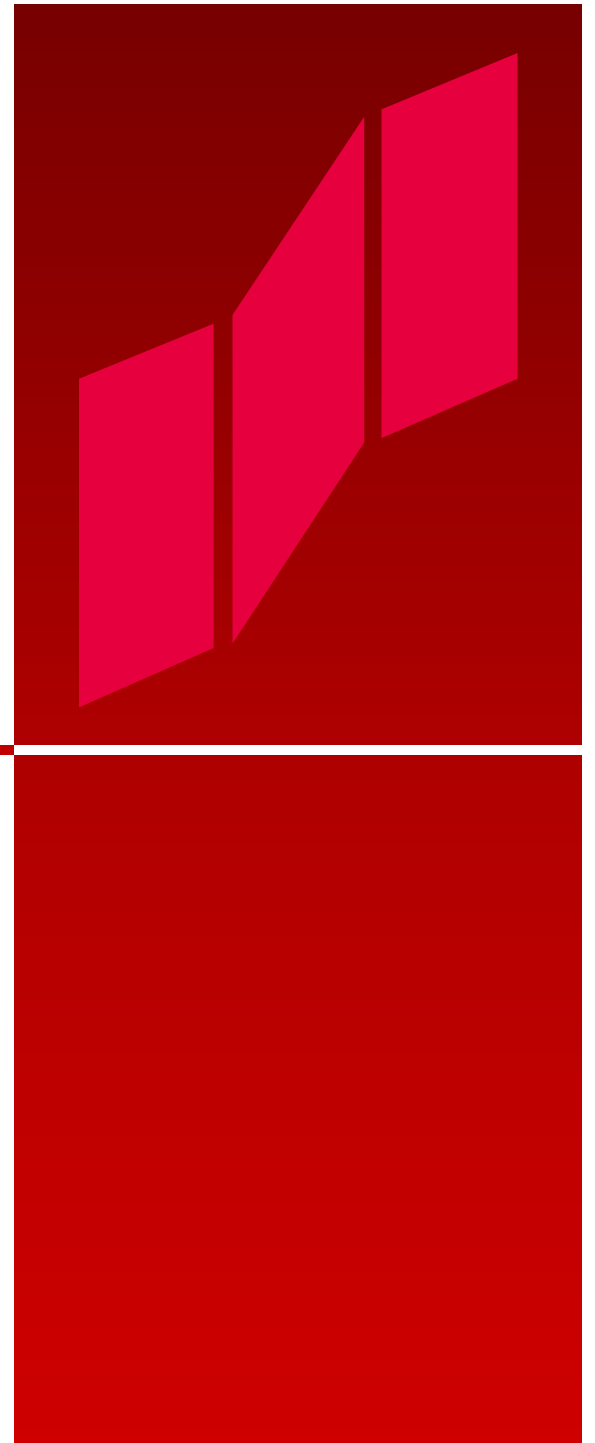


# Earnings Announcement for FY ended March 2012 (JGAAP)

SMBC Nikko Securities Inc.

APRIL 27, 2012



		[ Reference Data ]	
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The information contained in this document is based on data available as of April 27th, 2012 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 27th, 2012) and are subject to change without notice. No guarantees, representations or warranties are made as to the accuracy or completeness of such information.

(\*) The company has begun to disclose consolidated results from this fiscal year. Information in this document is presented on a consolidated basis unless otherwise specified.

# Summary of business results for the FY ended Mar. 2012

FY ended  
Mar.2012

- Net operating revenue ¥ 228.8 B (+7% Y on Y), Ordinary income ¥ 44.5 B (+3%), Net income ¥ 19.4 B (-23%).
- Aggregate sales of products was ¥ 6.3 trillion (-2%) comparable to the previous fiscal year. Sales of foreign bonds increased to ¥ 2.4 trillion (+26%) due to the overseas monetary easing, pushing up net trading income to ¥ 102.2 B (+64%).
- Steadily acquiring deals, including a significantly large issue at the near year-end closing, accumulated into stable positions in the league tables for FY2011 ended Mar. 2012:  
3rd (\*1) in Global Equity & Equity-Related-Japan  
5th (\*2) in All Bonds in Yen  
7th and 2nd (\*3) in M&A announced on the basis of deal values and numbers, respectively.
- SG&A for the fiscal year was ¥ 185.1 B, (+8%) due to increases in trading related, personnel and outsourcing/stationery expenses.
- Net income before taxes for the fiscal year was ¥ 43.3 B (+15%), while net income after taxes decreased from the previous fiscal year due to the reforms of the corporate tax law (¥ 4.8 B increase in tax expenses) and other factors.
- As of the end of Mar. 2012, total assets was ¥ 8.2 trillion, net assets was ¥ 458.6 B, capital adequacy ratio (on a stand-alone basis) was 504 % representing its sound financial base.

FY ended  
Mar. 2012  
4Q

- Net operating revenue ¥ 65.0 B (+27% Q on Q), Ordinary income ¥ 15.7 B (+124%), Net income ¥ 10.3 B.
- Revenue was driven by sales of investment trusts, mainly those investing in Japanese stocks. Aggregate sales of investment trusts increased to ¥ 533.7 B (+100%), earning subscription commissions of ¥ 14.4 B (+168%).
- Efforts for obtaining large-size underwritings at investment banking unit helped the revenue for this quarter upward.

Billions of Yen	FY ended Mar. 2012		Q on Q (%)	FY ended Mar. 31 2011	FY ended Mar. 31 2012	Y on Y (%)
	3Q	4Q				
Operating revenue	57.0	70.5	+24%	236.7	251.2	+6%
Net operating revenue	51.2	65.0	+27%	213.8	228.8	+7%
SG&A	44.3	49.6	+12%	171.1	185.1	+8%
Ordinary income / loss	7.0	15.7	+124%	43.1	44.5	+3%
Income before tax	5.6	16.9	+200%	37.8	43.3	+15%
Net income / loss	-1.6	10.3	-	25.4	19.4	-23%
	Dec.-end '11	Mar.-end '12	Q on Q	Mar.-end '11	Mar.-end '12	Y on Y
Total assets (Trillions of yen)	8.5	8.2	-0.2	8.0	8.2	+0.2
Total net assets (Billions of yen)	444.0	458.6	+14.6	440.5	458.6	+18.1

(\*1) Source: prepared by SMBC Nikko based on the information published by THOMSON REUTERS

(\*2) Source: prepared by SMBC Nikko

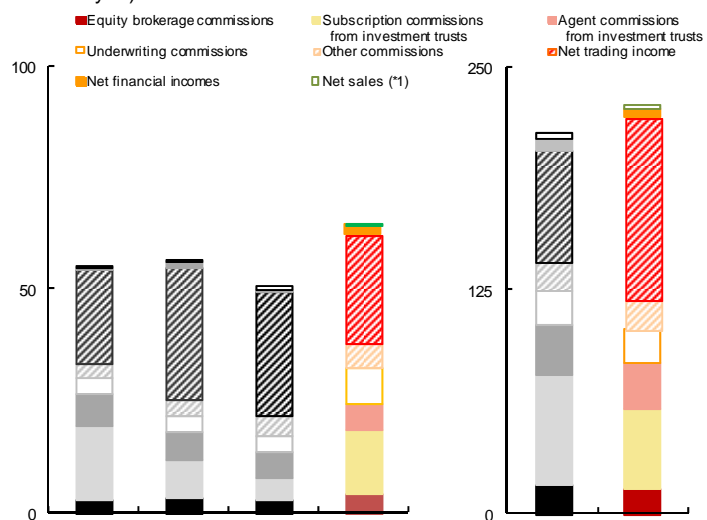
(\*3) Source: THOMSON REUTERS, M&A announced deals with any Japanese involvement)

# Net operating revenue / Product sales

- ◇ Net operating revenue for the quarter was ¥ 65.0 B (+27% Q on Q), boosted by subscription commissions on investment trusts of ¥ 14.4 B (+168%) and underwriting commissions of ¥ 7.9 B (+111%).
- ◇ Aggregate sales of products was ¥ 1,675.5 B (+28%): Subscriptions of equity and sales of investment trust expanded due to underwriting a large equity issue and the stock market recovery, respectively. Foreign bonds kept selling well.
- ◇ For the entire fiscal year, net operating revenue was ¥ 228.8 B (+7% Y on Y); Accumulated sales of foreign bonds was ¥ 2.4 trillion (+26%), leading net trading income of ¥ 102.2 B (+64%) to be a major driver of the revenue for the fiscal year.

