

Earnings Announcement for FY2022 ended March 31, 2023(JGAAP)

SMBC Nikko Securities Inc.

April 28, 2023



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Definition

| | |
|--|---|
| Abbreviations of overseas offices | |
| SI ¹ affiliates under equity method | SMBC Nikko Securities America, Inc. |
| CMLN ¹ affiliates under equity method | SMBC Nikko Capital Markets Limited |
| SMBC EU ¹ SMBC subsidiary | SMBC Bank EU |
| SNBL | SMBC Nikko Bank (Luxembourg) S.A. |
| SNIF | SMBC Nikko Investment Fund Management Company S.A. |
| HK | SMBC Nikko Securities (Hong Kong) Limited |
| SGP | SMBC Nikko Securities (Singapore) Pte. Ltd. |
| SHA | SMBC Nikko Investment Consulting (Shanghai) Limited |
| Overseas Offices | |
| Americas | SI |
| Europe | CMLN, SMBC EU, SNBL, SNIF |
| Asia / Oceania | HK, SGP, SHA |
| Consolidated | SMBC Nikko Group (Consolidated) |
| Non-consolidated | SMBC Nikko (Non-consolidated) |
| Management Accounting | Sum of SMBC Nikko (Non-consolidated) + Overseas offices* operating profit / loss *Regarding CMLN, SMBC EU, only those of securities business |

The information contained in this document is based on data available as of April 28, 2023 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 (April 28, 2023) and are subject to change without notice. No guarantees, representations or warranties are made as to the accuracy or completeness of such information.

Executive Summary

【FY ended Mar.31 2023】

- Consolidated Financial Statement : Net operating revenue ¥ 222.8 B (-33% Y on Y), SG&A ¥ 267.3 B (-3%), Ordinary profit / loss ¥ -42.1 B (-)
- Management Accounting : Operating profit ¥ -61.8 B (-)
Segment : Sales Division ¥ -34.2 B, GIB Division^(*) ¥ -14.2 B, GM Division^(*) ¥ -13.3 B

Rising interest rates in Europe and the U.S., outlook of economic slowdown, and prolonged geopolitical risks related to the Russian-Ukrainian crisis caused unstable market environment, which led to decline of investment sentiment and quieter primary market. Although some earnings improved in the second half, net revenues and profits declined year on year due to the influence of the market manipulation case.

【FY2022 4Q】

- Consolidated Financial Statement : Net operating revenue ¥ 58.6 B (+4% Q on Q), SG&A ¥ 75.3 B (+17%), Ordinary profit / loss ¥ -15.3 B (-)
- Management Accounting : Operating profit ¥ -15.4 B (-)
Segment : Sales Division ¥ -16.0 B, GIB Division ¥ 1.0 B, GM Division ¥ -0.6 B

Despite stable earnings in domestic M&A business and successful position management in GM division, SG&A increased due to one-time factors, resulting in higher revenues and lower profits quarter on quarter.

Consolidated Financial Statement

| (Billions of Yen) | Quarterly | | | Full year | | |
|------------------------------|-----------|-------|--------|-----------|--------|--------|
| | 3Q | 4Q | Q on Q | FY2021 | FY2022 | Y on Y |
| Net operating revenue | 56.4 | 58.6 | +4% | 334.2 | 222.8 | -33% |
| SG&A | 64.5 | 75.3 | +17% | 275.4 | 267.3 | -3% |
| Operating profit / loss | -8.0 | -16.7 | - | 58.8 | -44.4 | - |
| Ordinary profit / loss | -8.6 | -15.3 | - | 65.3 | -42.1 | - |
| profit / loss ^(*) | -14.9 | -15.4 | - | 49.7 | -39.8 | - |

Management Accounting

| (Billions of Yen) | Quarterly | | | Full year | | |
|--------------------------------|-----------|-------|--------|-----------|--------|--------|
| | 3Q | 4Q | Q on Q | FY2021 | FY2022 | Y on Y |
| Operating profit / loss | -11.0 | -15.4 | - | 68.8 | -61.8 | - |
| <Office> | | | | | | |
| SMBC Nikko | -7.7 | -15.6 | - | 56.6 | -42.0 | - |
| Overseas Offices | -3.2 | 0.2 | - | 12.1 | -19.7 | - |
| <Segment> | | | | | | |
| Sales Division | -5.7 | -16.0 | - | 38.4 | -34.2 | - |
| GIB Division | -2.0 | 1.0 | - | 15.5 | -14.2 | - |
| GM Division | -3.1 | -0.6 | - | 15.1 | -13.3 | - |

Consolidated Statements of Income

| (Billions of Yen) | Quarterly | | | Full year | | |
|---|-----------|--------------|--------|-----------|--------------|--------|
| | 3Q | 4Q | Q on Q | FY2021 | FY2022 | Y on Y |
| Net operating revenue | 56.4 | 58.6 | +4% | 334.2 | 222.8 | -33% |
| Equity brokerage commissions | 7.1 | 6.7 | -6% | 42.4 | 26.5 | -37% |
| Subscription commissions on investment trusts | 3.4 | 3.2 | -7% | 42.3 | 16.0 | -62% |
| Fund wrap fee and agency commissions on investment trusts | 17.5 | 17.5 | +0% | 70.2 | 69.3 | -1% |
| Underwriting commissions | 8.6 | 5.2 | -39% | 40.3 | 17.6 | -56% |
| Other commissions | 7.2 | 9.7 | +35% | 31.6 | 29.4 | -7% |
| Net trading income | 12.0 | 15.9 | +32% | 103.2 | 62.7 | -39% |
| Net financial income | 0.4 | 0.4 | -3% | 3.9 | 1.0 | -74% |
| Net sales(*) | 0.0 | -0.1 | - | 0.0 | -0.0 | - |
| SG&A | 64.5 | 75.3 | +17% | 275.4 | 267.3 | -3% |
| Trading related expenses | 7.8 | 8.6 | +11% | 35.3 | 32.0 | -9% |
| Personnel expenses | 28.7 | 38.0 | +32% | 128.3 | 123.3 | -4% |
| Real estate expenses | 5.8 | 6.1 | +5% | 24.2 | 23.3 | -4% |
| Office cost | 7.8 | 8.6 | +10% | 33.6 | 32.3 | -4% |
| Depreciation and amortization | 6.8 | 7.0 | +4% | 26.3 | 27.5 | +5% |
| Other | 7.4 | 6.8 | -8% | 27.4 | 28.7 | +5% |
| Operating profit / loss | -8.0 | -16.7 | - | 58.8 | -44.4 | - |
| Ordinary profit / loss | -8.6 | -15.3 | - | 65.3 | -42.1 | - |
| SG&A / Net operating revenue | 114% | 129% | +14pt | 82% | 120% | +38pt |

