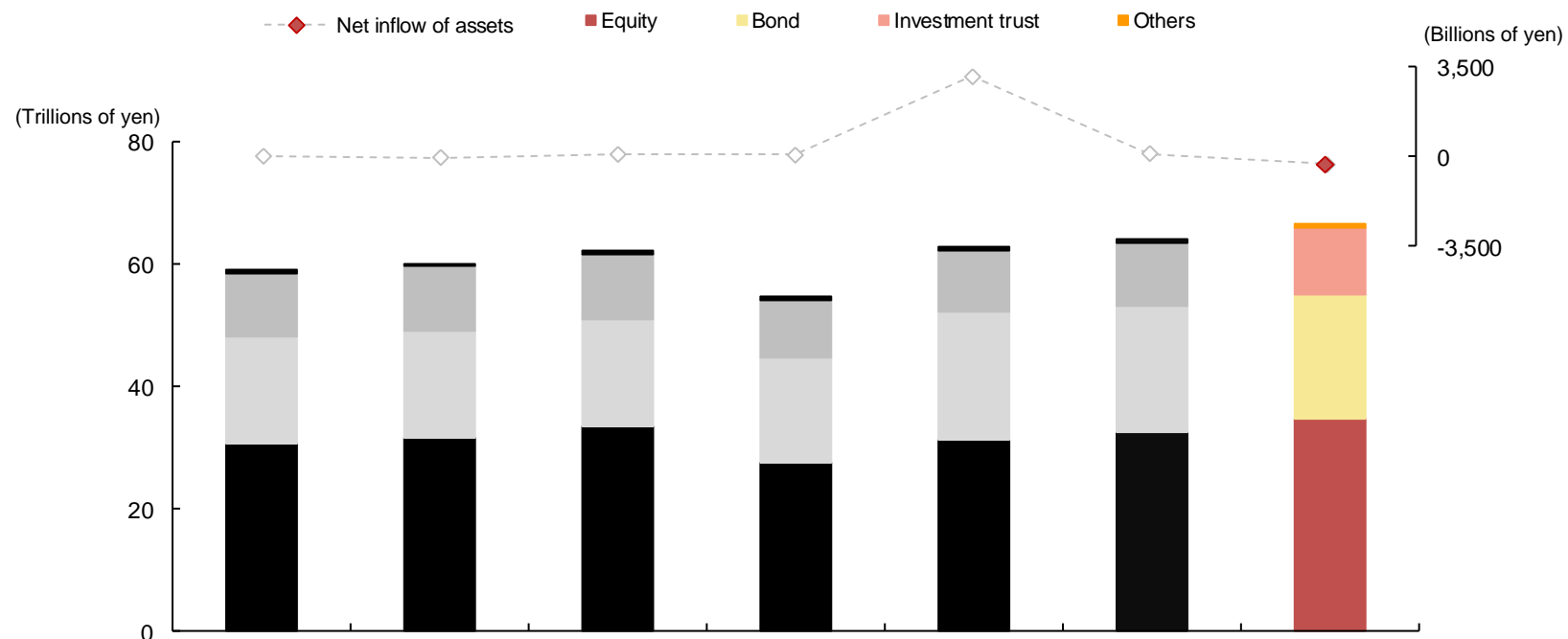
(*2) Source: prepared by SMBC Nikko based on the information published by REFINITIV (only the deals listed on the Japanese stock market)

(*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】

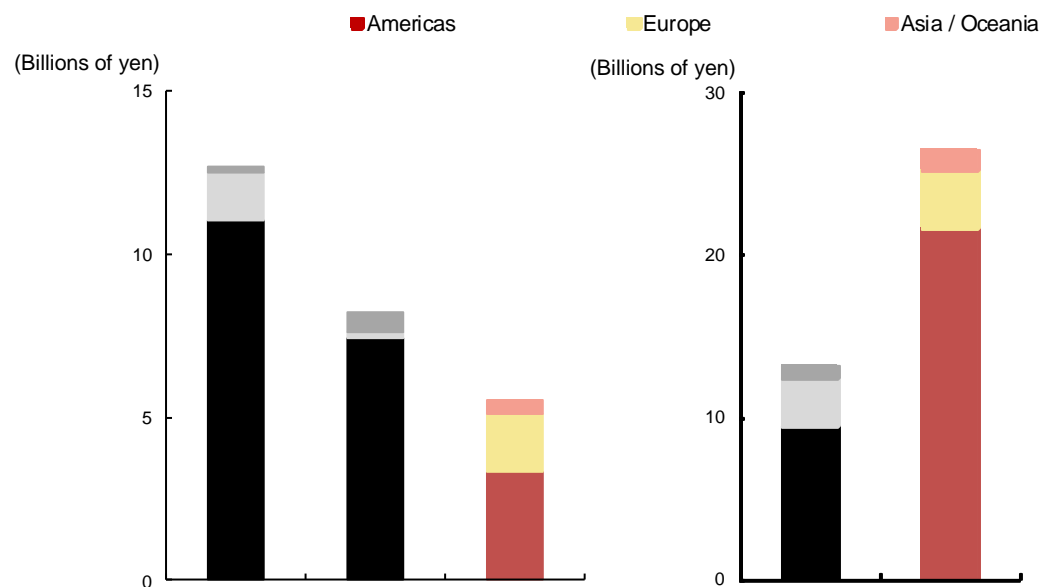


| (Trillions of yen) | FY2019 | | | | FY2020 | | |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Jun. | Sep. | Dec. | Mar. | Jun. | Sep. | Dec. |
| Equity | 30.7 | 31.7 | 33.5 | 27.7 | 31.1 | 32.5 | 34.8 |
| Bond | 17.5 | 17.5 | 17.3 | 17.0 | 21.0 | 20.7 | 20.4 |
| Investment trust | 10.3 | 10.5 | 10.9 | 9.4 | 10.1 | 10.4 | 10.9 |
| Others | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 |
| Client assets | 59.0 | 60.1 | 62.3 | 54.8 | 62.8 | 64.2 | 66.7 |