## Net operating revenue

(Billions of yen)

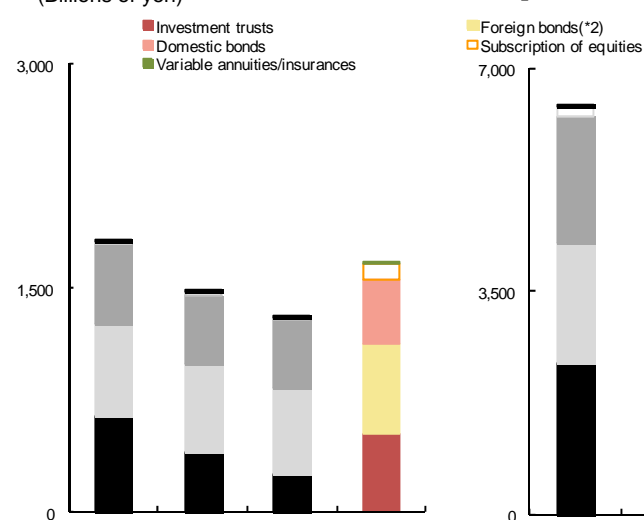


	1Q	2Q	3Q	4Q	Q on Q %	FY ended Mar. 31 2011	FY ended Mar. 31 2012	Y on Y %
Equity brokerage commissions	2.9	3.4	2.7	4.3	+57%	16.4	13.5	-18%
Subscription commissions	16.7	8.3	5.3	14.4	+168%	61.5	44.9	-27%
Agent commissions	7.1	6.5	5.7	5.9	+4%	28.6	25.4	-11%
Underwriting commissions	3.3	3.6	3.7	7.9	+111%	18.9	18.7	-1%
Other commissions	3.4	3.5	4.3	5.5	+28%	15.5	16.8	+8%
Net trading income	20.9	29.5	27.7	24.0	-13%	62.5	102.2	+64%
Net financial incomes	0.5	1.4	0.3	2.2	+527%	6.8	4.5	-33%
Net sales (*1)	0.4	0.4	1.1	0.5	-57%	3.2	2.5	-20%
<b>Total</b>	<b>55.5</b>	<b>57.0</b>	<b>51.2</b>	<b>65.0</b>	<b>+27%</b>	<b>213.8</b>	<b>228.8</b>	<b>+7%</b>

## Product Sales

(Billions of yen)

【on a stand-alone basis】

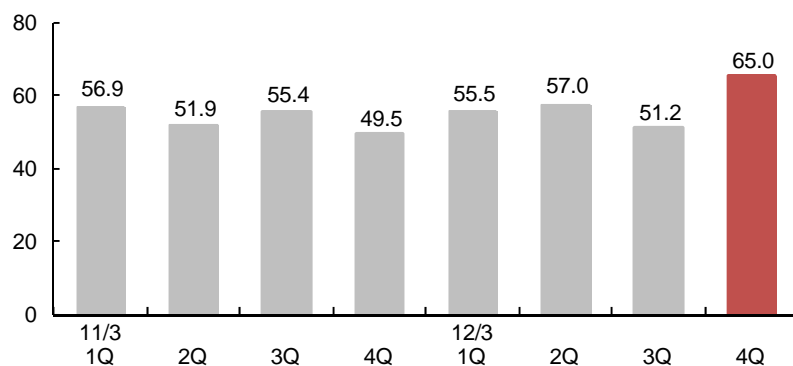


	1Q	2Q	3Q	4Q	Q on Q %	FY ended Mar. 31 2011	FY ended Mar. 31 2012	Y on Y %
Investment trusts	646.7	403.7	266.9	533.7	+100%	2,380.6	1,851.0	-22%
Foreign bonds(*2)	614.9	597.0	575.3	596.4	+4%	1,894.0	2,383.7	+26%
Domestic bonds	534.6	451.1	447.6	424.8	-5%	1,950.8	1,858.1	-5%
(Retail - targeted JGBs)	(117.0)	(31.8)	(145.2)	(4.6)	(-97%)	(65.8)	(298.7)	(+354%)
Subscription of equities	22.5	28.0	20.8	117.3	+465%	177.9	188.7	+6%
Variable annuities/insurances	1.6	3.9	3.1	3.3	+6%	4.7	12.0	+153%
<b>Total</b>	<b>1,820.5</b>	<b>1,483.8</b>	<b>1,313.6</b>	<b>1,675.5</b>	<b>+28%</b>	<b>6,408.2</b>	<b>6,293.4</b>	<b>-2%</b>

# Quarterly Business Results (consolidation basis)

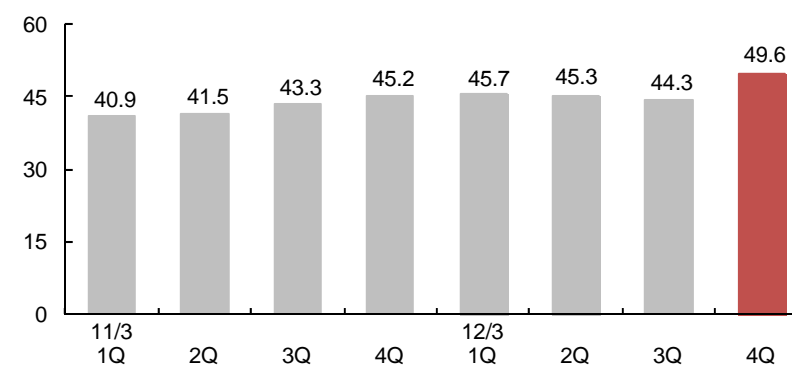
## Net operating revenue

(Billions of yen)



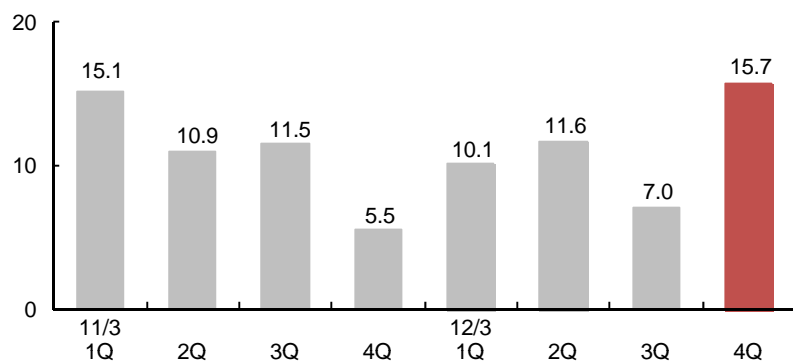
## SG&A

(Billions of yen)



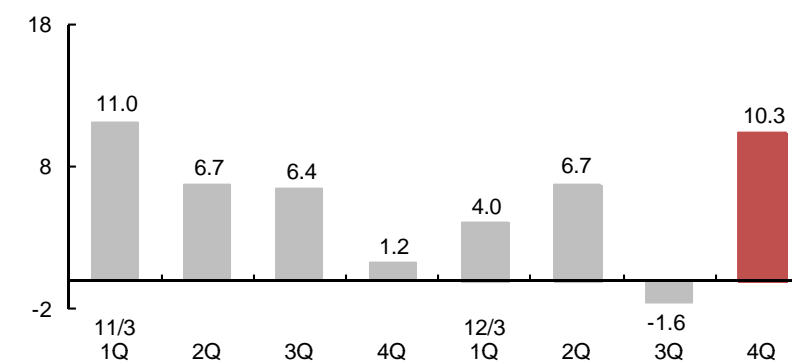
## Ordinary income

(Billions of yen)



## Net income

(Billions of yen)