Consolidated Balance Sheets / Capital Adequacy Ratio / Credit ratings on Long term

Consolidated Balance Sheets

| (Billions of Yen) | Mar.22 | Mar.23 | | Mar.22 | Mar.23 |
|------------------------------|-----------------|-----------------|--|-----------------|-----------------|
| Current assets | 13,788.2 | 14,744.1 | Current liabilities | 12,523.2 | 13,605.3 |
| Trading products | 3,618.9 | 4,706.4 | Trading products | 3,640.7 | 3,889.3 |
| Loans secured by securities | 7,593.3 | 6,963.4 | Loans payable secured by securities | 5,477.1 | 5,308.8 |
| Other current assets | 2,575.8 | 3,074.2 | Short-term loans payable / Commercial papers | 2,029.2 | 2,882.4 |
| | | | Other current liabilities | 1,376.0 | 1,524.8 |
| Noncurrent assets | 353.8 | 397.2 | Noncurrent liabilities / Reserves under the special | 671.4 | 619.4 |
| Tangible assets | 30.1 | 28.3 | | | |
| Intangible assets | 80.2 | 77.6 | Total liabilities | 13,194.7 | 14,224.8 |
| Investments and other assets | 243.4 | 291.3 | Total net assets | 947.3 | 916.5 |
| Total assets | 14,142.0 | 15,141.4 | Total liabilities and net assets | 14,142.0 | 15,141.4 |

Capital Adequacy Ratio 【Non-consolidated】

| (Billions of Yen) | Mar.22 | Mar.23 |
|-------------------------------|---------------|---------------|
| Basic items | 840.8 | 808.5 |
| Supplementary items | 43.3 | 41.3 |
| Deductible assets | 229.9 | 296.6 |
| Net capital | 654.2 | 553.2 |
| Risk total | 210.4 | 188.7 |
| (Market Risk) | (64.5) | (65.3) |
| (Counterparty Risk) | (76.7) | (62.4) |
| (Basic Risk) | (69.2) | (60.9) |
| Capital Adequacy Ratio | 310.8% | 293.1% |

Credit ratings on Long term^(*) 【Non-consolidated】

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

Sales Division_1

Summary

【FY ended Mar.31 2023】

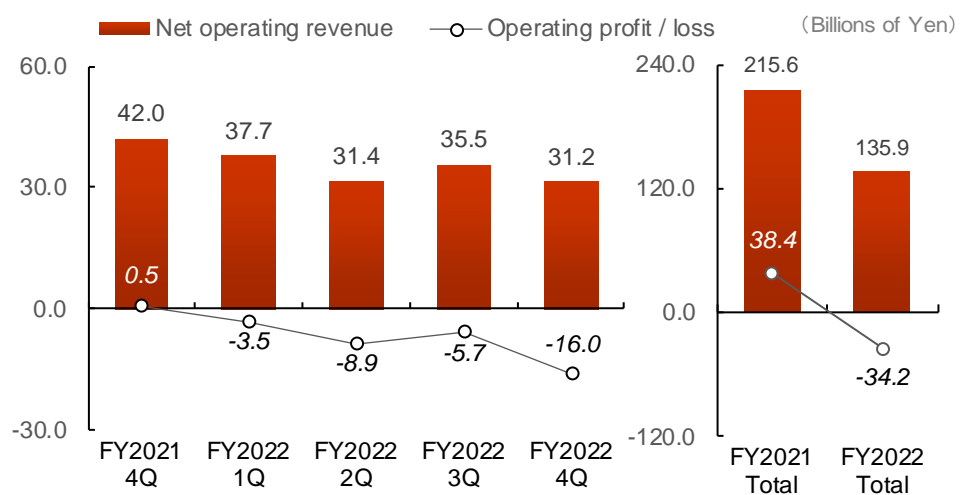
- Net operating revenue ¥ 135.9 B (-37% Y on Y) Operating profit / loss ¥ -34.2 B (-)
The sharp exchange rate fluctuations and prolonged geopolitical risks, caused decline of investment sentiment. Sales of each product declined.

【FY2022 4Q】

- Net operating revenue ¥ 31.2 B (-12% Q on Q) Operating profit / loss ¥ -16.0 B (-)
While costumers continued to refrain from investing under unstable market environment, increase in the one-time expenses expanded operating loss. However, inflow of assets has exceeded outflow for seven consecutive quarters due to progress in introducing assets from competitors and banks through the promotion of portfolio consulting.

【Management Accounting】

Net operating revenue · Operating profit trend / loss trend

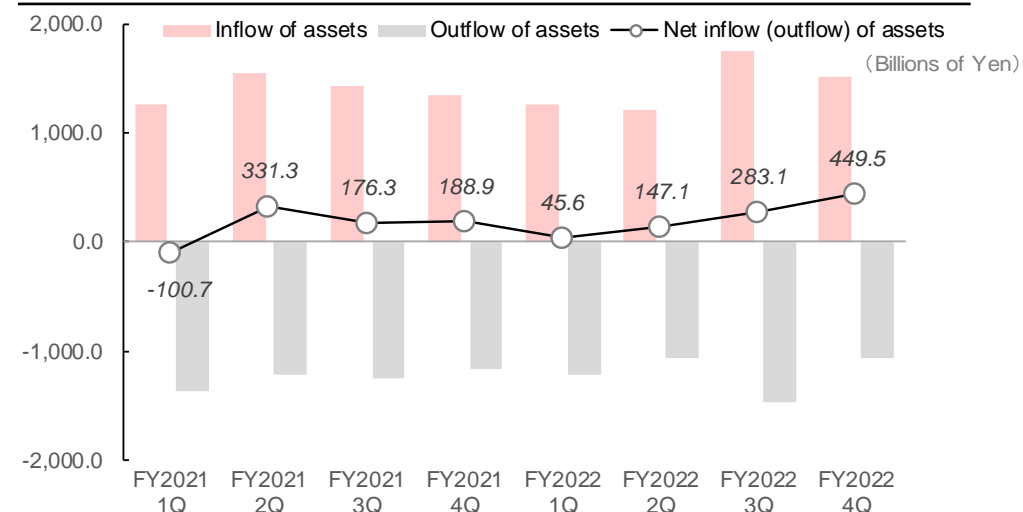


(*) Total contract amount of fund wrap.

