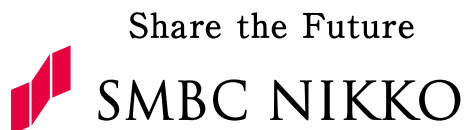


Earnings Announcement for the Second Quarter of FY2017 ending March 31, 2018 (JGAAP)

SMBC Nikko Securities Inc.

October 30, 2017



		[Reference Data]	
Summary of business results for 2Q of the FY ending Mar. 2018	2	Consolidated Business Results (Quarterly Trend)	19
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The information contained in this document is based on data available as of October 30, 2017 and this document is intended to provide information on the business results of SMBC Nikko Securities Inc. Any information and opinions contained in this document reflect our judgment as of the date of preparation of the document (October 30, 2017) 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 2Q of the FY ending Mar. 2018

6 months to
Sep.30 2017

- **Net operating revenue : ¥ 164.8 B (+11% Y on Y), Ordinary income : ¥ 41.8 B (+33%), Profit (*1) : ¥ 28.8 B (+31%)**
Higher stock prices both in and outside Japan contributed to expand most revenue, and achieved increase in income and profit Y on Y.
- Equity brokerage amount was ¥ 14.7 trillion (+18%).
Aggregate sales of product was ¥ 4.9 trillion (-6%). Sale of investment trusts was ¥ 1.1 trillion (-2%), foreign bonds was ¥ 1.5 trillion (+17%) and domestic bonds was ¥ 1.8 trillion (-24%).
- Underwriting commission was ¥ 12.4 B (-37%).
League table rankings for Apr. 2017 - Sep. 2017
6th place (*2) in Global Equity & Equity-Related-Japan
5th place (*3) in All Bonds in Yen
5th place (*4) in terms of value and 1st in terms of number of deals for M&A announced deals
- SG&A was ¥ 124.7 B (+4%).
- As of the end of Sep. 2017, total assets was ¥ 12.4 trillion, net assets was ¥ 564.3 B, capital adequacy ratio (non-consolidated) was 328%, reflecting a sound financial base of the company.

FY ending
Mar. 2018 2Q

- **Net operating revenue : ¥ 82.7 B (+1% Q on Q), Ordinary income : ¥ 20.9 B (-0%), Profit (*1) : ¥ 14.3 B (-1%)**
- Aggregate sale of products was ¥ 2.3 trillion (-7%), and domestic bonds was ¥ 773.9 B (-26%).

Billions of Yen	FY2017		Q on Q	6 months to Sep. 30 2016	6 months to Sep. 30 2017	Y on Y
	1Q	2Q				
Operating revenue	91.4	91.5	+0%	163.0	183.0	+12%
Net operating revenue	82.1	82.7	+1%	149.1	164.8	+11%
SG&A	62.3	62.4	+0%	119.5	124.7	+4%
Ordinary income / loss	20.9	20.9	-0%	31.5	41.8	+33%
Income before taxes	20.5	20.4	-1%	31.3	41.0	+31%
Profit / loss(*1)	14.4	14.3	-1%	22.0	28.8	+31%
	Mar.-end '17	Sep.-end '17	From Mar. -end '17	Sep.-end '16	Sep.-end '17	Y on Y
Total assets (Trillions of yen)	11.6	12.4	+0.7	9.5	12.4	+2.8
Total net assets (Billions of yen)	544.2	564.3	+20.1	507.0	564.3	+57.3

(*1) profit attributable to owners of parent

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

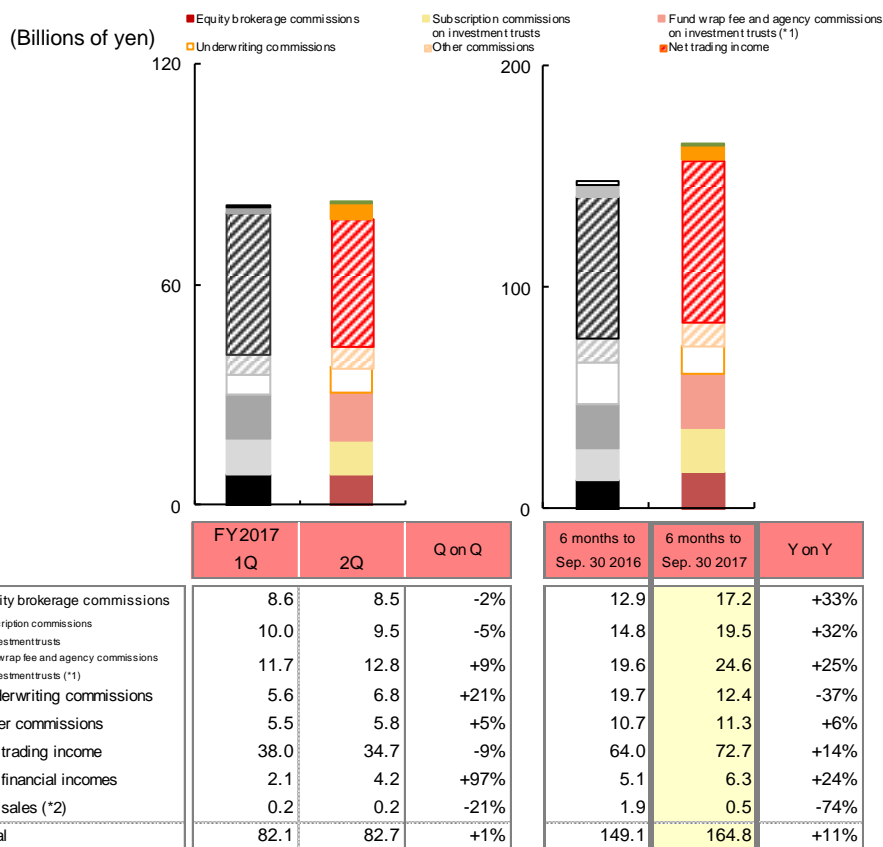
(*3) Source: prepared by SMBC Nikko based on the information published by THOMSON REUTERS