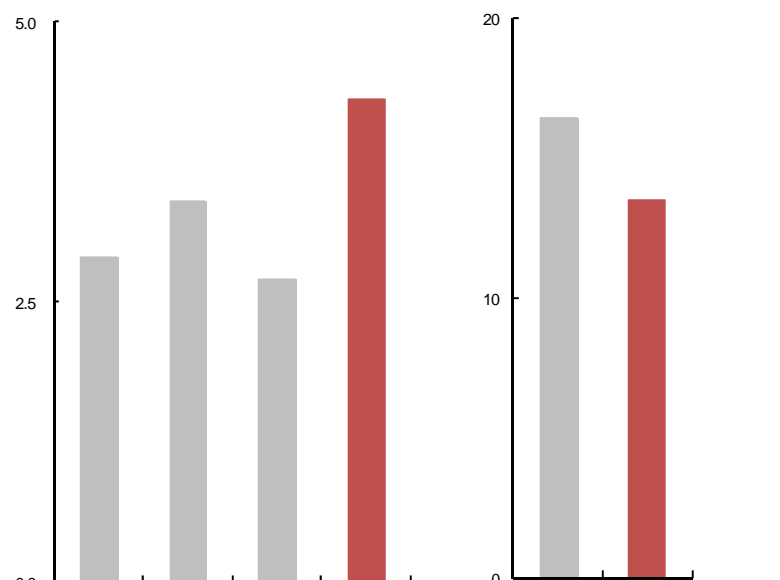


# Equity brokerage commissions

- ◇ For the quarter, brokerage amounts jumped to ¥ 1.7 trillion (+81% Q on Q) with equity brokerage commissions of ¥ 4.3 B (+57%) due to the stock market recovery in the country.
- ◇ For the fiscal year, brokerage amounts grew to ¥4.9 trillion (+46% Y on Y) reflecting the progress in wholesale business buildup. Equity brokerage commissions was ¥ 13.5 B (-18%)

## Equity brokerage commissions

(Billions of yen)

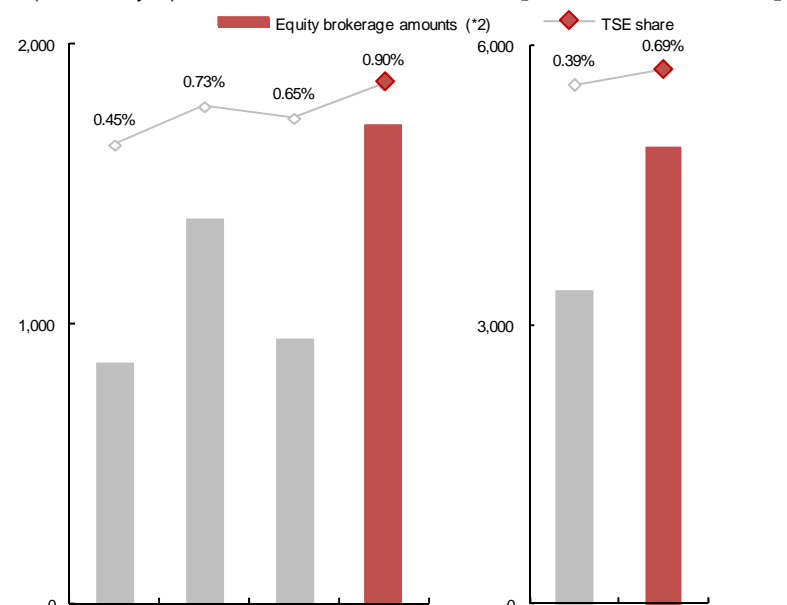


	1Q	2Q	3Q	4Q	Q on Q %	FY ended Mar. 31 2011	FY ended Mar. 31 2012	Y on Y %
Equity brokerage Commissions	2.9	3.4	2.7	4.3	+57%	16.4	13.5	-18%
Equity commissions rate(*1)	33.0bp	22.6bp	24.7bp	22.8bp	-1.9bp	45.9bp	24.9bp	-20.9bp

## Equity brokerage amount / TSE share

(Billions of yen)

【on a stand-alone basis】



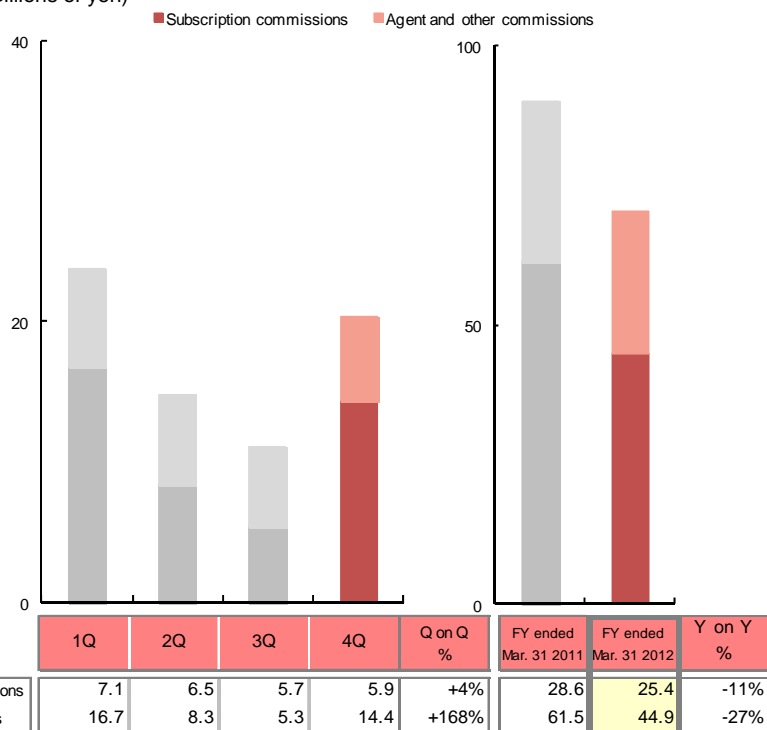
	1Q	2Q	3Q	4Q	Q on Q %	FY ended Mar. 31 2011	FY ended Mar. 31 2012	Y on Y %
Equity brokerage amounts (*2)	860.3	1,375.7	945.1	1,711.9	+81%	3,362.6	4,893.0	+46%
TSE share	0.45%	0.73%	0.65%	0.90%	+0.25pt	0.39%	0.69%	+0.30pt
Retail market share (*3)	1.67%	1.79%	1.73%	2.05%	+0.32pt	1.68%	1.83%	+0.15pt

# Commissions from investment trusts

- ◇ Due to an increase in investors seeking for funds related to stocks in Asian economies including Japan, sales of investment trusts for this quarter was ¥ 533.7 B (+100% Q on Q) and subscription commissions on the products was ¥ 14.4 B (+168%). Undervalued Japanese stock fund dubbed "Ryuushi-tan-tan" set in Jan. 2012 turned out to be the biggest selling with ¥ 29.1 B in terms of initial sale amount of all the funds focusing on the domestic equities during the second-half of this FY.
- ◇ For the entire fiscal year, sales of investment trusts was ¥ 1,851.0 B (-22% Y on Y) and subscription commissions was ¥ 44.9 B (-27%). Despite lasting concerns for Euro debt crisis and accelerated appreciation of the yen, there existed some needs for emerging markets funds with regular dividend distribution and other funds investing in equities.

## Subscription commissions / Agent and other commissions

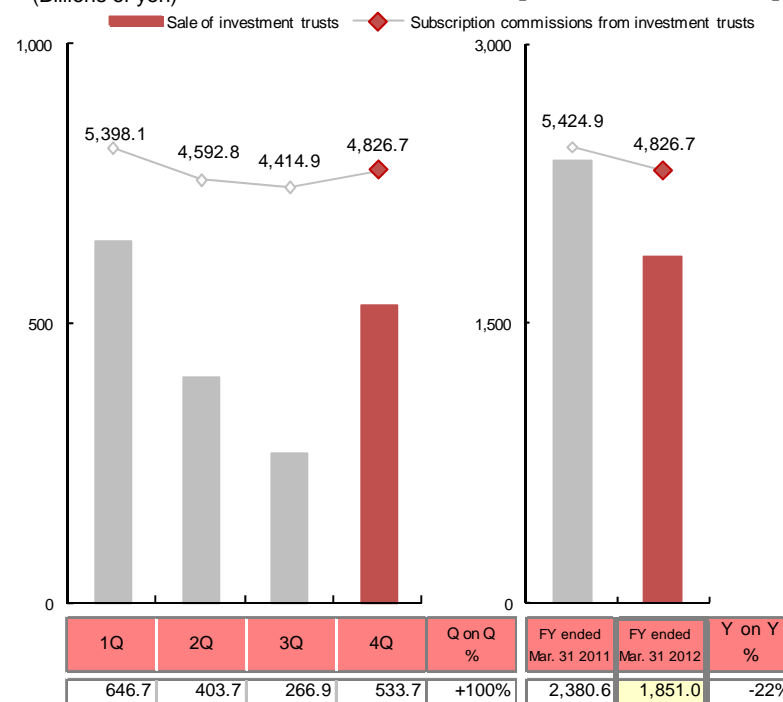
(Billions of yen)



## Sales / Client Assets of Invest. trust

(Billions of yen)