Sales of Products (Sales Division)

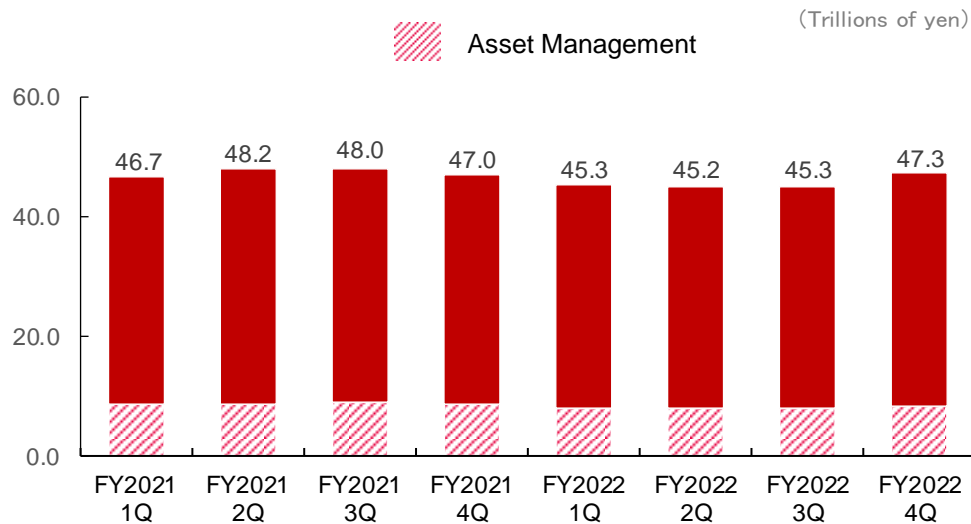
| (Billions of Yen) | FY2021 | FY2022 | | | | FY2021 | FY2022 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | Total | Total |
| Public offering | 23.8 | 9.0 | 8.5 | 56.4 | 104.2 | 319.1 | 178.1 |
| Bonds | 485.6 | 352.7 | 278.8 | 501.2 | 519.0 | 2,209.4 | 1,651.7 |
| Equity investment trusts | 352.2 | 317.4 | 247.6 | 260.8 | 248.7 | 1,899.7 | 1,074.6 |
| Fund wrap(*) | 62.8 | 80.5 | 131.0 | 104.9 | 84.1 | 337.2 | 400.4 |
| Total | 924.3 | 759.5 | 666.0 | 923.3 | 956.0 | 4,765.5 | 3,304.8 |

Net Inflow of Assets (Sales Division)

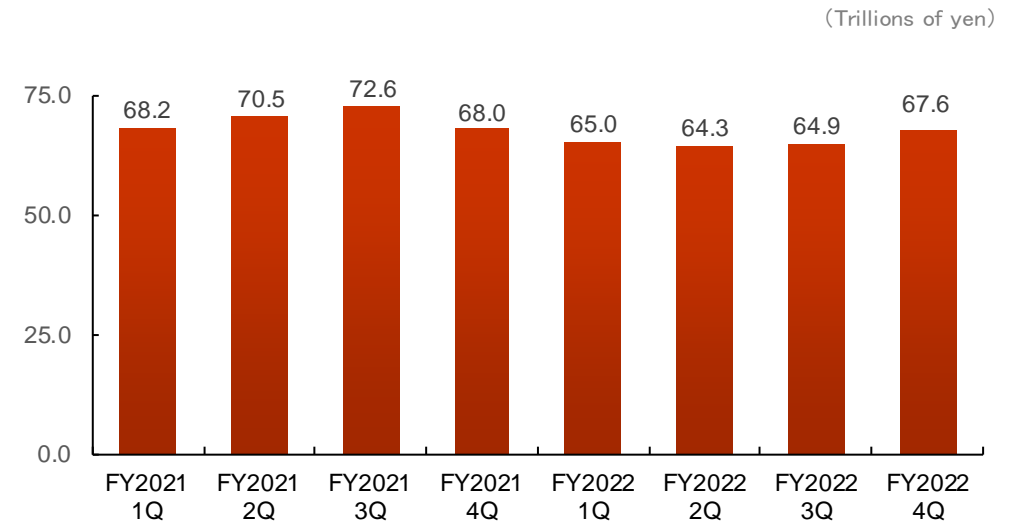


Sales Division_2

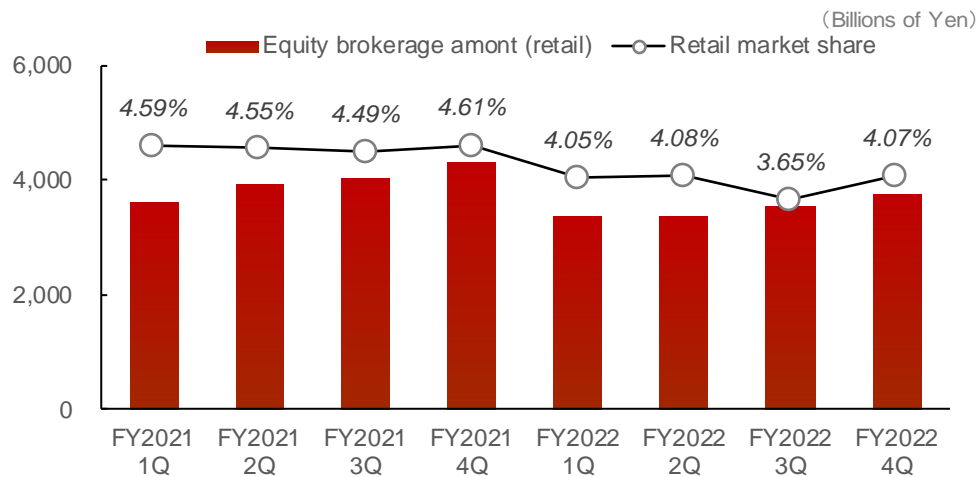
Client Assets (Sales Division)



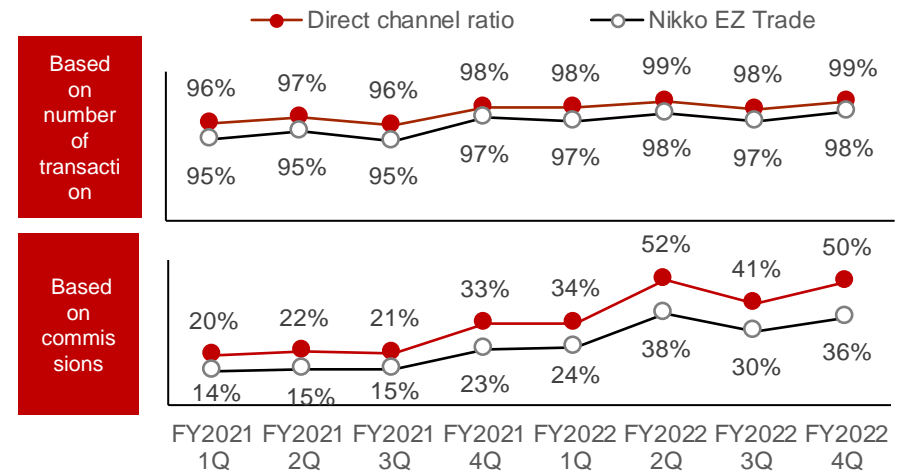
[Reference] Client Assets (Company-wide)^(*)



Retail market share^(*)



Direct channel ratio^(*)



^(*) Have adjusted valuation method for unlisted stocks and calculation scope retrospectively from this first quarter.