| (Billions of yen) | FY2019 | | | | FY2020 | | |
|-----------------------------------|----------|----------|----------|----------|----------|----------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Net inflow (outflow) of assets(*) | 21.6 | -28.6 | 91.7 | 63.3 | 3,115.0 | 123.6 | -306.0 |
| Inflow of assets | 1,222.8 | 1,460.6 | 1,244.2 | 1,724.3 | 4,238.2 | 1,355.0 | 1,362.1 |
| Outflow of assets | -1,201.2 | -1,489.2 | -1,152.5 | -1,660.9 | -1,123.2 | -1,231.4 | -1,668.1 |

(*) 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)

| | FY2020 1Q | 2Q | 3Q | Q on Q | 9 months to Dec. 31 2019 | 9 months to Dec. 31 2020 | Y on Y |
|---------------------------|--------------|-----|-----|--------|-----------------------------|-----------------------------|--------|
| Americas | 11.0 | 7.4 | 3.3 | -55% | 9.5 | 21.7 | 2.3x |
| Europe | 1.5 | 0.2 | 1.8 | 8.3x | 2.9 | 3.5 | +21% |
| Asia / Oceania | 0.2 | 0.6 | 0.4 | -40% | 0.8 | 1.3 | +67% |
| Overseas Offices Total(*) | 12.8 | 8.3 | 5.5 | -33% | 13.3 | 26.7 | 2.0x |

Q on Q

◇ Overseas Offices Profit (Q on Q -2.8 B, -33%)

Due to quieter bonds primary market compared to last quarter in America, profit decreased.

On the other hand, in Europe, equity business was successful due to large global offering.

Y on Y

◇ Overseas Offices Profit (Y on Y +13.4 B, 2.0x)

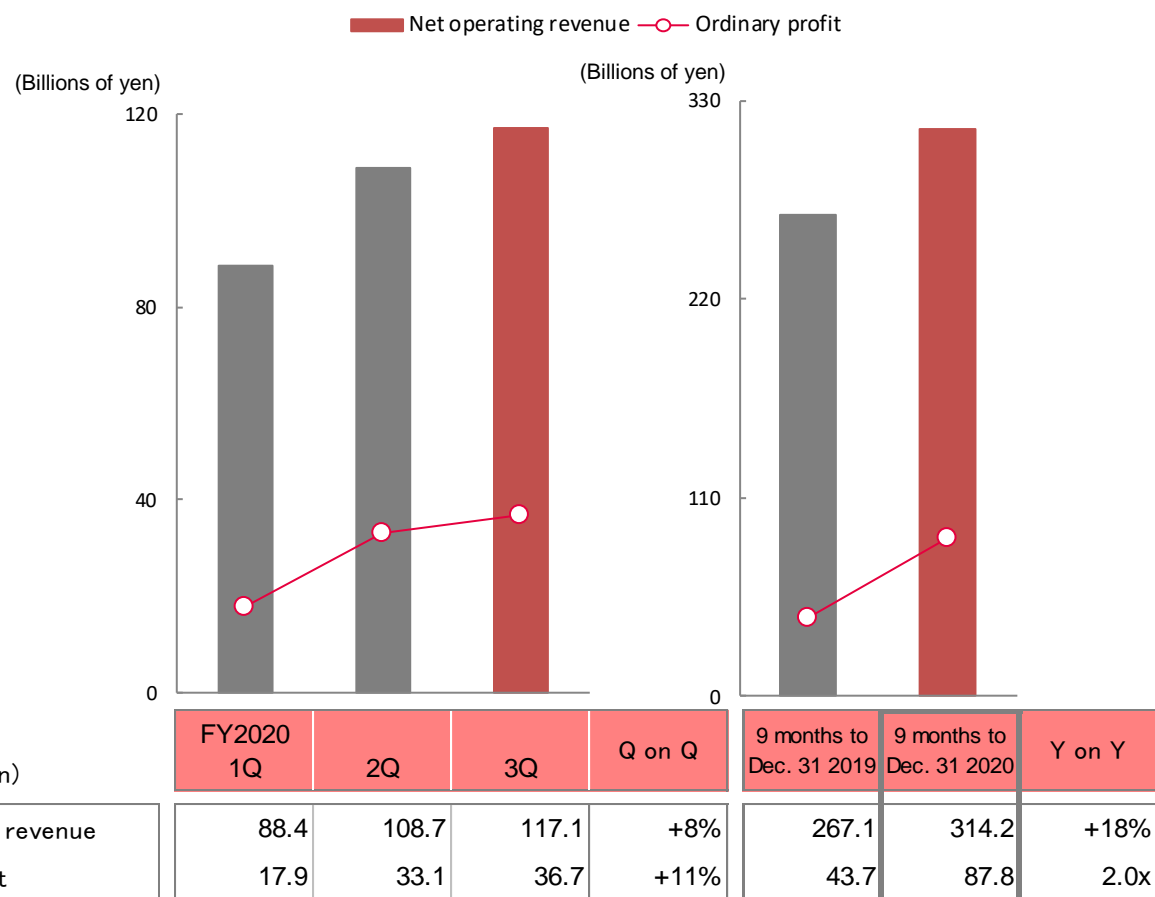
Capturing fundraising needs under COVID-19 circumstances, and market stabilization policies by FRB, enabled DCM business (primary and secondary) in America to steadily grow.