【on a stand-alone basis】

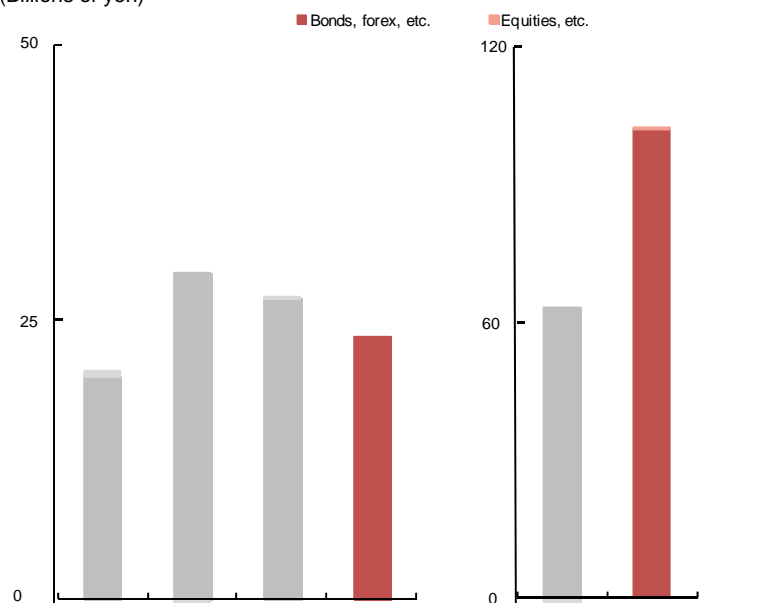


# Net trading income

- ◇ Net trading income posted ¥ 24.0 B for the quarter (-13% Q on Q). Sales of foreign bonds was ¥ 596.4 B (+4%).
- ◇ Net trading income for the fiscal year was ¥ 102.2 B (+64% Y on Y). Sales of foreign bonds was ¥ 2.4 trillion (+26%), as bonds with longer maturity sold well in the circumstances of the monetary relaxation outside the country.

## Net trading income

(Billions of yen)

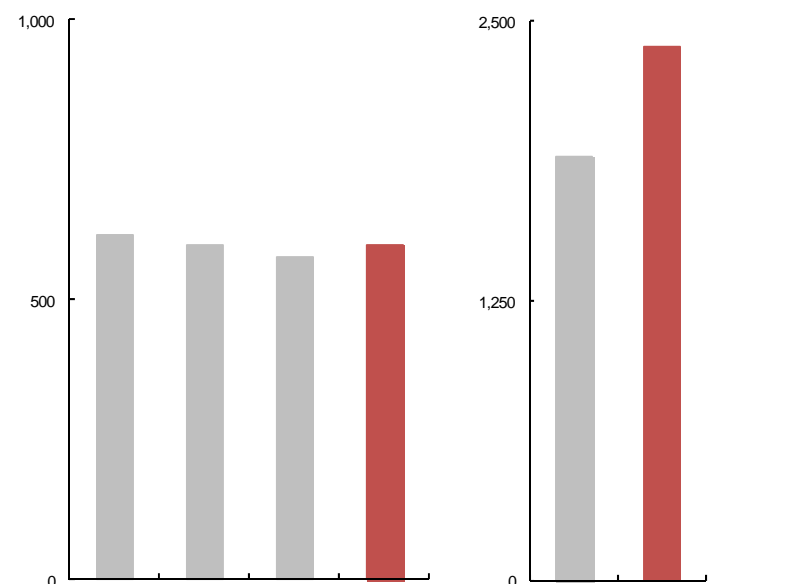


	1Q	2Q	3Q	4Q	Q on Q %	FY ended Mar. 31 2011	FY ended Mar. 31 2012	Y on Y %
Equities, etc.	0.4	-0.3	0.1	0.0	-84%	-0.5	0.3	-
Bonds, forex, etc.	20.4	29.9	27.5	24.0	-13%	63.1	101.9	+62%
Total	20.9	29.5	27.7	24.0	-13%	62.5	102.2	+64%

## Sale of foreign bonds

(Billions of yen)

【on a stand-alone basis】



	1Q	2Q	3Q	4Q	Q on Q %	FY ended Mar. 31 2011	FY ended Mar. 31 2012	Y on Y %
Sale of foreign bonds	614.9	597.0	575.3	596.4	+4%	1,894.0	2,383.7	+26%



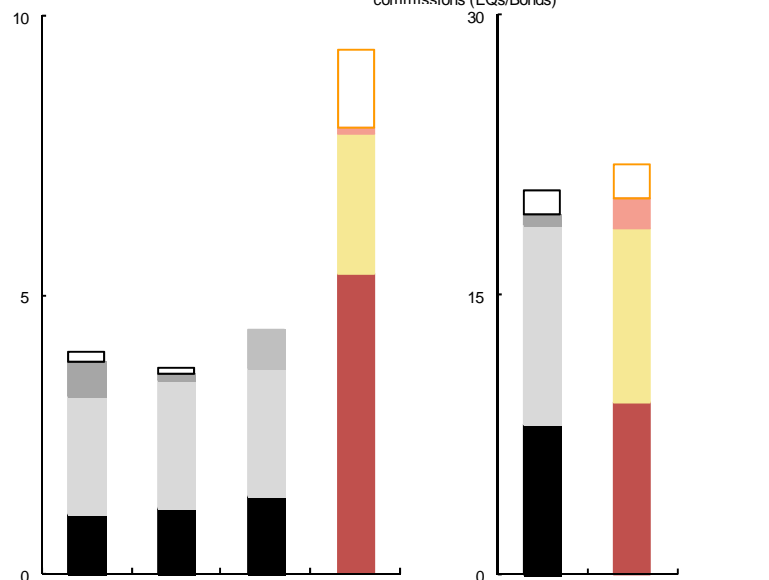
# Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commissions for the quarter doubled to ¥ 7.9 B from the previous quarter, contributed by obtaining a lead manager of a large issue.
- ◇ Book runner share for Jan.2012- Mar.2012  
Global Equity & Equity-Related-Japan: 27.1% in the 2nd place  
Lead manager share in All Bonds in Yen: 12.8% in the 5th place
- ◇ Book runner share for Apr.2011- Mar.2012  
Global Equity & Equity-Related-Japan: 18.1% in the 3rd place  
Lead manager share in All Bonds in Yen: 12.6% in the 5th place

## Underwriting commissions (Equities / Bonds)

(Billions of yen)

■ Equities ■ Bonds ■ Subscription and Distribution commissions (EQs/Bonds) ■ Others(\*)



	1Q	2Q	3Q	4Q	Q on Q %	FY ended Mar. 31 2011	FY ended Mar. 31 2012	Y on Y %
Underwriting commissions	3.3	3.6	3.7	7.9	+111%	18.9	18.7	-1%
Equities	1.1	1.2	1.4	5.4	+286%	8.1	9.2	+13%
Bonds	2.1	2.3	2.3	2.5	+8%	10.7	9.4	-12%
Subscription and Distribution commissions (EQs/Bonds)	0.6	0.1	0.7	0.1	-82%	0.5	1.6	+191%
Others(*)	0.2	0.1	0.0	1.4	-	1.3	1.8	+35%

## Global Equity & Equity-Related-Japan Apr. 2011 - Mar. 2012

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Daiwa Capital Markets	324.8	25.9%
2	Nomura Securities	307.5	24.6%
3	SMBC Nikko Securities	226.5	18.1%
4	Mizuho Securities	108.6	8.7%
5	Morgan Stanley MUFG Securities	76.0	6.1%

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

## All Bonds in Yen Apr. 2011 - Mar. 2012

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	Mitsubishi UFJ Morgan Stanley	3,583.5	21.4%
2	Nomura Securities	3,293.8	19.7%
3	Mizuho Securities	3,076.1	18.4%
4	Daiwa Capital Markets	2,205.2	13.2%
5	SMBC Nikko Securities	2,102.1	12.6%

Source: prepared by SMBC Nikko (corporate bonds, FILP agency/municipality bonds(proportional shares as lead manager) samurai bonds)

(\* )Revenues related to securitization arrangements included

- ◇ For the period from Jan. 2012 until Mar. 2012, 9.3% in the 5th place on deal values basis, comprising of 16 deals some of which were cross-border.
- ◇ For the period from Apr. 2012 until Mar. 2012, the 2nd on deal number basis; the 7th on deal values basis.