^(*) Total of Tokyo and Nagoya stock exchanges

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

Global Investment Banking Division_1

Summary

【FY ended Mar.31 2023】

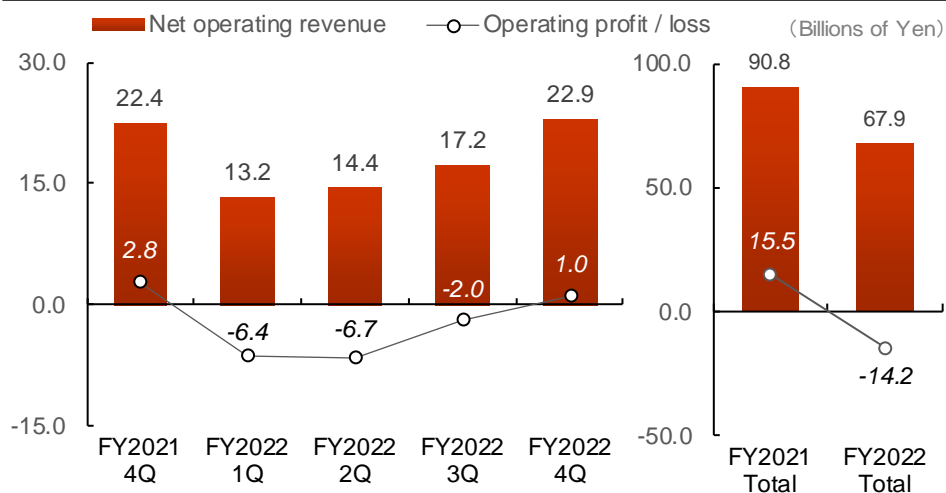
- Net operating revenue ¥ 67.9 B (-25% Y on Y) Operating profit / loss ¥ -14.2 B (-)
The number of deals in ECM and DCM decreased significantly by the influence of weak market both in Japan and overseas as well as the impact of the market manipulation case. With added temporary expenses including costs for reinforcing organization overseas, net revenues and profits declined year on year.

【FY2022 4Q】

- Net operating revenue ¥ 22.9 B (+33% Q on Q) Operating profit / loss ¥ 1.0 B (-)
Strong overseas bond underwriting and stable domestic M&A fees overcame the increase of expenses, resulting in the division's first profit in four quarters.

【Management Accounting】

Net operating revenue · Operating profit / loss trend



【Consolidated】 Underwriting commissions, M & A fee

| (Billions of Yen) | FY2021 | FY2022 | | | | FY2021 | FY2022 |
|--------------------------|--------|--------|-------|-------|-------|--------|--------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | Total | Total |
| Underwriting commissions | 6.7 | 1.9 | 1.7 | 8.6 | 5.2 | 40.3 | 17.6 |
| (Equities) | (2.9) | (1.1) | (0.9) | (4.1) | (1.9) | (18.5) | (8.2) |
| (Bonds) | (3.6) | (0.6) | (0.7) | (4.3) | (3.1) | (20.7) | (8.9) |
| M&A fee | 3.8 | 2.2 | 3.0 | 2.9 | 5.3 | 12.2 | 13.6 |

Sustainable finance

We are proactively supporting corporate sustainable finance.

- Underwriting of domestic sustainable finance of FY2022 4Q
 - SA (*1) and book runner
 - Tohoku Electric Power (transition bonds)
 - book runner
 - Sumitomo Mitsui Auto Service (sustainability bond)
 - Central Nippon Expressway (green bond)
 - West Nippon Expressway (social bond)
 - Co-lead manager
 - Nissan Motor (sustainability bond)
 - KAJIMA (sustainability-Linked bond)
 - Global Coordinator and Global Green SA
 - Air Products and Chemicals (green bond)
- Providing information and solutions at an engagement event sponsored by the Ministry of the Environment
- One of the three companies on the investor side and the only securities company to participate in the event as a result of the Ministry of the Environment's recognition of our knowledge of TCFD (*2) and the scenario analysis as well as our investor perspective

Global Investment Banking Division_2

League Tables

| Global Equity & Equity-Related-Japan ^{(*)1} | | | All Bonds in Yen ^{(*)2} 【non-consolidated】 | | |
|--|-------------------------------|-------------------------|---|-------------------------------|-------------------------|
| Rank | Book runner | Amount (bill of yen) | Rank | Lead Manager | Amount (bill of yen) |
| 1 | Nomura | 601.8 | 1 | Mizuho | 4,542.8 |
| 2 | Daiwa | 414.9 | 2 | Nomura | 4,113.4 |
| 3 | Mitsubishi UFJ Morgan Stanley | 408.0 | 3 | Daiwa | 3,952.6 |
| 4 | Mizuho | 301.9 | 4 | Mitsubishi UFJ Morgan Stanley | 3,600.9 |
| 6 | SMBC Nikko | 186.0 | 5 | SMBC Nikko | 1,705.7 |

| IPO ^{(*)3} | | | | | |
|---------------------|--------------|-------------------------|------|--------------|-----------|
| Rank | Underwriting | Amount (bill of yen) | Rank | Lead Manager | No. Deals |
| 1 | SMBC Nikko | 110.1 | 1 | SMBC Nikko | 22 |
| 2 | Nomura | 98.3 | 2 | Mizuho | 21 |
| 3 | Daiwa | 68.5 | 3 | Daiwa | 20 |
| 4 | SBI | 37.9 | 4 | SBI | 15 |
| 5 | Mizuho | 35.0 | 5 | Nomura | 12 |

| Financial Advisory ^{(*)4} | | | | | |
|------------------------------------|---------------------------------|----------------------------|------|---------------------------------|-----------|
| Rank | Advisor | Deal size (bill of yen) | Rank | Advisor | No. Deals |
| 1 | Sumitomo Mitsui Financial Group | 4,489.2 | 1 | Deloitte | 130 |
| 2 | Nomura | 4,479.9 | 2 | Sumitomo Mitsui Financial Group | 123 |
| 3 | J.P. Morgan | 3,932.9 | 3 | Mizuho Financial Group | 117 |
| 4 | UBS | 3,916.9 | 4 | KPMG | 86 |
| 5 | Mizuho Financial Group | 3,472.3 | 5 | Nomura | 82 |