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

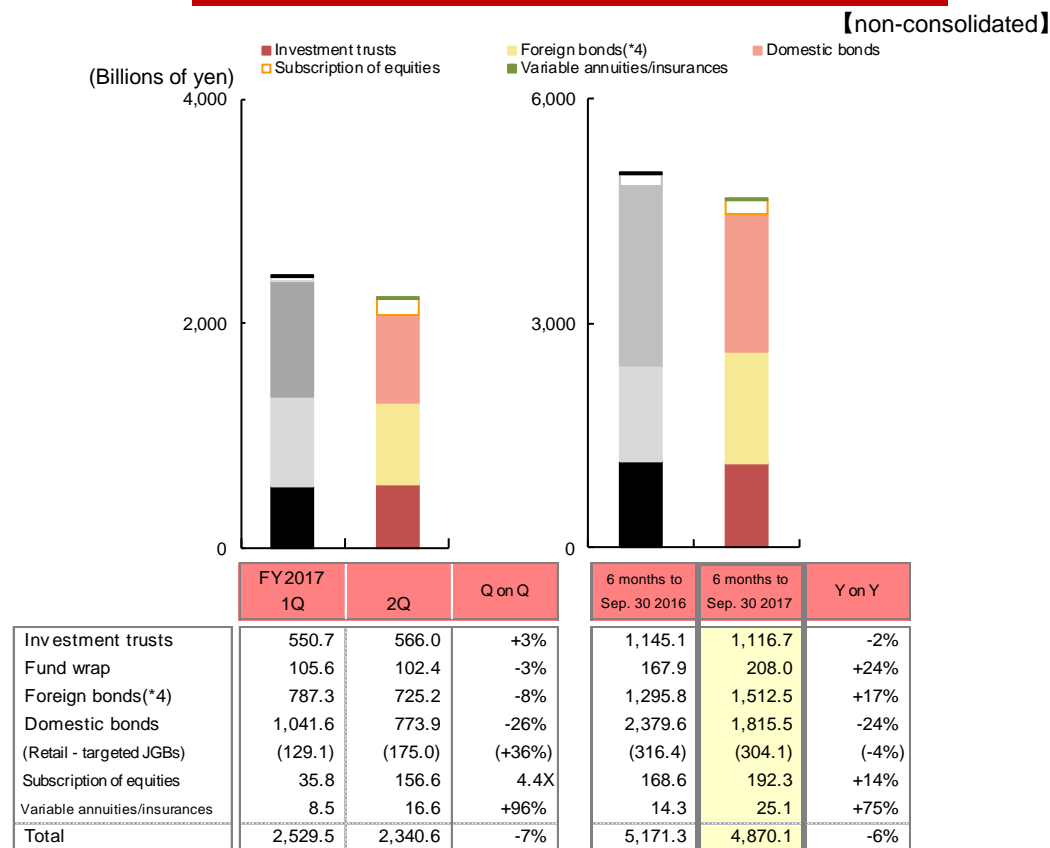
Net operating revenue / Product sales

- ◇ Net operating revenue for this quarter was ¥ 82.7 B (+1% Q on Q), aggregate sale of products was ¥ 2,340.6 B (-7%). Although there were both increase / decrease, most revenue remained at same level as the previous quarter and kept increase in income.
- ◇ Net operating revenue for the first half was ¥ 164.8 B (+11% Y on Y), aggregate sales of product was ¥ 4,870.1 B (-6%). Although underwriting commissions decreased Q on Q, stock related revenue increased by higher stock prices and favorable expansion of client assets including fund wrap contributed to increase this revenue.

Net operating revenue



Product Sales(*3)



(*1) Fund wrap fee was separated from "other commissions" and presented as "fund wrap fee and agency commissions" from FY 2017 1Q, and FY 2016 was adjusted retrospectively.

Agency commissions include custody fee.