In addition, equity business was successful due to large global offering, which led to profit increase in all the overseas offices.

(*) Overseas offices total is defined as the total of:

- ✓ Profits of consolidated subsidiaries: SMBC Nikko Securities (Hong Kong), SMBC Nikko Securities (Singapore), SMBC Nikko Capital Markets Europe, SMBC Nikko Investment Consulting (Shanghai), SMBC Nikko Bank (Luxembourg) and SMBC Nikko Investment Fund Management Company; and
- ✓ Profits 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 Americas Holdings, Inc. (subsidiary of SMBC) 80.00%).

【Reference】 Based on Management Accounting (SMBC Nikko and Overseas Offices)



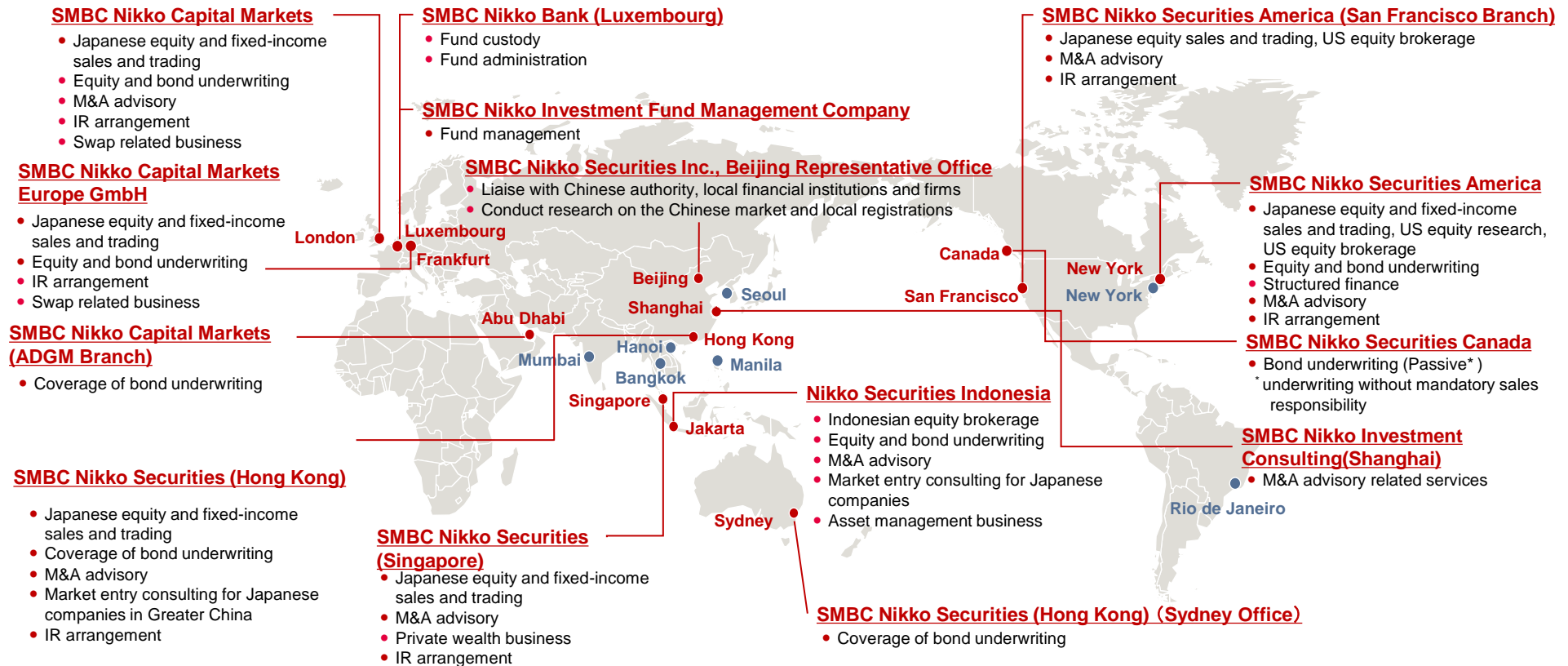
Q on Q

- ◇ Net operating revenue (Q on Q +8.4 B, +8%)
- ◇ Ordinary profit (Q on Q +3.6 B, +11%)

Y on Y

- ◇ Net operating revenue (Y on Y +47.1 B, +18%)
 - ◇ Ordinary profit (Y on Y +44.1 B, 2.0x)
- Working on solution proposals as SMBC group, led to acquisition of projects and huge profit increase on management accounting basis.

Overseas Network



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

- SMBC Nikko Group Company
- SMBC Nikko Business Partner

Topics

Based on our management philosophy, SMBC Nikko Securities has been working to connect the development of markets to a prosperous life and society as a social mission. As promotion of sustainability, contributing to achievement of SDGs through solving social issues and realizing management policies is included in our Mid-term management plan.

Priority issues

We have "Environment", "Community", "Next Generation" as priority issues to contribute to solving social issues, as a response to our stakeholders requests.

Make sustainability a reality



For the society we aim to achieve, a healthy "Environment" is the foundation of social sustainability, and "Community" helps society work smoothly as well as being a social safety net. "Next Generation" is a presence which makes society better and passes it on to future generations.