(Source: THOMSON REUTERS)

## Financial Advisor Rank value basis Apr. 2011 - Mar. 2012

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Nomura Securities	4,989.9	36.2%
2	Goldman Sachs	4,044.3	29.4%
3	Deutsche Bank	3,551.5	25.8%
4	Mizuho Securities	3,487.6	25.3%
7	SMBC Nikko Securities	2,825.5	20.5%

## Financial Advisor No. of deals Apr. 2011 - Mar. 2012

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Nomura Securities	157	5.9%
2	SMBC Nikko Securities	84	3.1%
3	Mizuho Securities	80	3.0%
4	Daiwa Capital Markets	48	1.8%
5	Sumitomo Mitsui Banking Corporation	46	1.7%

## Major announced deals Apr. 2011 - Mar. 2012

Taisho Pharmaceutical Holdings Co., Ltd./Hoepharm Holdings Sdn. Bhd. Taisho Pharmaceutical Holdings Co., Ltd. acquired 100% shares of a Malaysian pharmaceutical company Hoepharm Holdings Sdn. Bhd.

Toyota Motor Corporation/Toyota Auto Body Co., Ltd. Toyota Motor Corporation acquires 100% ownership of Toyota Auto Body Co., Ltd.

Nagase & Co., Ltd. Nagase & Co., Ltd. provided necessary supports to administrate and reconstruct the three Hayashibara companies through sponsor agreements with their trustees.

TM Corporation/Bals Corporation TM Corporation implemented a tender offer for Bals Corporation as a part of MBO of Bals corporation.

N.C. Holdings/ N.I.C. Corporation N.C. Holdings extended a tender offer for N.I.C. Corporation as a part of MBO of N.I.C. Corporation.

Nippon Steel Corporation/Sumitomo Metal Industries, Ltd. Nippon Steel Corporation and Sumitomo Metal Industries, Ltd. entered into a master integration agreement to integrate their businesses.

Tokyo Stock Exchange Group, Inc./Osaka Securities Exchange Co., Ltd. Integration of TSE and OSE.

Sumitomo Mitsui Banking Corporation Acquired an Irish aircraft leasing company RBS Aviation Capital, jointly with Sumitomo Mitsui Finance and Leasing Company, Limited and Sumitomo Corporation.

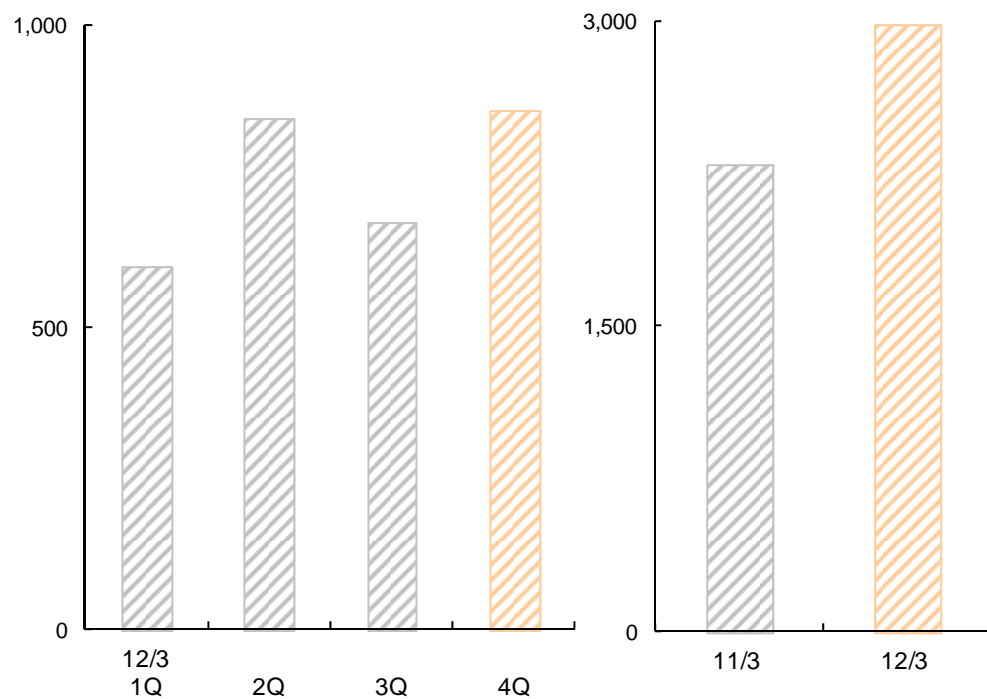
# Business collaboration with Sumitomo Mitsui Banking Corporation

【on a stand-alone basis】

- ◇ Referral from SMBC to SMBC Nikko and also intermediation of securities services from SMBC Nikko to SMBC are growing, indicating that cooperation between the bank and the broker-dealer has been on the track.
- ◇ The numbers of deals with clients referred by SMBC increased in bond management services (+29% Y on Y) and investment banking services (+24%).

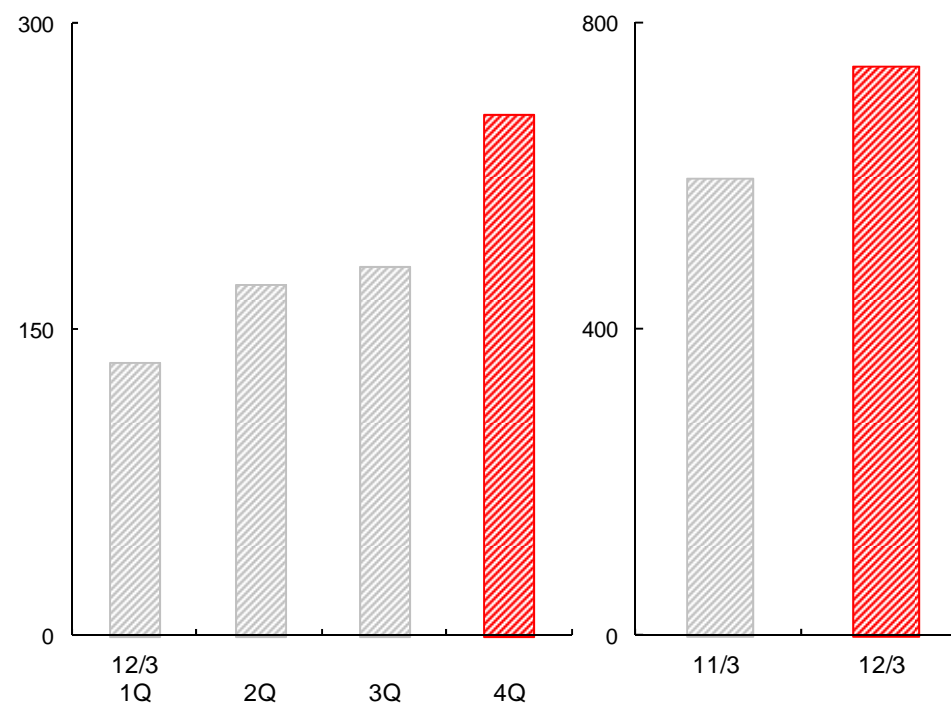
No. of deals with referred clients in bond management

(No. of deals)