Main deals

| ECM | |
|---|---|
| • Daiei Kankyo (global IPO) | • Nippon Prologis REIT (global FO) |
| • Socionext (global IPO) | • Mitsubishi Estate Logistics REIT (global FO) |
| • GLP J-REIT (global FO) | • TMS (global IPO) |
| DCM | |
| • Renault S.A. | • Nissan Motor (sustainability bond) |
| • SoftBank Group | • The Republic of the Philippines (sustainability bond) |
| • Rakuten Group | • Hyogo Prefectural Government (green bond) |
| M&A | |
| • A tender offer for the shares of TOSHIBA by Japan Industrial Partners | |
| • Acquisition of Hitachi Transport System by HTSK, which is owned by KKR | |
| • Acquisition of Huis Ten Bosch owned by H.I.S. by PAG | |
| • A sale of shares in Sumitomo Pharma Food & Chemical by Sumitomo Pharma | |
| • Merger of Mori Trust Sogo REIT and Mori Trust Hotel REIT | |
| • Acquisition of Takara Leben Infrastructure Fund by Takara Leben, SMFL MIRAI Partners, Sumitomo Mitsui Banking Corporation | |
| • Purchase of convertible non-voting preferred securities of Cepton by KOITO MANUFACTURING | |
| • A sale of shares in consolidated subsidiary company by Nichi-Iko Pharmaceutical | |

Market Share

| | FY2021 | FY2022 | | | |
|---------------------|--------|--------|-------|-------|-------|
| | 4Q | 1Q | 2Q | 3Q | 4Q |
| ECM ^{(*)1} | 13.5% | 13.7% | 14.2% | 22.1% | 7.9% |
| DCM ^{(*)2} | 15.6% | 3.2% | 3.0% | 6.0% | 8.7% |
| M&A ^{(*)4} | 9.3% | 27.0% | 19.9% | 14.0% | 24.9% |

(*)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 (corporate bonds, FILP agency/municipality bonds(proportional shares as lead manager),samurai bonds)

(*)3 Source: prepared by SMBC Nikko based on the information published by REFINITIV

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

Global Markets Division

Summary

【FY ended Mar.31 2023】

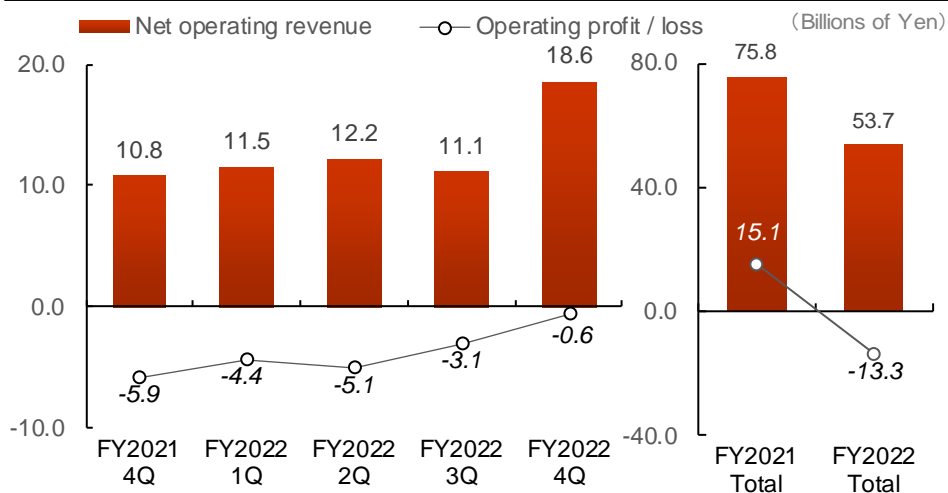
- Net operating revenue ¥ 53.7 B (-29% Y on Y) Operating profit / loss ¥ -13.3 B (-) Trading volume declined as some customers refrained from trading. In EST, decrease in customer flows related to U.S. equities caused lower revenues. In FIST, successful position management capturing changes in interest rates and foreign exchange contributed to an upswing in revenues.

【FY2022 4Q】

- Net operating revenue ¥ 18.6 B (+67% Q on Q) Operating profit / loss ¥ -0.6 B (-) Customer flow has been gradually recovering, which has led the trading volume back on the right track. Commissions to institutional investors grew in EST and trading related to interest rate was strong in domestic market in FIST.

【Management Accounting】

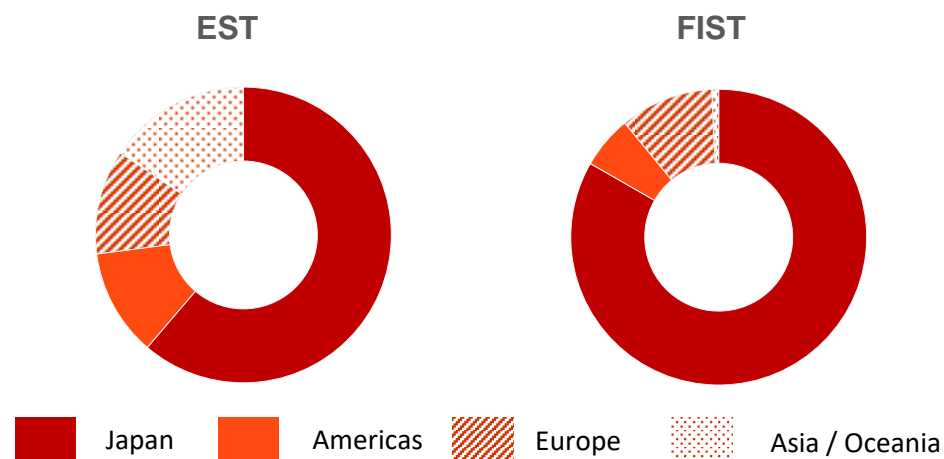
Net operating revenue · Operating profit / loss trend



【Consolidated】 Net Trading Income (adjusted Net Financial Income) (*1)