Reduction of environmental impacts

We are working on realizing one of our code of conduct, "contribute to sustainable society", through environment protection. Also, paperless initiative is promoted for business efficiency and for organizing working "anytime, anywhere". We have achieved our FY 2020 goal of 40% paper usage compared to last fiscal year.

Promotion of sustainable finance

SDGs Finance has been established, and we are working proactively in promoting sustainable finance. We have won 1st place in number of deals in Structuring Agent(SA).

Structuring Agent (SA) : FY2020, 1st place / 18 deals

League Table(LT) : FY2020, 3rd place / 341.8 billion yen

Achievements of Green Equity

| Issuer | Overview / Our involvement |
|--|---|
| Takara Leben Infrastructure Fund | First equity finance deal through PO in Japan to be awarded a green evaluation (rating) for equity. SMBC Nikko Securities: Book Runner |
| Enex Infrastructure Investment Corporation | First green equity deal through GO as an investment corporation. SMBC Nikko Securities: Sole Global Coordinator |

Pro bono work

From March 2020, "Pro bono work", in which our employees would spend part of their working hours to solve social issues, has started. We promote this activity under WFH situation as well, with additional employees and to many more support groups. * Pro bono is from the Latin pro bono publico, meaning "for the public good". It is a volunteer activity in which people utilize their skills and knowledge they acquired.

Reference Data



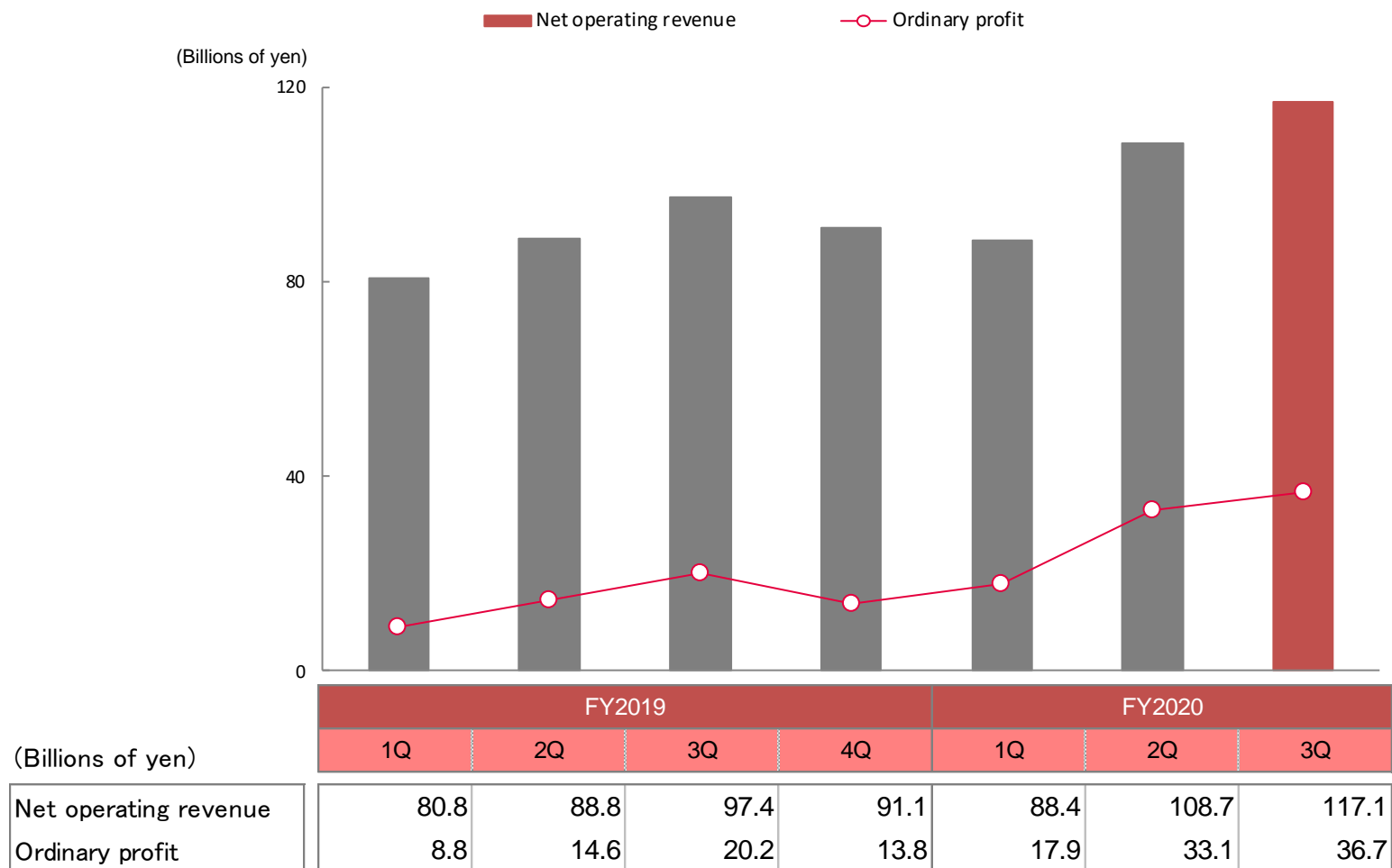
Consolidated Business Results (Quarterly Trend)