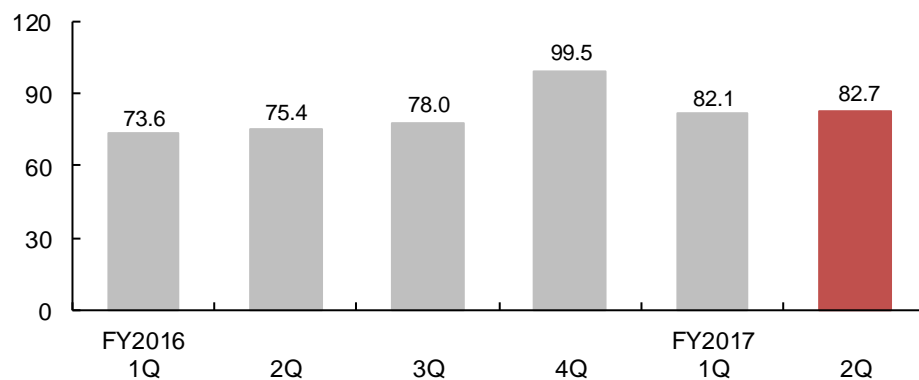
(*2) other sales minus cost of sales (*3) including sale of fund wrap from FY 2017 1Q

(*4) Sale of foreign bonds includes already-issued bonds and yen-denominated foreign bonds.

Business Results (Quarterly Trend)

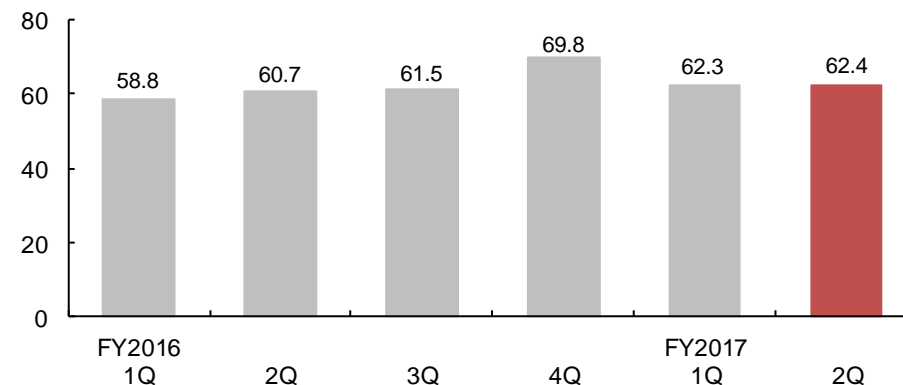
Net operating revenue

(Billions of yen)



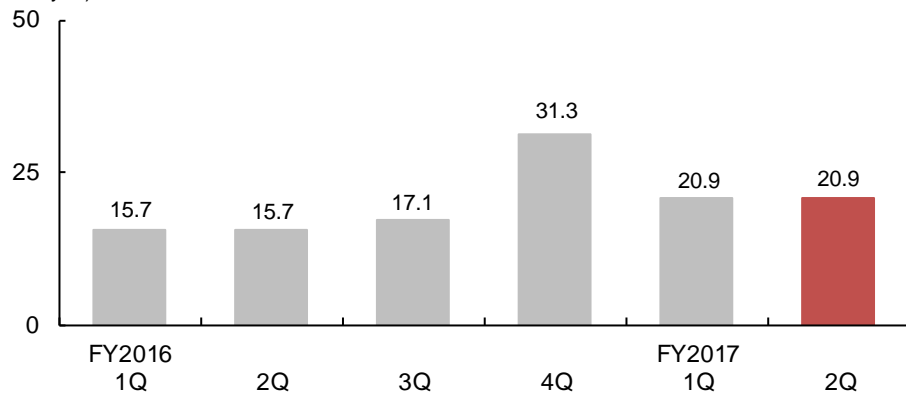
SG&A

(Billions of yen)



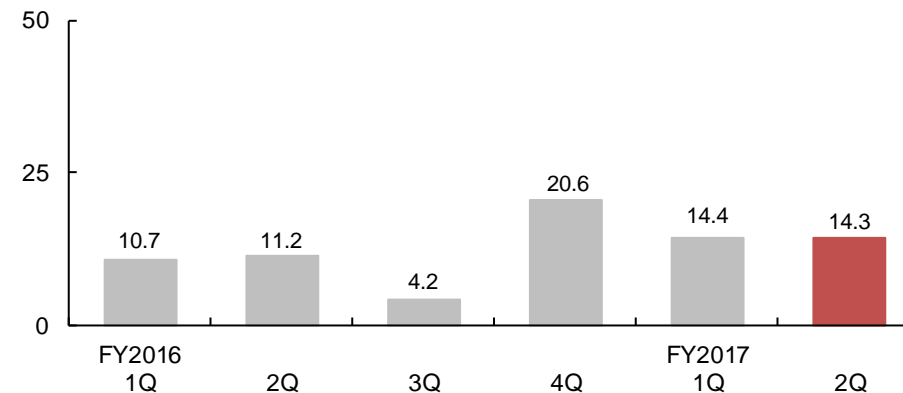
Ordinary income

(Billions of yen)



Profit (*)

(Billions of yen)