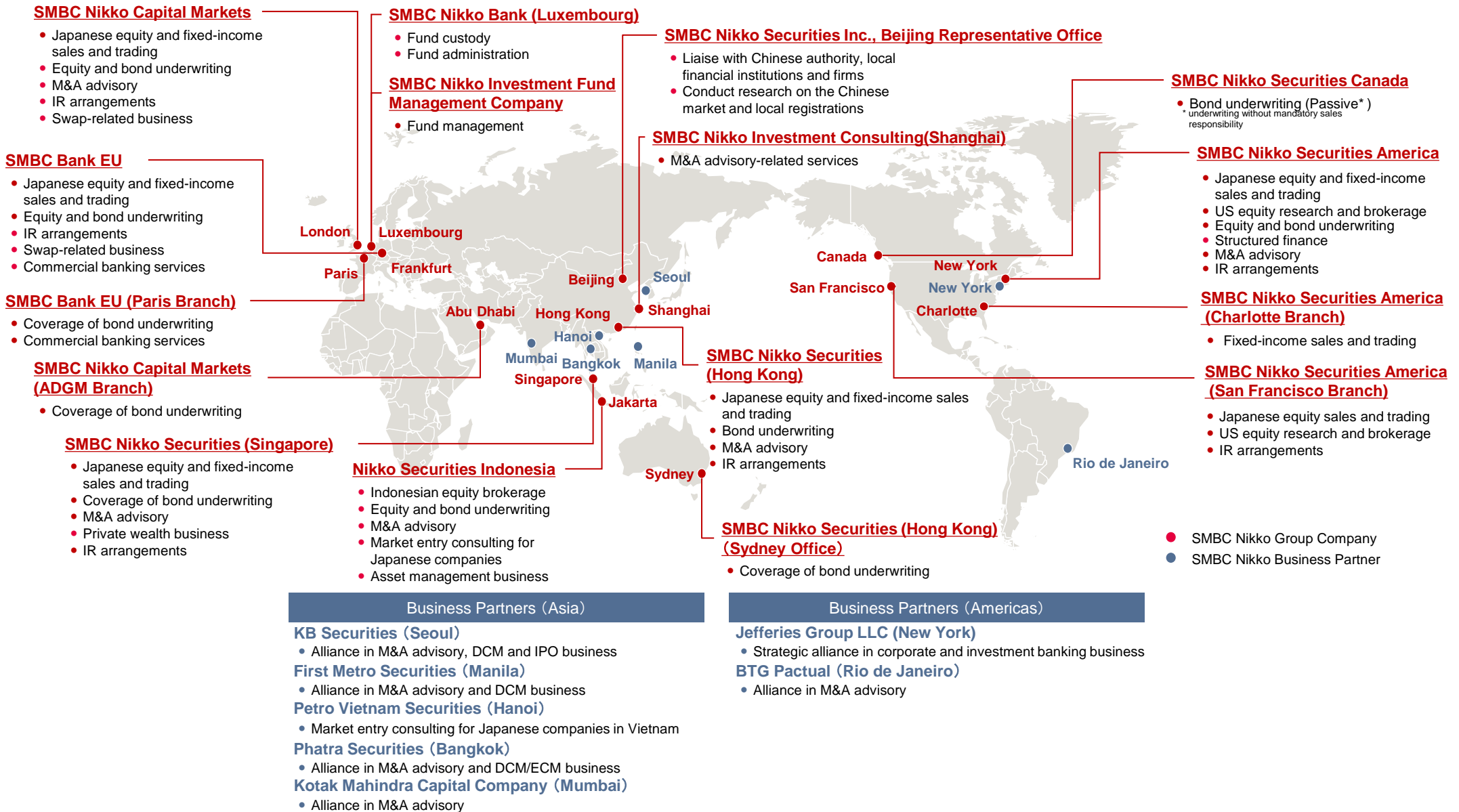
| (Billions of Yen) | FY2021 | FY2022 | | | | FY2021 | FY2022 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | Total | Total |
| Equities, etc. (*2) | 3.1 | 0.9 | -0.6 | 6.4 | 1.8 | 58.2 | 8.4 |
| (dividend, etc) | (3.3) | (2.7) | (2.8) | (2.3) | (3.2) | (13.5) | (11.2) |
| Bonds, others (*3) | 12.0 | 18.5 | 16.7 | 5.7 | 14.7 | 50.2 | 55.8 |
| (interest) | (-2.9) | (-2.5) | (-2.1) | (-2.2) | (-2.6) | (-8.3) | (-9.6) |
| Total (*4) | 15.1 | 19.4 | 16.0 | 12.1 | 16.5 | 108.4 | 64.3 |

Revenue ratio by region (FY2022 Total)



(*1) Net trading income (adjusted net financial income) is supplemented with the ex dividend, etc.
 (*2) including dividend from trading position, etc.
 (*3) including interest income from trading position, etc.
 (*4) excluding funding costs

Overseas Network



Medium-term Management Plan & New initiative

Mission

Connect the development of sound capital markets to the realization of satisfying and fulfilling lives and society

Vision

Become a company that garners the utmost trust from customers by continuing to hone our foresight and expertise as a Securities Professional

Theme of Medium-term Management Plan

Going back to our roots as securities company "Restarting & Rebranding"

Fundamental policy of Medium-term Management Plan

Top priority : Build a strong management foundation

- Strengthen of the corporate governance system and internal control system
- Create a growing workplace where there is friendly rivalry between Securities Professionals

Growth strategy pillars : Transform business models

- Steadily execute a transformation to the group's digital-based asset management business model
- Strengthen the domestic coverage system and build a global coverage system that includes overseas offices
- Rebuild the equity business mainly by strengthening our electronic platform

Growth strategy pillars : Leverage growth capabilities

- Realize an efficient and effective approach to wealthy clients that leverages group collaborations and workplace businesses
- Enhance sustainable advisory functions via collaborations inside and outside the group
- Provide solutions through a concerted effort of Primary and Secondary mainly in the US and realize non-constant J-curve growth through collaborations with Jefferies

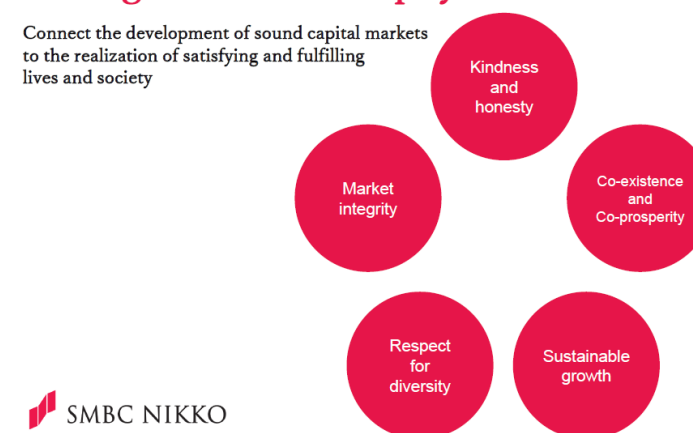
New initiative

Revision of Management Philosophy

We revised our Management Philosophy to consist of "Mission in society" and "Values Driving Professionalism".

Management Philosophy

Connect the development of sound capital markets to the realization of satisfying and fulfilling lives and society



Nikko Bravi!

As one of the trials to change corporate culture, we added functions related to our Code of Conduct "Good Action" to "Nikko Bravi!" which is our internal communication tool to send messages of thanks and praise to each other. We will take all measures to instill Code of Conduct into both officers and employees and foster sound corporate culture.