| (Millions of yen) | FY2019 | | | | FY2020 | | |
|--|--------|--------|---------|---------|--------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Operating revenue | 92,780 | 96,480 | 108,757 | 100,731 | 95,718 | 109,963 | 130,785 |
| Commissions received | 45,619 | 51,282 | 56,115 | 51,898 | 40,679 | 57,616 | 66,579 |
| Commissions to consignees | 7,859 | 8,495 | 10,042 | 11,923 | 11,854 | 11,850 | 13,842 |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 8,821 | 11,870 | 12,479 | 7,695 | 4,394 | 13,137 | 14,060 |
| Fee for offering, secondary distribution and solicitation for selling and others for professional investors | 9,157 | 11,073 | 13,650 | 12,119 | 7,549 | 13,944 | 15,459 |
| Other fees received | 19,780 | 19,843 | 19,942 | 20,160 | 16,879 | 18,683 | 23,216 |
| Net trading income | 23,464 | 24,912 | 28,395 | 26,924 | 27,381 | 32,779 | 37,068 |
| Equities | 5,031 | 5,285 | 11,464 | 10,109 | 13,343 | 17,670 | 20,192 |
| Bonds / Others | 18,433 | 19,626 | 16,930 | 16,815 | 14,038 | 15,108 | 16,876 |
| Financial revenue | 21,199 | 18,085 | 22,511 | 20,083 | 25,672 | 17,750 | 25,263 |
| Other sales | 2,497 | 2,200 | 1,735 | 1,825 | 1,985 | 1,817 | 1,873 |
| Financial expenses | 20,255 | 16,263 | 21,428 | 17,469 | 24,434 | 14,817 | 24,779 |
| Cost of other sales | 1,843 | 2,432 | 1,477 | 1,550 | 1,858 | 1,683 | 1,778 |
| Net operating revenue | 70,681 | 77,784 | 85,850 | 81,711 | 69,425 | 93,462 | 104,227 |
| SG&A | 65,344 | 66,429 | 69,624 | 71,624 | 62,457 | 68,045 | 72,045 |
| Operating profit / loss | 5,336 | 11,354 | 16,226 | 10,087 | 6,968 | 25,416 | 32,181 |
| Ordinary profit / loss | 6,469 | 13,019 | 17,127 | 13,232 | 7,542 | 28,368 | 32,717 |
| Extraordinary income / loss | -321 | 1,181 | -129 | -118 | 1,659 | 129 | 7,463 |
| Profit before income taxes | 6,148 | 14,200 | 16,998 | 13,113 | 9,202 | 28,498 | 40,180 |
| Income taxes | 1,058 | 2,828 | 5,816 | 1,507 | 2,663 | 6,791 | 12,888 |
| Profit / loss | 5,089 | 11,371 | 11,181 | 11,606 | 6,538 | 21,706 | 27,292 |
| Profit attributable to owners of parent | 5,094 | 11,363 | 11,195 | 11,629 | 6,472 | 21,744 | 27,293 |

Non-consolidated Business Results (Quarterly Trend)

| (Millions of yen) | FY2019 | | | | FY2020 | | |
|--|--------|--------|---------|--------|--------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Operating revenue | 87,482 | 91,164 | 103,339 | 96,031 | 90,175 | 104,874 | 125,407 |
| Commissions received | 43,170 | 48,493 | 52,729 | 49,306 | 37,357 | 54,422 | 63,185 |
| Commissions to consignees | 7,168 | 7,754 | 9,316 | 11,449 | 11,179 | 11,197 | 13,249 |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 8,488 | 11,432 | 11,714 | 7,338 | 3,467 | 12,689 | 13,257 |
| Fee for offering, secondary distribution and solicitation for selling and others for professional investors | 9,129 | 11,056 | 13,618 | 12,076 | 7,467 | 13,355 | 15,133 |
| Other fees received | 18,384 | 18,249 | 18,080 | 18,442 | 15,242 | 17,179 | 21,544 |
| Net trading income | 23,464 | 24,912 | 28,395 | 26,867 | 27,227 | 32,747 | 36,986 |
| Equities | 5,031 | 5,285 | 11,464 | 10,052 | 13,188 | 17,638 | 20,110 |
| Bonds / Others | 18,433 | 19,626 | 16,930 | 16,815 | 14,038 | 15,108 | 16,876 |
| Financial revenue | 20,847 | 17,759 | 22,214 | 19,857 | 25,590 | 17,705 | 25,235 |
| Financial expenses | 20,000 | 16,066 | 21,284 | 17,340 | 24,401 | 14,779 | 24,750 |
| Net operating revenue | 67,482 | 75,097 | 82,054 | 78,691 | 65,773 | 90,095 | 100,656 |
| SG&A | 63,653 | 65,423 | 66,869 | 68,372 | 60,508 | 66,156 | 69,372 |
| Operating profit / loss | 3,828 | 9,673 | 15,185 | 10,319 | 5,265 | 23,938 | 31,284 |
| Ordinary profit / loss | 4,757 | 10,663 | 15,357 | 11,842 | 5,674 | 24,844 | 31,188 |
| Extraordinary income / loss | -240 | 296 | -244 | -540 | 8,504 | 138 | 7,362 |
| Profit before income taxes | 4,516 | 10,959 | 15,113 | 11,302 | 14,178 | 24,983 | 38,551 |
| Income taxes | 568 | 2,269 | 5,388 | 1,497 | 2,345 | 6,315 | 12,544 |
| Profit / loss | 3,947 | 8,689 | 9,725 | 9,804 | 11,833 | 18,667 | 26,007 |

Based on Management Accounting * (Quarterly Trend)