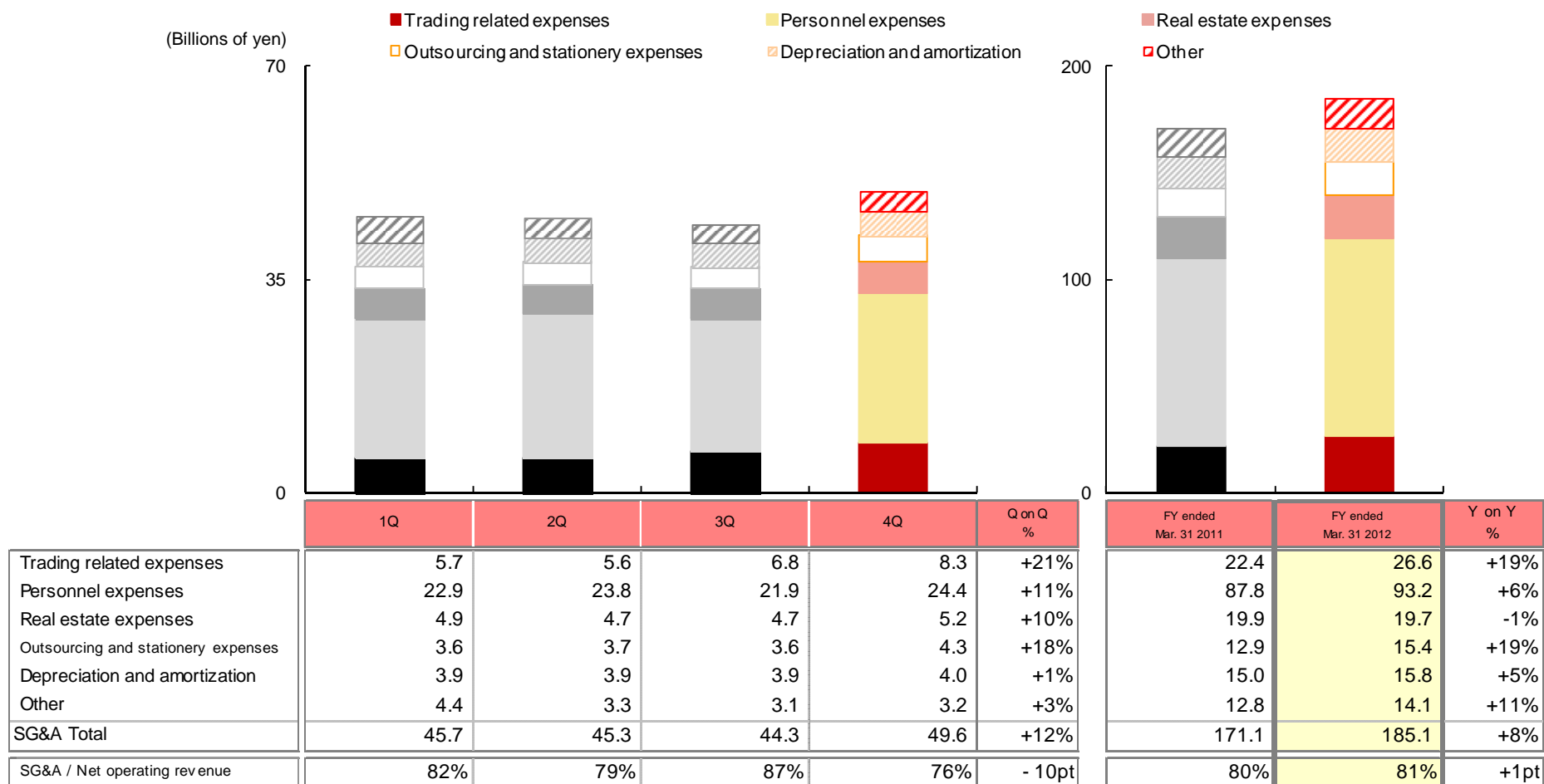
No. of deals with referred clients in investment business

(No. of deals)



# SG&A

- ◇ SG&A for the quarter was ¥ 49.6 B (+12% Q on Q).
- ◇ SG&A for the entire fiscal year increased by ¥ 14.0 B, mainly in personnel and outsourcing/stationery expenses due to continuing business enhancement to be a general securities firm including overseas operations.



# Balance sheet (consolidation basis) / Capital Adequacy Ratio

(Billions of Yen)	Mar.11	Mar.12	Variance
<b>Current assets</b>	7,794.9	8,058.2	+263.2
Trading products	2,528.0	3,723.4	+1,195.3
Loans secured by securities	4,296.7	3,766.8	-529.8
Other current assets	970.1	567.8	-402.2
<b>Noncurrent assets</b>	255.2	218.5	-36.6
Tangible assets	27.9	27.5	-0.3
Intangible assets	67.9	67.6	-0.3
Investments and other assets	159.2	123.3	-35.9
<b>Total assets</b>	<b>8,050.1</b>	<b>8,276.7</b>	<b>+226.5</b>
<b>Current liabilities</b>	7,474.0	7,409.8	-64.2
Trading products	1,638.4	1,987.3	+348.8
Loans payable secured by securities	1,081.6	2,320.4	+1,238.8
Short-term loans payable / Commercial papers	4,470.7	2,768.9	-1,701.8
Other current liabilities	283.2	333.2	+50.0
<b>Noncurrent liabilities / Reserves under the special laws</b>	135.5	408.1	+272.6
<b>Total liabilities</b>	<b>7,609.6</b>	<b>7,818.0</b>	<b>+208.4</b>
<b>Total net assets</b>	<b>440.5</b>	<b>458.6</b>	<b>+18.1</b>
<b>Total liabilities and net assets</b>	<b>8,050.1</b>	<b>8,276.7</b>	<b>+226.5</b>

【on a stand-alone basis】

(Billions of Yen)	Mar.11	Mar.12	Variance
Basic items	438.6	455.3	+16.6
Supplementary items	200.6	200.4	-0.2
Deductible assets	225.1	191.2	-33.9
Net capital	414.1	464.4	+50.2
Risk total	79.8	92.1	+12.3
Market Risk	27.3	34.4	+7.1
Counterparty Risk	12.0	12.5	+0.5
Basic Risk	40.4	45.1	+4.6
<b>Capital Adequacy Ratio</b>	<b>519%</b>	<b>504%</b>	<b>-15pt</b>

【on a stand-alone basis】

Credit ratings on Long Term

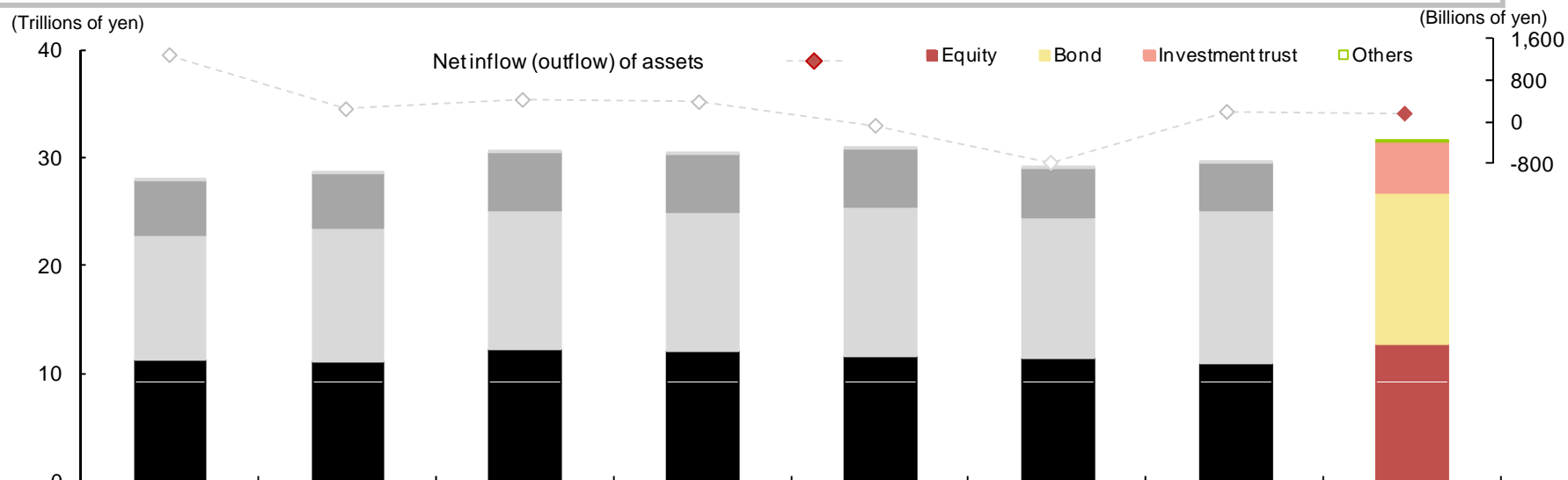
(as of April 27th, 2012)

S&P	Moody's	R&I	JCR
<b>A+</b> [ Negative ]	<b>A1</b> [ Stable ]	<b>A+</b> [ Positive ]	<b>AA-</b> [ Positive ]

# Client Assets / Net Inflow (Outflow) of Assets

[on a stand-alone basis]

- ◇ Client assets at the end of Mar. 2012 was ¥ 31.6 trillion (+6% Q on Q).
- ◇ Net inflow of retail client assets for the quarter was ¥ 163.7 B, due to fresh funds seeking for risky assets such as stocks and investment trusts backed by the turning around market.