Establishment of the new company "Proof of Japan"

Our company and HATAPRO established a new company "Proof of Japan" which conducts Web3 (next generation of the internet) related business to form a next-generation global community with the aim of supporting those who develop Japanese culture and entertainment as well as those who enhance Japan's international competitiveness

Reference Data



Consolidated Business Results (Quarterly Trend)

| (Millions of yen) | FY2021 | FY2022 | | | | FY2021 | FY2022 |
|--|--------|--------|---------|---------|---------|---------|---------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | Total | Total |
| Operating revenue | 70,597 | 62,876 | 62,433 | 73,006 | 81,175 | 355,123 | 279,492 |
| Commissions received | 49,522 | 37,156 | 35,499 | 43,997 | 42,476 | 226,943 | 159,130 |
| Commissions to consignees | 9,748 | 7,101 | 6,529 | 7,519 | 7,013 | 43,652 | 28,164 |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 6,764 | 1,929 | 1,764 | 8,684 | 5,255 | 40,358 | 17,633 |
| Fee for offering, secondary distribution and solicitation for selling and others for professional investors | 8,251 | 6,476 | 3,421 | 4,067 | 3,588 | 45,316 | 17,554 |
| Other fees received | 24,757 | 21,649 | 23,782 | 23,725 | 26,619 | 97,615 | 95,777 |
| Net trading income | 14,680 | 19,345 | 15,428 | 12,036 | 15,917 | 103,286 | 62,728 |
| Equities | -284 | -1,772 | -3,534 | 4,028 | -1,457 | 44,685 | -2,735 |
| Bonds / Others | 14,965 | 21,118 | 18,962 | 8,008 | 17,374 | 58,601 | 65,463 |
| Financial revenue | 4,708 | 4,813 | 9,635 | 15,389 | 21,159 | 18,368 | 50,997 |
| Other sales | 1,685 | 1,560 | 1,870 | 1,582 | 1,622 | 6,525 | 6,635 |
| Financial expenses | 4,564 | 5,167 | 9,129 | 14,945 | 20,727 | 14,410 | 49,970 |
| Cost of other sales | 1,813 | 1,486 | 1,801 | 1,560 | 1,794 | 6,433 | 6,643 |
| Net operating revenue | 64,219 | 56,222 | 51,502 | 56,499 | 58,653 | 334,280 | 222,878 |
| SG&A | 66,505 | 63,717 | 63,717 | 64,534 | 75,395 | 275,419 | 267,364 |
| Operating profit / loss | -2,285 | -7,494 | -12,215 | -8,034 | -16,741 | 58,860 | -44,485 |
| Ordinary profit / loss | -632 | -7,010 | -11,169 | -8,652 | -15,336 | 65,341 | -42,170 |
| Extraordinary income / loss | 265 | 2,352 | -101 | -6,549 | -11,327 | -716 | -15,625 |
| Profit before income taxes | -367 | -4,658 | -11,271 | -15,202 | -26,663 | 64,624 | -57,796 |
| Income taxes | -2,318 | -1,015 | -5,495 | -217 | -11,234 | 14,814 | -17,963 |
| Profit / loss | 1,950 | -3,642 | -5,776 | -14,984 | -15,429 | 49,809 | -39,832 |
| Profit attributable to owners of parent | 1,965 | -3,643 | -5,780 | -14,987 | -15,427 | 49,798 | -39,838 |

Non-consolidated Business Results (Quarterly Trend)

| (Millions of yen) | FY2021 | FY2022 | | | | FY2021 | FY2022 |
|--|--------|--------|---------|---------|---------|---------|---------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | Total | Total |
| Operating revenue | 64,861 | 59,497 | 58,224 | 68,750 | 76,416 | 333,183 | 262,888 |
| Commissions received | 45,642 | 35,401 | 33,350 | 41,727 | 39,884 | 213,062 | 150,363 |
| Commissions to consignees | 9,336 | 6,691 | 6,105 | 7,213 | 6,518 | 42,385 | 26,529 |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 5,614 | 1,866 | 1,756 | 8,681 | 5,242 | 36,316 | 17,547 |
| Fee for offering, secondary distribution and solicitation for selling and others for professional investors | 8,107 | 6,476 | 3,416 | 3,636 | 3,588 | 43,869 | 17,117 |
| Other fees received | 22,582 | 20,367 | 22,072 | 22,195 | 24,535 | 90,491 | 89,170 |
| Net trading income | 14,533 | 19,349 | 15,429 | 12,039 | 15,918 | 101,810 | 62,737 |
| Equities | -439 | -1,772 | -3,534 | 4,028 | -1,457 | 43,139 | -2,735 |
| Bonds / Others | 14,973 | 21,122 | 18,963 | 8,010 | 17,375 | 58,670 | 65,472 |
| Financial revenue | 4,685 | 4,745 | 9,444 | 14,984 | 20,613 | 18,310 | 49,787 |
| Financial expenses | 4,508 | 5,126 | 9,042 | 14,760 | 20,518 | 14,231 | 49,447 |
| Net operating revenue | 60,353 | 54,370 | 49,182 | 53,990 | 55,897 | 318,951 | 213,440 |
| SG&A | 61,768 | 61,292 | 60,909 | 61,752 | 71,580 | 262,293 | 255,535 |
| Operating profit / loss | -1,415 | -6,922 | -11,726 | -7,762 | -15,682 | 56,657 | -42,094 |
| Ordinary profit / loss | -169 | -6,228 | -10,009 | -7,866 | -14,238 | 59,620 | -38,342 |
| Extraordinary income / loss | -83 | 978 | -101 | -6,549 | -5,732 | -1,760 | -11,404 |
| Profit before income taxes | -253 | -5,249 | -10,110 | -14,415 | -19,971 | 57,860 | -49,746 |
| Income taxes | -2,429 | -1,368 | -5,899 | -446 | -9,717 | 13,601 | -17,432 |
| Profit / loss | 2,175 | -3,880 | -4,211 | -13,968 | -10,253 | 44,258 | -32,314 |

Segment performance trends / Profit of Overseas Offices

Segment performance trends (Net operating revenue)

| (Billions of Yen) | FY2021 | FY2022 | | | | FY2021 | FY2022 |
|------------------------------|--------|--------|------|------|------|--------|--------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | Total | Total |
| Sales Division | 42.0 | 37.7 | 31.4 | 35.5 | 31.2 | 215.6 | 135.9 |
| GIB Division ^(*1) | 22.4 | 13.2 | 14.4 | 17.2 | 22.9 | 90.8 | 67.9 |
| GM Division ^(*2) | 10.8 | 11.5 | 12.2 | 11.1 | 18.6 | 75.8 | 53.7 |

Segment performance trends (Operating profit)

| (Billions of Yen) | FY2021 | FY2022 | | | | FY2021 | FY2022 |
|-------------------|--------|--------|------|------|-------|--------|--------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | Total | Total |
| Sales Division | 0.5 | -3.5 | -8.9 | -5.7 | -16.0 | 38.4 | -34.2 |
| GIB Division | 2.8 | -6.4 | -6.7 | -2.0 | 1.0 | 15.5 | -14.2 |
| GM Division | -5.9 | -4.4 | -5.1 | -3.1 | -0.6 | 15.1 | -13.3 |