Operational Indicators -1

【non-consolidated】

◇ Sales of Products

(Billions of yen)

| | FY2019 | | | | FY2020 | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Investment trusts | 533.9 | 689.3 | 682.4 | 719.0 | 460.4 | 693.0 | 794.4 |
| (Equity investment trusts) | (377.4) | (484.1) | (494.6) | (498.9) | (337.3) | (524.8) | (642.4) |
| (Foreign registered investment trusts) | (115.8) | (160.8) | (151.4) | (217.8) | (90.8) | (144.5) | (127.7) |
| Fund wrap | 69.4 | 61.4 | 93.6 | 58.7 | 26.2 | 43.1 | 77.9 |
| Foreign bonds (*1) | 672.5 | 477.5 | 645.4 | 603.1 | 424.1 | 487.7 | 572.9 |
| (Foreign currency bonds) | (222.7) | (228.3) | (179.0) | (200.8) | (112.4) | (168.8) | (179.4) |
| Domestic bonds | 1,105.2 | 1,652.0 | 1,377.3 | 1,008.1 | 887.0 | 1,549.2 | 2,250.1 |
| (Retail target JGBs) | (175.9) | (289.4) | (271.6) | (324.8) | (1.7) | (71.0) | (165.6) |
| Public offering | 66.6 | 92.4 | 116.4 | 73.4 | 0.4 | 212.3 | 164.7 |
| Annuity / insurance | 39.6 | 30.7 | 29.9 | 18.3 | 6.1 | 15.2 | 22.5 |
| Total | 2,487.1 | 3,003.4 | 2,945.1 | 2,480.7 | 1,804.1 | 3,000.5 | 3,882.4 |

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

◇ Market Share

| | FY2019 | | | | FY2020 | | |
|---------------------------|--------|-------|-------|-------|--------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| ECM Global Equity (*2) | 10.7% | 15.4% | 18.4% | 19.8% | 2.6% | 14.5% | 15.1% |
| DCM All bonds in Yen (*3) | 18.7% | 19.3% | 18.8% | 18.8% | 14.4% | 18.0% | 18.3% |
| M&A Japan related (*4) | 11.2% | 17.9% | 14.8% | 8.4% | 8.2% | 15.6% | 14.6% |

(*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

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Source: prepared by REFINITIV

◇ Direct Channel Ratio (*1)

| | FY2019 | | | | FY2020 | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Based on number of transaction | 94.3% | 94.2% | 93.0% | 95.0% | 94.6% | 94.4% | 94.2% |
| (Nikko EZ Trade) | (91.3%) | (91.5%) | (89.9%) | (92.1%) | (92.3%) | (92.6%) | (91.9%) |
| Based on commissions | 26.3% | 24.1% | 23.2% | 25.0% | 18.5% | 13.4% | 17.0% |
| (Nikko EZ trade) | (16.1%) | (15.2%) | (14.8%) | (16.0%) | (13.0%) | (9.1%) | (11.3%) |

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

(*2) Have adjusted the amount retrospectively from FY2019 to FY2020 1Q.

◇ Brokerage Commissions Rate (*3)

| (Billions of yen) | FY2019 | | | | FY2020 | | |
|-----------------------------------|---------|---------|---------|----------|----------|---------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Equity brokerage amount | 8,119.1 | 8,469.6 | 9,865.9 | 10,620.2 | 10,230.3 | 9,615.8 | 11,700.2 |
| Equity brokerage commissions (*4) | 7.2 | 7.7 | 9.5 | 10.9 | 10.8 | 11.3 | 13.2 |
| Equity commissions rate | 8.1bp | 8.4bp | 9.0bp | 9.5bp | 10.0bp | 11.2bp | 10.9bp |

(*3) "Equity brokerage amount" and "Equity commissions rate" in the table represent the total of cash and margin transactions.

(*4) on a consolidated basis

Operational Indicators -3

◇ Number of Accounts

【non-consolidated】

| (Thousands of accounts) | FY2019 | | | | FY2020 | | |
|--------------------------|--------|-------|-------|-------|--------|-------|-------|
| | Jun. | Sep. | Dec. | Mar. | Jun. | Sep. | Dec. |
| Total accounts | 3,433 | 3,449 | 3,455 | 3,453 | 3,489 | 3,541 | 3,558 |
| Cash management accounts | 2,936 | 2,949 | 2,959 | 2,974 | 3,007 | 3,051 | 3,082 |
| Newly opened accounts | 30 | 31 | 28 | 39 | 39 | 53 | 38 |

◇ Number of Branches

【non-consolidated】

| | FY2019 | | | | FY2020 | | |
|--------------------|--------|------|------|------|--------|------|------|
| | Jun. | Sep. | Dec. | Mar. | Jun. | Sep. | Dec. |
| Number of branches | 142 | 143 | 144 | 141 | 141 | 140 | 140 |

◇ Number of Employees

| | FY2019 | | | | FY2020 | | |
|---|--------|--------|--------|--------|--------|--------|--------|
| | Jun. | Sep. | Dec. | Mar. | Jun. | Sep. | Dec. |
| Number of employees | 12,119 | 11,917 | 11,742 | 11,484 | 11,833 | 11,804 | 11,712 |
| Number of employees in overseas offices | 770 | 791 | 795 | 802 | 814 | 779 | 805 |

(*)Overseas offices total is defined as the total of:

- ✓ 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), SMBC Nikko Bank (Luxembourg) and SMBC Nikko Investment Fund Management Company.
- ✓ 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】