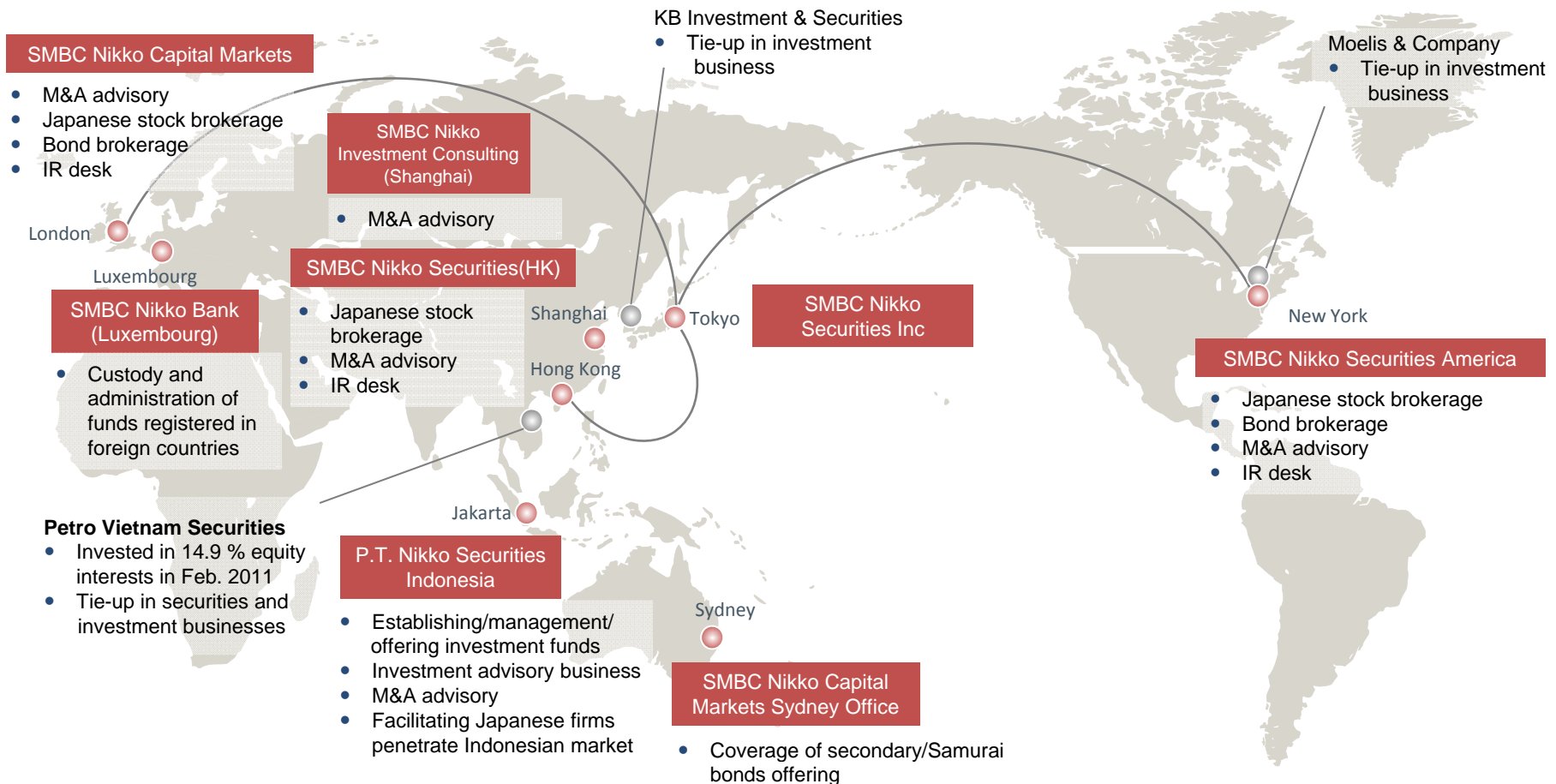


(Trillions of yen)	FY ended Mar. 2011				FY ended Mar. 2012			
	Jun.	Sep.	Dec.	Mar.11	Jun.	Sep.	Dec.	Mar.12
Equity	11.3	11.2	12.4	12.1	11.7	11.5	11.0	12.7
Bond	11.7	12.3	12.8	12.9	13.8	13.1	14.2	14.0
Investment trust	5.1	5.2	5.3	5.4	5.4	4.6	4.4	4.8
Others	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Client assets	28.1	28.8	30.6	30.6	31.0	29.3	29.7	31.6

(Billions of yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net inflow (outflow) of assets <Retail>	1,293.1	252.8	432.7	388.8	-66.6	-774.0	209.7	163.7
Inflow of assets	2,123.6	1,227.0	1,521.9	1,846.7	1,712.1	1,209.0	1,313.5	1,279.0
Outflow of assets	-830.4	-974.2	-1,089.2	-1,457.9	-1,778.7	-1,982.9	-1,103.8	-1,115.3

# Overseas Network

- ◇ In Mar. 2012, initiated securities businesses in Australia through SMBC Nikko Capital Markets Limited.
- ◇ In Jan. 2012, announced the conclusion of a new alliance agreement with Moelis & Company and SMBC to further tie-up in offering cross-border M&A advisory services.



## Operations started in Sydney, Australia

- On Mar. 1 2012, initiated securities business in Sydney, Australia through SMBC and its subsidiary SMBC Nikko Capital Markets Limited, aimed at offering more quality services to customers both in Japan and Australia, by creating access to Australian prospective clients wishing to issue debt securities and also offering a variety of investment choices to meet domestic investors' appetites.

## Promotion of JGB for retail customers

- Sold JGB Reconstruction Bonds for retail customers of Jan. and Feb. 2012 issues (subscribed from Dec. 2011 till Jan. 2012) amounting to ¥ 145.0 B, marking the highest among all the financial institutions dealing with JGBs' subscription. (source: website of Ministry of Finance Japan)

## Biggest-selling Japanese stock fund in the second-half of the FY

- Undervalued Japanese stock fund dubbed "Ryuushi-tan-tan" set in Jan. 2012 marked the biggest sales of ¥ 29.1 B of all the funds on the domestic equities launched during the second-half of the fiscal year.

## Analyst Ranking

- Institutional Investor the 19th analyst ranking SMBC Nikko was ranked at the 12th as a firm. (last year the 14th) Hiroshi Torii was ranked in the 1st in the REIT sector as a individual.
- Nikkei Veritas the 24th analyst ranking SMBC Nikko was ranked at the 7th as a firm. (last year the 9th) Hiroki Kawashima and Taku Ouchi were ranked both in the 1st in the construction and the shipbuilding & plant sector, respectively.
- Nikkei Veritas the 17th debt analyst/economist ranking SMBC Nikko was ranked at the 7th as a firm. (last year the 8th)



# Reference Data

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# Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY ended Mar. 2011					FY ended Mar. 2012				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Operating revenue	62,944	57,542	60,906	55,313	236,706	61,180	62,464	57,053	70,593	251,291
Commissions received	37,511	33,643	37,391	32,655	141,201	33,573	25,605	22,003	38,249	119,432
Brokerage commissions	4,621	2,933	4,130	5,499	17,185	3,045	3,610	2,831	4,410	13,898
Underwriting and distribution commissions	4,595	4,469	6,187	3,720	18,972	3,320	3,679	3,782	7,976	18,758
Flotation and distribution fees	18,137	15,299	16,645	12,070	62,153	17,417	8,524	6,141	14,615	46,699
Other commissions	10,156	10,940	10,428	11,364	42,890	9,790	9,790	9,247	11,247	40,075
Net trading income	17,508	14,873	15,487	14,695	62,564	20,935	29,591	27,716	24,054	102,298
Equities	21	-151	472	-900	-557	455	-313	144	23	309
Bonds / Foreign exchange	17,486	15,024	15,015	15,596	63,122	20,479	29,905	27,572	24,031	101,988
Other net gain on goods trading	0	0	0	0	0	-	-	-	-	-
Financial revenue	4,793	6,356	5,369	5,265	21,784	4,335	4,947	3,920	5,677	18,881
Net sales	3,131	2,669	2,657	2,696	11,154	2,336	2,319	3,412	2,610	10,679
Financial expenses	3,592	3,813	3,717	3,840	14,964	3,795	3,528	3,562	3,433	14,320
Cost of sales	2,426	1,758	1,767	1,953	7,905	1,845	1,892	2,241	2,109	8,088
Net operating revenue	56,924	51,970	55,421	49,519	213,835	55,539	57,042	51,249	65,049	228,882
SG&A	40,960	41,577	43,344	45,240	171,123	45,717	45,339	44,394	49,676	185,127
Operating income / loss	15,964	10,393	12,076	4,278	42,712	9,822	11,703	6,855	15,373	43,754
Ordinary income / loss	15,115	10,935	11,537	5,517	43,105	10,137	11,691	7,035	15,734	44,598
Extraordinary income / loss	-2,778	-554	231	-2,169	-5,271	-1,037	36	-1,398	1,180	-1,219
Net income before income taxes	12,337	10,380	11,768	3,347	37,834	9,099	11,727	5,636	16,915	43,378
Income taxes-current	788	962	455	608	2,814	161	241	777	598	1,778
Income taxes-deferred	567	2,680	4,809	1,469	9,527	4,908	4,755	6,463	5,967	22,094
Minority interests in income/(losses)	-30	18	13	8	10	8	3	1	-4	9
Net income / loss	11,011	6,719	6,489	1,260	25,481	4,021	6,727	-1,606	10,353	19,496