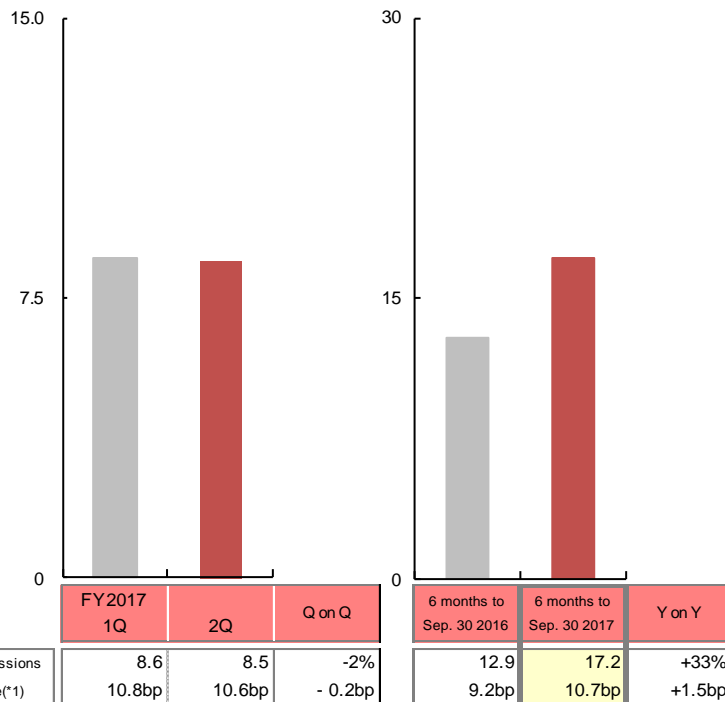
(*) profit attributable to owners of parent

Equity brokerage commissions

- ◇ Equity brokerage amount for this quarter was ¥ 7,354.1 B (+1% Q on Q), and equity brokerage commissions was ¥ 8.5 B (-2%). Although sales amount shrank over the entire market, equity brokerage amount slight increased Q on Q and TSE share expanded.
- ◇ Equity brokerage amount for the first half was ¥ 14,650.0 B (+18% Y on Y), and equity brokerage commissions was ¥ 17.2 B (+33%).

Equity brokerage commissions

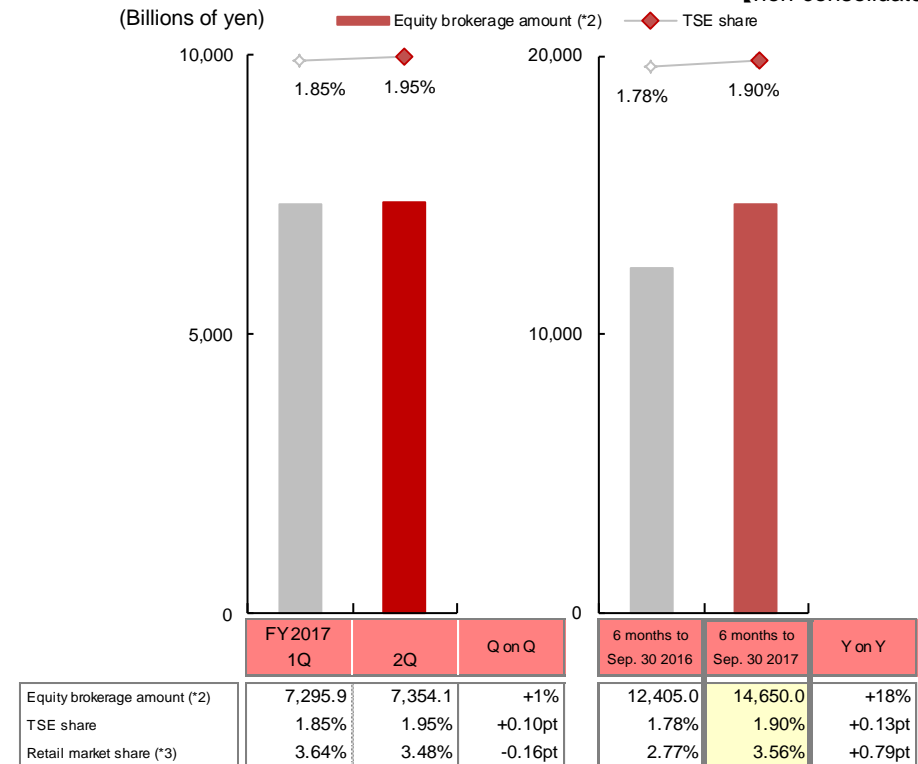
(Billions of yen)



Equity brokerage amount / TSE share

【non-consolidated】

(Billions of yen)