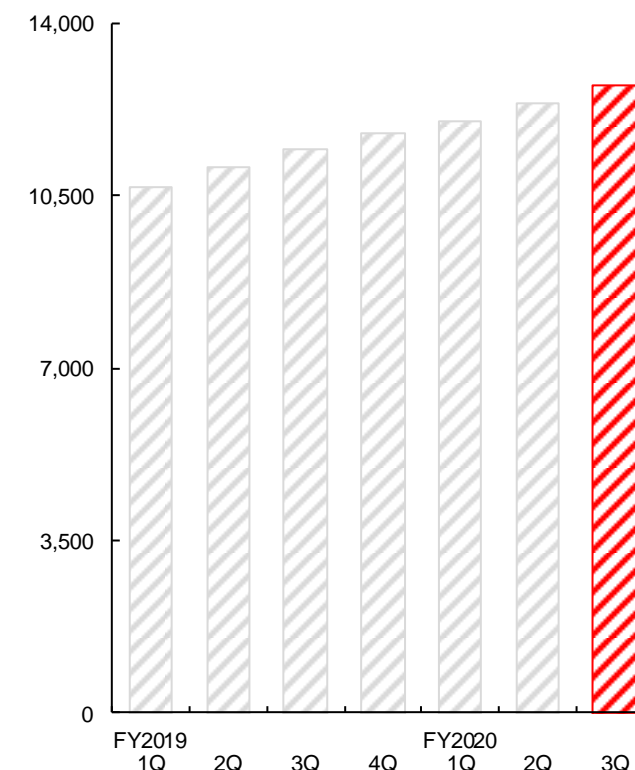
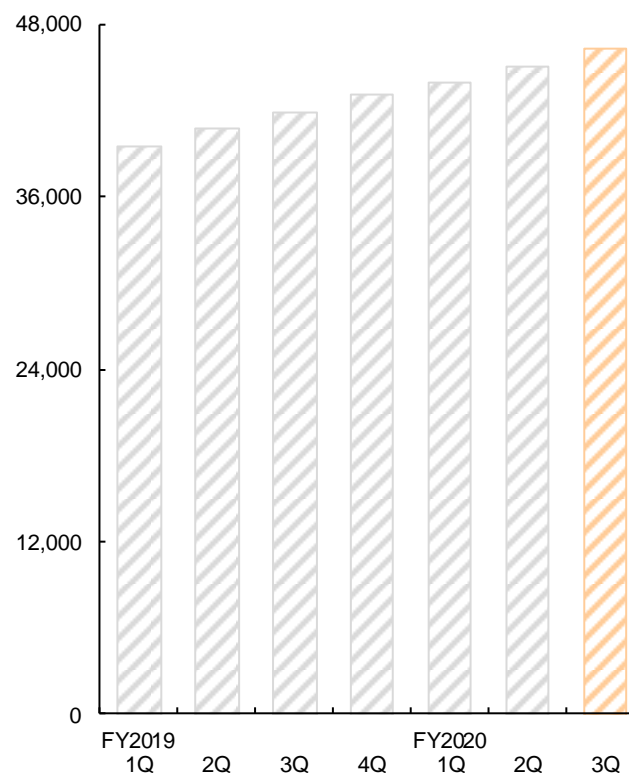
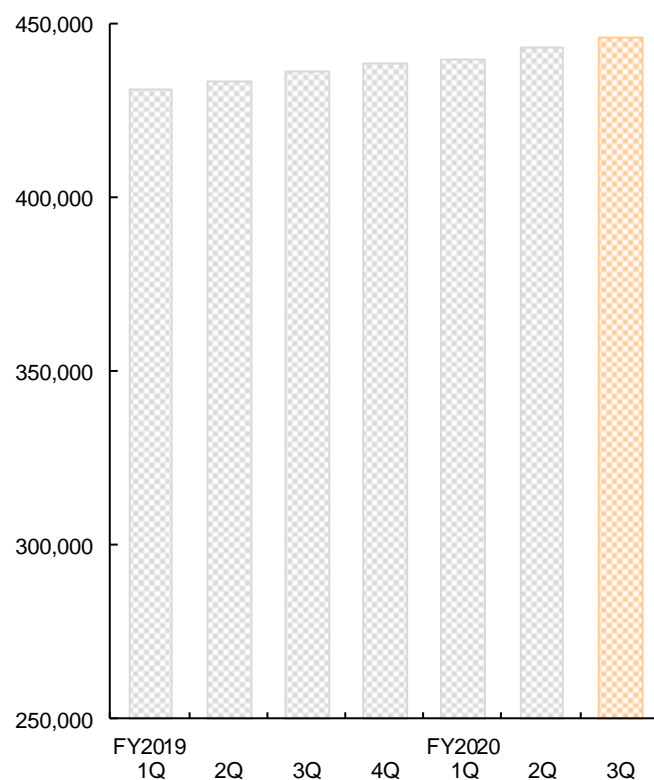
Asset management (Referral service and financial products intermediary service (*1))

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.