Profit of Overseas Offices (Operating profit)

| (Billions of Yen) | FY2021 | FY2022 | | | | FY2021 | FY2022 |
|-------------------|--------|--------|------|------|------|--------|--------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | Total | Total |
| Americas | 0.5 | -3.3 | -3.7 | -2.0 | 1.6 | 12.6 | -7.4 |
| Europe | -1.1 | -2.9 | -3.3 | -0.2 | -0.4 | -0.3 | -7.0 |
| Asia / Oceania | -0.7 | -1.3 | -1.9 | -1.0 | -0.9 | -0.1 | -5.2 |
| Total | -1.2 | -7.6 | -8.9 | -3.2 | 0.2 | 12.1 | -19.7 |

Operational Indicators -1

Client Assets^(*1) 【Non-consolidated】

| (Trillions of yen) | FY2020 | FY2021 | | | | FY2022 | | | | |
|--------------------|--------|--------|------|------|------|--------|------|------|------|--|
| | Mar. | Jun. | Sep. | Dec. | Mar. | Jun. | Sep. | Dec. | Mar. | |
| Equity | 35.6 | 35.5 | 37.4 | 39.4 | 35.0 | 33.0 | 32.4 | 33.5 | 35.6 | |
| Bond | 20.5 | 20.3 | 20.5 | 20.3 | 20.5 | 20.2 | 20.0 | 19.7 | 20.0 | |
| Investment trust | 11.3 | 11.6 | 11.8 | 12.1 | 11.7 | 11.1 | 11.1 | 11.0 | 11.3 | |
| Others | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.7 | |
| Client assets | 68.2 | 68.2 | 70.5 | 72.6 | 68.0 | 65.0 | 64.3 | 64.9 | 67.6 | |

Equity brokerage amount · Equity brokerage commissions · TSE Share^(*2) 【Non-consolidated】

| (Billions of yen) | FY2020 | FY2021 | | | | FY2022 | | | |
|--|----------|----------|----------|----------|---------|---------|---------|---------|---------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Equity brokerage amount ^(*3) | 13,786.6 | 11,556.9 | 12,457.6 | 11,197.8 | 9,353.0 | 6,956.1 | 6,591.2 | 8,491.7 | 9,513.1 |
| Equity brokerage commissions ^(*4) | 13.6 | 10.9 | 11.3 | 10.8 | 9.1 | 6.6 | 6.1 | 7.1 | 6.7 |
| Equity commissions rate | 8.8bp | 8.8bp | 8.3bp | 9.0bp | 8.9bp | 8.8bp | 8.3bp | 7.6bp | 6.4bp |
| TSE share (%) | 2.90% | 2.75% | 2.78% | 2.35% | 1.97% | 1.52% | 1.52% | 1.75% | 2.13% |

(*1) Have adjusted valuation method for unlisted stocks and calculation scope retrospectively from this first quarter.

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

(*3) Total of all stock exchanges

(*4) on a consolidated basis

Operational Indicators -2

Sales of Products 【Non-consolidated】

| (Billions of yen) | FY2020 | FY2021 | | | | FY2022 | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Investment trusts | 701.6 | 669.3 | 615.9 | 588.4 | 444.8 | 393.1 | 306.5 | 319.6 | 364.1 |
| (Equity investment trusts) | (565.1) | (565.3) | (473.9) | (481.5) | (352.7) | (283.2) | (228.4) | (236.9) | (255.6) |
| (Foreign registered investment trusts) | (121.2) | (90.2) | (127.7) | (96.3) | (87.0) | (107.6) | (78.0) | (80.8) | (108.4) |
| Fund wrap ^(*) | 63.3 | 82.7 | 58.0 | 133.8 | 62.8 | 80.5 | 131.0 | 104.9 | 84.1 |
| Foreign bonds ^(*) | 685.5 | 859.9 | 654.1 | 552.3 | 545.9 | 398.3 | 260.2 | 513.4 | 335.3 |
| (Foreign currency bonds) | (210.4) | (248.6) | (245.5) | (169.4) | (264.6) | (157.0) | (128.7) | (188.3) | (246.1) |
| Domestic bonds | 885.3 | 970.9 | 995.6 | 1,139.7 | 598.5 | 219.9 | 245.6 | 465.7 | 911.6 |
| (Retail target JGBs) | (149.3) | (84.2) | (56.3) | (123.6) | (104.2) | (120.3) | (105.6) | (65.5) | (121.8) |
| Public offering | 60.4 | 31.7 | 97.7 | 232.1 | 97.1 | 16.9 | 21.0 | 77.1 | 138.6 |
| Annuity / insurance | 16.3 | 19.5 | 21.1 | 23.6 | 17.3 | 19.7 | 10.0 | 11.7 | 8.0 |
| Total | 2,412.4 | 2,634.1 | 2,442.4 | 2,670.0 | 1,766.4 | 1,128.4 | 974.3 | 1,492.4 | 1,841.8 |

(*) Total contract amount of fund wrap.

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

Operational Indicators -3

Number of Accounts [Non-consolidated]

| (Thousands of accounts) | FY2020 | FY2021 | | | | FY2022 | | | |
|--------------------------|--------|--------|-------|-------|-------|--------|-------|-------|-------|
| | Mar. | Jun. | Sep. | Dec. | Mar. | Jun. | Sep. | Dec. | Mar. |
| Total accounts | 3,551 | 3,533 | 3,708 | 3,738 | 3,761 | 3,778 | 3,796 | 3,820 | 3,846 |
| Cash management accounts | 3,099 | 3,159 | 3,184 | 3,203 | 3,228 | 3,244 | 3,262 | 3,281 | 3,307 |
| Newly opened accounts | 52 | 43 | 50 | 49 | 50 | 37 | 42 | 47 | 47 |

Number of Branches [Non-consolidated]

| | FY2020 | FY2021 | | | | FY2022 | | | |
|--------------------|--------|--------|------|------|------|--------|------|------|------|
| | Mar. | Jun. | Sep. | Dec. | Mar. | Jun. | Sep. | Dec. | Mar. |
| Number of branches | 129 | 129 | 118 | 118 | 110 | 110 | 110 | 110 | 110 |

Number of Employees

| | FY2020 | FY2021 | | | | FY2022 | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Mar. | Jun. | Sep. | Dec. | Mar. | Jun. | Sep. | Dec. | Mar. |
| Number of employees | 11,241 | 11,547 | 11,390 | 11,251 | 11,105 | 11,339 | 11,176 | 11,027 | 10,871 |
| Number of employees in overseas offices | 816 | 724 | 741 | 763 | 784 | 773 | 816 | 820 | 823 |