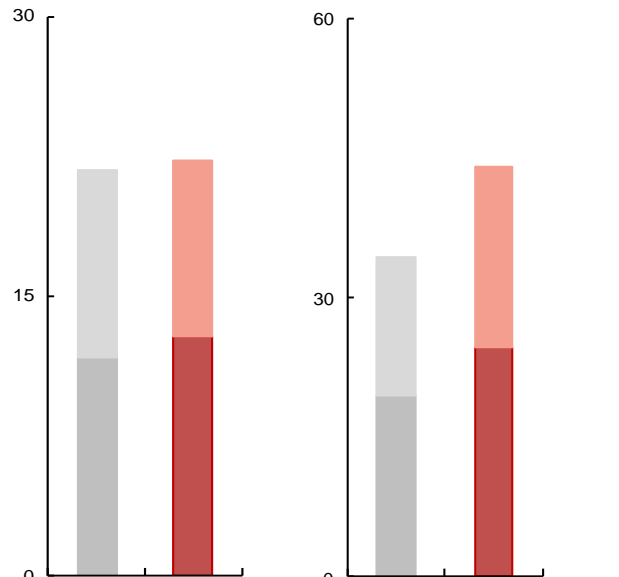
Commissions on investment trusts and fund wrap

- ◇ Sale of investment trusts for this quarter was ¥ 566.0 B (+3% Q on Q), subscription commissions on investment trusts was 9.5 B (-5%). The sale of stock investment trusts steadily increased, and subscription commissions kept the same level as the previous quarter.
- ◇ Sale of investment trusts for the first half was ¥ 1,116.7 B (-2% Y on Y), subscription commissions on investment trusts was ¥ 19.5 B (+32%). Client assets including fund wrap was ¥ 8,611.1 B (+17%), fund wrap fee and agency commissions was ¥ 24.6 B (+25%).

Subscription commissions (*1)

(Billions of yen)

■ Fund wrap fee and agency commissions ■ Subscription commissions

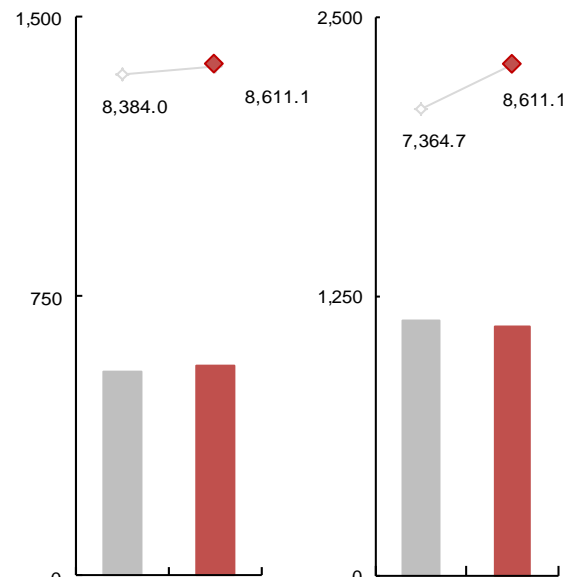


	6 months to Sep. 30 2016	6 months to Sep. 30 2017	Y on Y
Subscription commissions	14.8	19.5	+32%
Fund wrap fee and agency commissions	19.6	24.6	+25%

Sales / Client Assets of Investment trusts

(Billions of yen)

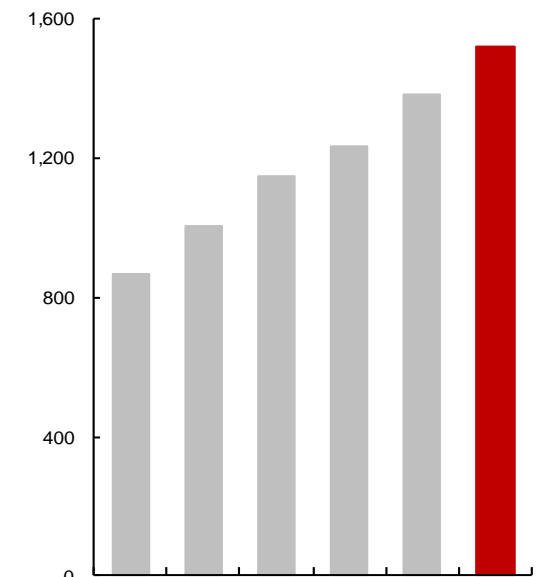
■ Sale of investment trusts ◆ Client Assets of Investment trusts



	6 months to Sep. 30 2016	6 months to Sep. 30 2017	Y on Y
Sale of investment trusts	1,145.1	1,116.7	-2%
Sale of fund wrap	167.9	208.0	+24%

Client Assets of Fund wrap (*2)