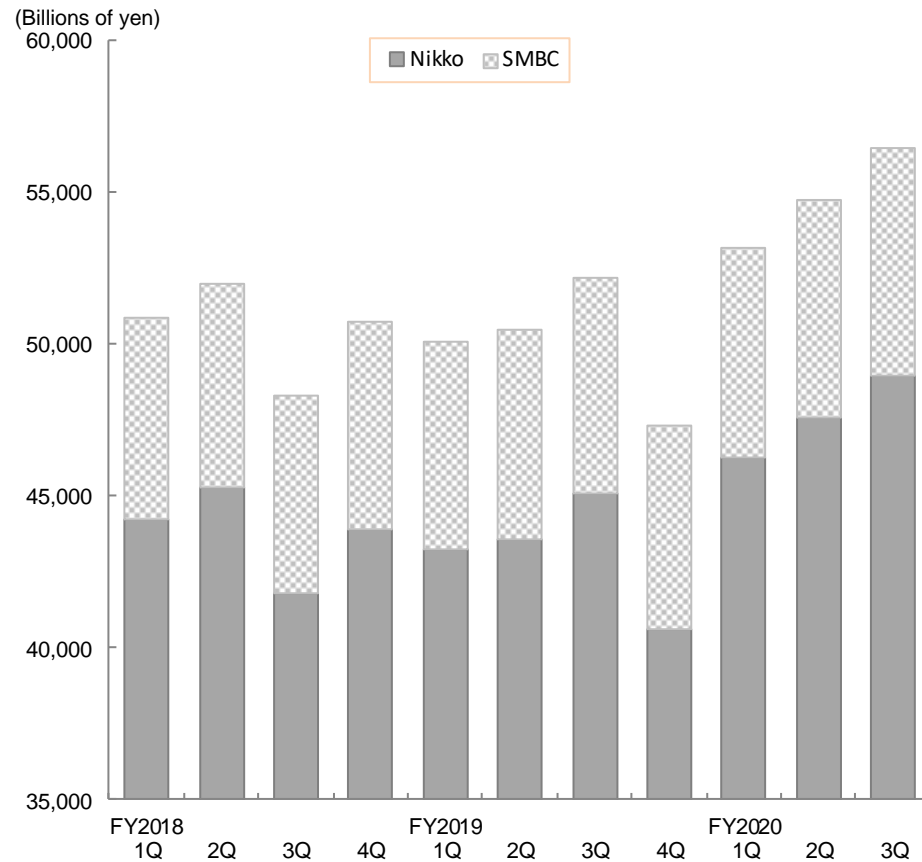
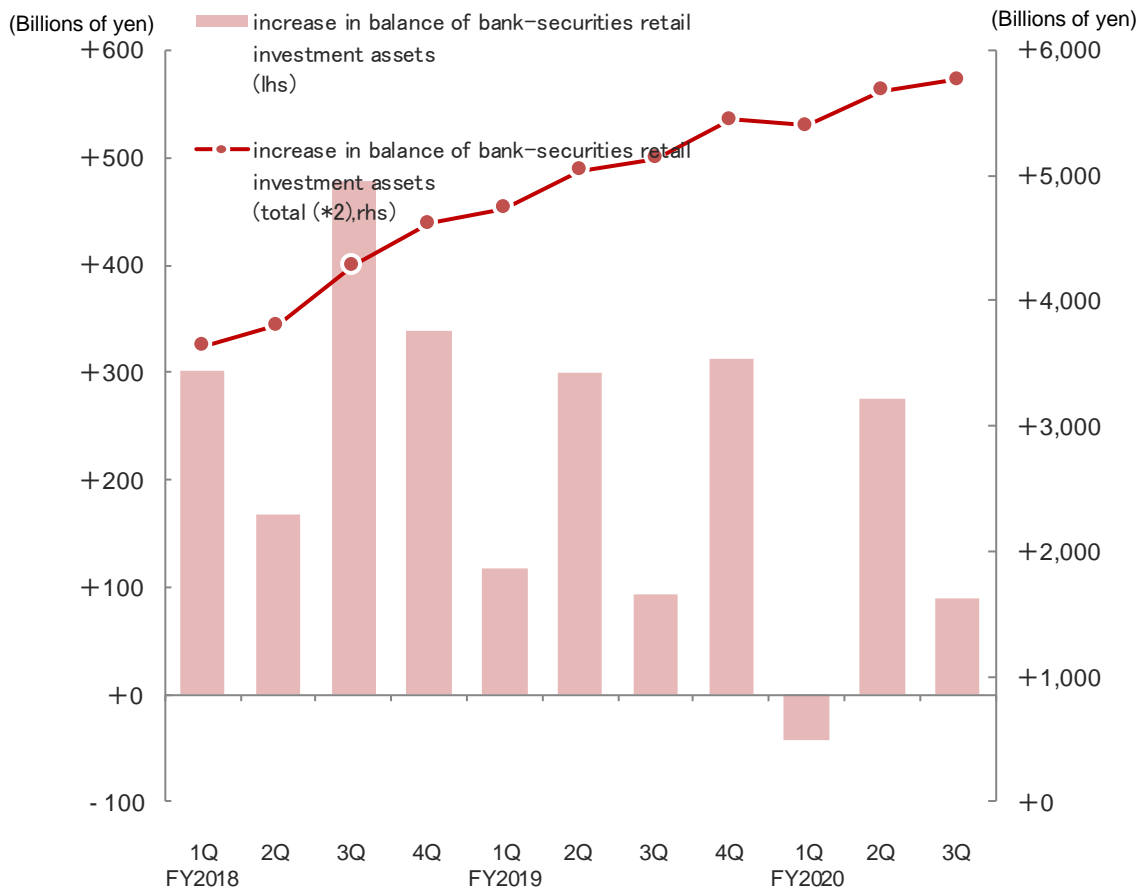
(*2) The number of accounts at the end of each quarter with regards to individual customer who either was referred by SMBC to SMBC Nikko or opened an account with SMBC Nikko via SMBC's financial products intermediary service.

(*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



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