# Stand-alone Business Results (Quarterly Trend)

[on a stand-alone basis]

(Millions of yen)	FY ended Mar. 2011					FY ended Mar. 2012				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Operating revenue	58,251	53,119	56,697	50,594	218,663	57,093	58,806	51,944	65,773	233,618
Commissions received	36,236	32,277	36,165	31,207	135,887	32,336	24,718	20,834	36,680	114,570
Brokerage commissions	4,612	2,928	4,110	5,426	17,076	2,991	3,509	2,691	4,215	13,408
Underwriting and distribution commissions	4,595	4,469	6,187	3,720	18,972	3,320	3,674	3,781	7,976	18,753
Flotation and distribution fees	18,137	15,299	16,645	12,070	62,153	17,357	8,508	6,140	14,597	46,604
Other commissions	8,891	9,580	9,222	9,989	37,684	8,666	9,026	8,220	9,890	35,804
Net trading income	17,605	14,853	15,466	14,681	62,606	20,935	29,591	27,716	24,054	102,298
Equities	116	-171	451	-914	-518	455	-313	144	23	309
Bonds / Foreign exchange	17,489	15,024	15,014	15,596	63,125	20,479	29,905	27,572	24,031	101,988
Other net gain on goods trading	0	0	0	0	0	-	-	-	-	-
Financial revenue	4,408	5,988	5,065	4,705	20,168	3,822	4,496	3,393	5,037	16,749
Financial expenses	3,237	3,471	3,453	3,311	13,474	3,311	3,100	3,061	2,823	12,296
Net operating revenue	55,013	49,647	53,244	47,282	205,188	53,782	55,706	48,883	62,949	221,321
SG&A	40,543	41,069	41,814	43,219	166,646	44,760	44,676	43,771	48,142	181,350
Operating income / loss	14,470	8,578	11,430	4,063	38,542	9,021	11,030	5,111	14,806	39,970
Ordinary income / loss	13,344	9,311	10,739	4,940	38,336	8,982	11,166	5,207	14,945	40,303
Extraordinary income / loss	-2,328	-430	29	-1,889	-4,619	-876	179	-971	210	-1,458
Net income before income taxes	11,015	8,880	10,768	3,051	33,716	8,105	11,346	4,235	15,156	38,844
Income taxes-current	371	40	40	65	516	10	39	64	30	144
Income taxes-deferred	399	2,947	4,884	1,444	9,675	4,661	4,554	6,669	6,175	22,059
Net income / loss	10,245	5,893	5,844	1,541	23,524	3,434	6,753	-2,497	8,951	16,641

# Operational Indicators -1

[on a stand-alone basis]

## ◇ Sales of Products

(Billions of yen)	FY ended Mar. 2011					FY ended Mar. 2012				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Investment trusts	682.9	590.0	618.4	489.4	2,380.6	646.7	403.7	266.9	533.7	1,851.0
(Equity investment trusts)	(253.0)	(455.7)	(494.0)	(336.6)	(1,539.3)	(466.9)	(244.5)	(134.6)	(286.5)	(1,132.6)
(Foreign registered investment trusts)	(388.6)	(97.2)	(88.3)	(112.1)	(686.2)	(130.9)	(113.3)	(90.8)	(207.3)	(542.3)
Foreign bonds (*)	433.2	483.3	405.0	572.4	1,894.0	614.9	597.0	575.3	596.4	2,383.7
(Foreign currency bonds)	(70.2)	(79.2)	(81.3)	(101.8)	(332.5)	(136.7)	(239.6)	(223.1)	(159.3)	(758.7)
Domestic bond	515.4	462.7	494.6	478.1	1,950.8	534.6	451.1	447.6	424.8	1,858.1
(Retail target JGBs)	(51.2)	(6.7)	(3.3)	(4.7)	(65.8)	(117.0)	(31.8)	(145.2)	(4.6)	(298.7)
Public offering	34.3	33.1	71.9	38.6	177.9	22.5	28.0	20.8	117.3	188.7
Annuity / insurance	1.1	1.8	0.9	0.9	4.7	1.6	3.9	3.1	3.3	12.0
<b>Total</b>	<b>1,666.8</b>	<b>1,571.0</b>	<b>1,590.9</b>	<b>1,579.5</b>	<b>6,408.2</b>	<b>1,820.5</b>	<b>1,483.8</b>	<b>1,313.6</b>	<b>1,675.5</b>	<b>6,293.4</b>

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

## ◇ Underwriting Share (Book runner)

	FY ended Mar. 2011				FY ended Mar. 2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
ECM Global Equity (*1)	4.2%	0.9%	3.3%	1.2%	27.2%	14.3%	4.8%	27.1%
DCM All bond in Yen (*2)	12.5%	16.1%	14.4%	14.8%	11.5%	22.8%	12.5%	12.8%
M&A Japan related (*3)	10.6%	13.7%	39.9%	12.4%	0.8%	56.6%	11.5%	9.3%

(\*1) Global Equity & Equity-Related - Japan : Book runner

(\*2) All Bonds in Yen, Lead manager

(\*3) Any Japanese involvement announced excluding real property deals : Rank value

source: prepared by SMBC Nikko based on the information published by THOMSON REUTERS

source: prepared by SMBC Nikko

source: prepared by THOMSON REUTERS

# Operational Indicators -2

【on a stand-alone basis】

## ◇ Direct Channel Ratio(\*1)

	FY ended Mar. 2011				FY ended Mar. 2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Based on number of transaction	81.0%	78.8%	74.9%	83.1%	86.6%	88.2%	89.3%	88.0%
(Nikko EZ Trade)	( 65.2%)	( 62.9%)	( 60.1%)	( 68.5%)	( 73.1%)	( 77.3%)	( 80.7%)	( 79.5%)
Based on commissions	47.1%	41.0%	34.6%	50.3%	52.6%	50.8%	49.5%	27.5%
(Nikko EZ trade)	( 29.2%)	( 24.8%)	( 20.2%)	( 30.0%)	( 29.6%)	( 29.9%)	( 29.6%)	( 17.1%)

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

## ◇ Brokerage Commissions Rate (\*2)

(Billions of yen)	FY ended Mar. 2011				FY ended Mar. 2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Equity brokerage amounts	718.3	558.9	857.5	1,227.9	860.3	1,375.7	945.1	1,711.9
Equity brokerage commissions	4.3	2.8	3.9	5.2	2.9	3.4	2.7	4.3
Equity commissions rate	58.1bp	47.1bp	44.2bp	39.3bp	33.0bp	22.6bp	24.7bp	22.8bp

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

# Operational Indicators -3

【on a stand-alone basis】

◇ Number of Accounts (Thousands of accounts)	FY ended Mar. 2011				FY ended Mar. 2012			
	Jun.10	Sep.10	Dec.10	Mar.11	Jun.11	Sep.11	Dec.11	Mar.12
Total accounts	2,524	2,533	2,548	2,640	2,604	2,562	2,531	2,501
Cash management accounts	1,963	1,971	1,978	2,109	2,128	2,120	2,111	2,102
Newly opened accounts	20	16	20	138	28	24	31	35

【on a stand-alone basis】

◇ Number of Branches	FY ended Mar. 2011				FY ended Mar. 2012			
	Jun.10	Sep.10	Dec.10	Mar.11	Jun.11	Sep.11	Dec.11	Mar.12
Number of branches	109	109	109	109	109	109	109	109

◇ Number of Employees	FY ended Mar. 2011				FY ended Mar. 2012			
	Jun.10	Sep.10	Dec.10	Mar.11	Jun.11	Sep.11	Dec.11	Mar.12
Number of Employees	7,746	7,821	7,946	7,943	8,556	8,557	8,510	8,445