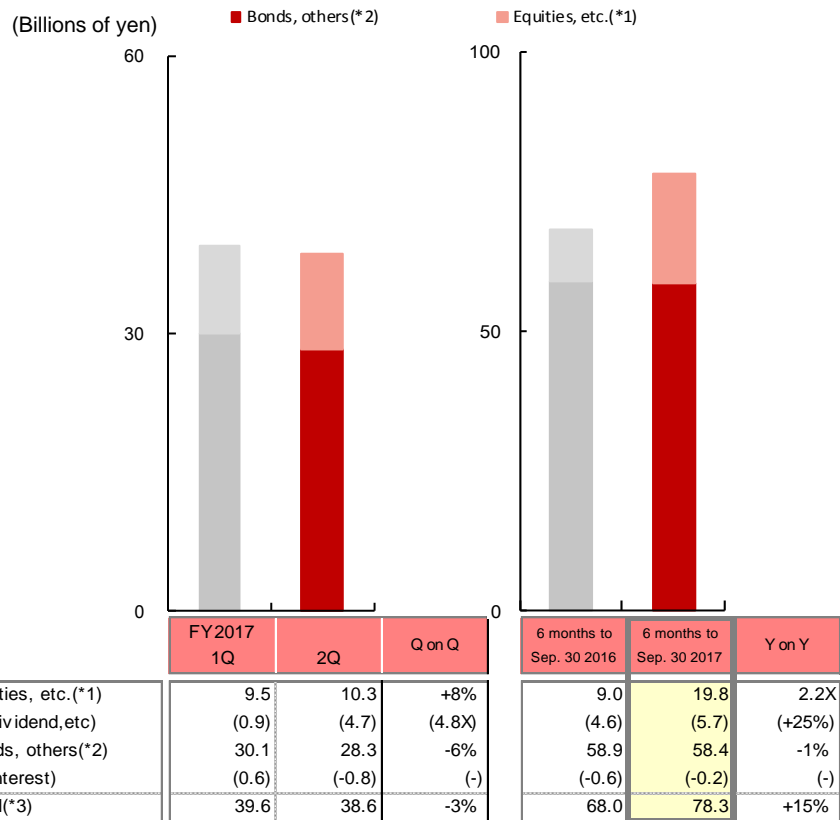
(Billions of yen)



Net trading income

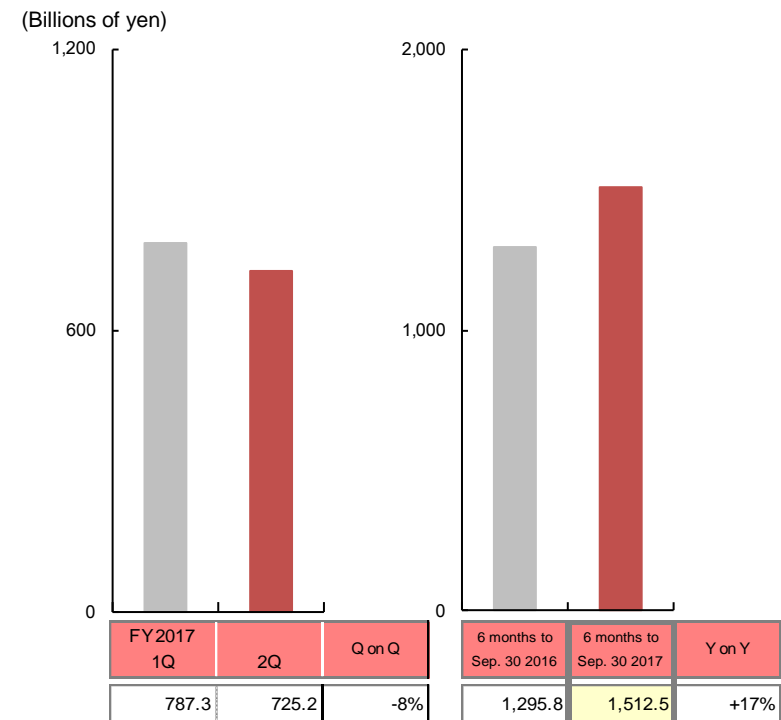
- ◇ Net trading income (adjusted net financial income) for this quarter was ¥ 38.6 B (-3% Q on Q), the sale of foreign bonds was ¥ 725.2 B (-8%). Although net trading income of bonds and others decreased, net trading income of equities increased along with the transaction of foreign stocks.
- ◇ Net trading income (adjusted net financial income) for the first half was ¥ 78.3 B (+15% Y on Y), remained at high level.

Net trading income (adjusted net financial income)



Sale of foreign bonds

【non-consolidated】

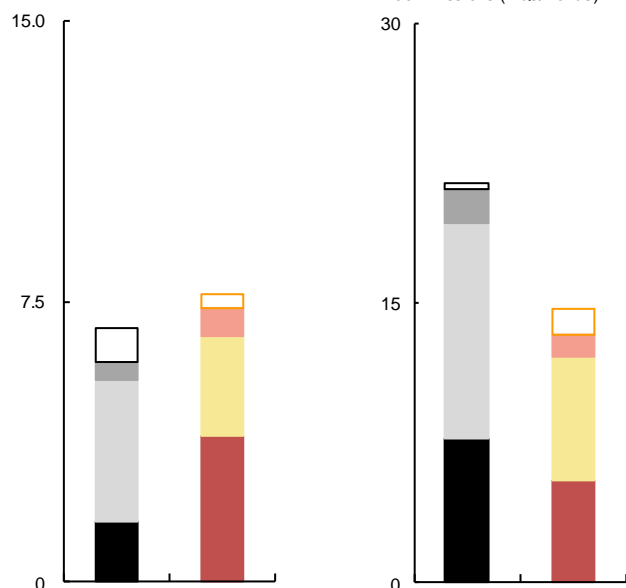


Underwriting commissions (Equities / Bonds)

- ◇ Underwriting commissions for this quarter was ¥ 6.8 B (+21% Q on Q).
- ◇ For Apr. 2017 - Sep. 2017, book runner in Global Equity & Equity-Related-Japan: share 6.2% in 6th place, underwriter in IPO: 3rd place in terms of number of deals and, 2nd place in terms of proceeds, lead manager in All Bonds in Yen: share 16.1% in 5th place.

Underwriting commissions (Equities / Bonds)

(Billions of yen) ■ Equities ■ Bonds ■ Subscription and Distribution commissions (EQs/Bonds) ■ Others(1*)



	FY2017 1Q	2Q	Q on Q	6 months to Sep. 30 2016	6 months to Sep. 30 2017	Y on Y
Underwriting commissions	5.6	6.8	+21%	19.7	12.4	-37%
Equities	1.6	3.9	2.4X	7.7	5.5	-29%
Bonds	3.8	2.7	-30%	11.6	6.6	-43%
Subscription and Distribution commissions (EQs/Bonds)	0.5	0.7	+25%	1.8	1.2	-29%
Others(1*)	0.9	0.4	-57%	0.3	1.4	4.2X

Global Equity & Equity-Related-Japan (*2) Apr. 2017 - Sep. 2017

Rank	Book runner	Proceeds (bill of yen)	Mkt.Share (%)
1	Nomura	673.7	24.6%
2	Daiwa	574.9	21.0%
3	Mitsubishi UFJ Morgan Stanley	381.3	13.9%
4	Mizuho	356.8	13.0%
6	SMBC Nikko	170.1	6.2%

IPO (*3) Apr. 2017 - Sep. 2017

Rank	Book runner	No. Deals	Rank	Underwriter	Proceeds (bill of yen)
1	Nomura	7	1	Nomura	50.7
2	Daiwa Securities Group Inc	5	2	Sumitomo Mitsui Financial Group	25.1
3	Sumitomo Mitsui Financial Group	4	3	Mizuho Financial Group	11.3
3	Mizuho Financial Group	4	4	Daiwa Securities Group Inc	7.6
5	SBI Holdings	3	5	Morgan Stanley	6.8

All Bonds in Yen (*4) Apr. 2017 - Sep. 2017

Rank	Manager	Proceeds (bill of yen)	Mkt.Share (%)
1	Mizuho	2,299.7	22.3%
2	Mitsubishi UFJ Morgan Stanley	2,079.6	20.1%
3	Nomura	1,848.1	17.9%
4	Daiwa	1,677.3	16.2%
5	SMBC Nikko	1,666.1	16.1%

(*1) including revenues related to securitization arrangements

(*2) (*3) prepared by SMBC Nikko based on the information published by THOMSON REUTERS (including overseas entities)

(*4) prepared by SMBC Nikko based on the information published by THOMSON REUTERS (corporate bonds, FILP agency/municipality bonds(proportional shares as lead manager),samurai bonds)

- ◇ For Apr. 2017 - Sep. 2017 in the league table of M&A financial advisor for Japanese involvement announced deals:
With 102 deals acquired in total, ranked 5th in terms of value (market share 9.1%) and 1st in terms of number of deals (market share 6.1%).

Financial Advisor Rank value basis Apr. 2017 - Sep. 2017

Rank	Advisor	Rank value (bill of yen)	Mkt.Share (%)
1	Nomura	4,095.6	40.6%
2	Goldman Sachs	3,073.3	30.5%
3	Morgan Stanley	2,977.9	29.5%
4	Credit Suisse	2,308.0	22.9%
5	Sumitomo Mitsui Financial Group	920.8	9.1%

Financial Advisor No. of deals Apr. 2017 - Sep. 2017

Rank	Advisor	No. Deals	Mkt.Share (%)
1	Sumitomo Mitsui Financial Group	102	6.1%
2	Mizuho Financial Group	82	4.9%
3	Nomura	56	3.4%
4	Kaede Group	30	1.8%
5	Deloitte	24	1.4%

Major announced deals Apr. 2017 – Sep. 2017

SECOM / TMJ (Benesse & Marubeni)

SECOM CO., LTD. acquired all of the issued shares of common stock of TMJ, Inc. from Benesse Holdings, Inc. (60%) and Marubeni Corporation (40%), and reinforced outsourcing services including call-center services. (SMBC Nikko serves as an advisor for SECOM.)

Sawai Pharmaceutical / Upsher - Smith Laboratories

Sawai Pharmaceutical Co., Ltd. announced the signing of an agreement to acquire all the equity interest in the generic pharmaceuticals business of Upsher - Smith Laboratories, Inc. through the new subsidiary in the US. (SMBC Nikko serves as an advisor for Sawai Pharmaceutical.)

Toyota / Mazda

Toyota Motor Corporation and Mazda Motor Corporation signed an agreement to enter a business and capital alliance. The companies mutually acquired shares: Mazda acquired Toyota shares through a disposition of treasury stock implemented by Toyota, and Toyota acquired shares of common stock issued by Mazda. (SMBC Nikko serves as an advisor for Mazda.)

Tokai Carbon / SGL GE Holding GmbH (Showa Denko)

SHOWA DENKO K.K. agreed to transfer SGL GE's US business to Tokai Carbon Co., Ltd., (SMBC Nikko and Moelis & Company serve as advisors for Showa Denko.)

Marubeni / Creekstone Farms Premium Beef LLC

Marubeni Corporation acquired Creekstone Farms Premium Beef LLC and entered into the production and sales of beef in the US. (SMBC Nikko and SMBC Nikko securities America serve as advisors for Marubeni.)

Alps Electric / Alpine

Alps Electric Co., Ltd. agreed to make Alpine Electronics, Inc. a wholly owned subsidiary via stock exchange and conduct a business integration. (SMBC Nikko serves as an advisor for Alpine.)

Business collaboration with Sumitomo Mitsui Banking Corporation

【non-consolidated】

◇ Collaboration with SMBC kept on track as the number of individual customers' accounts and the referral of corporate clients grew steadily.

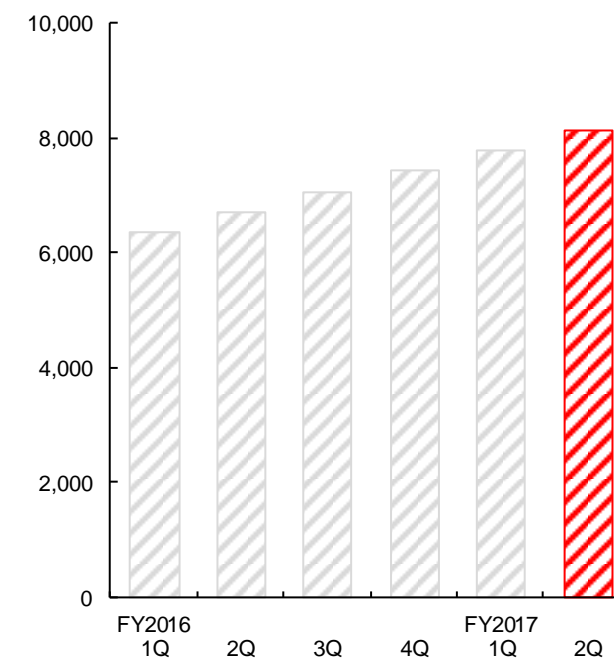
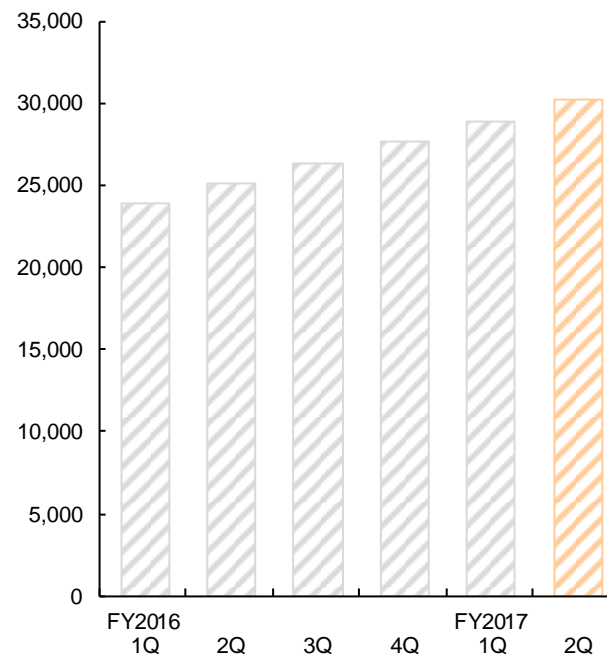
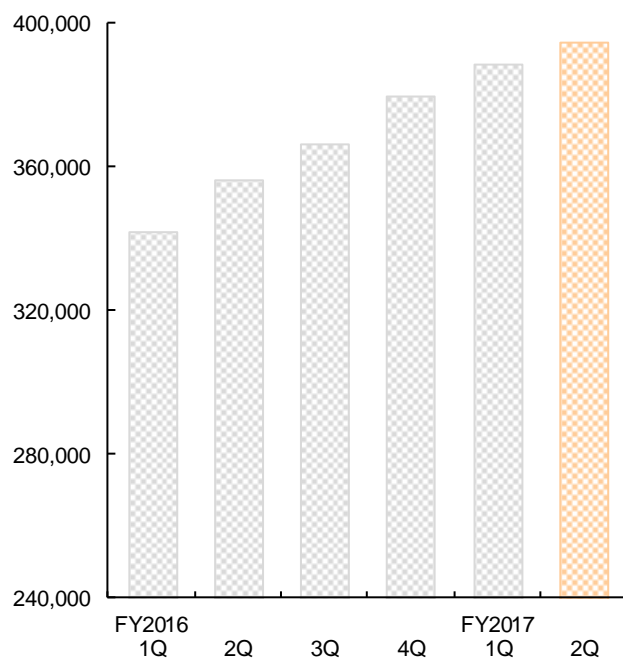
Asset management (Referral service and financial products intermediary service (*1))

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.

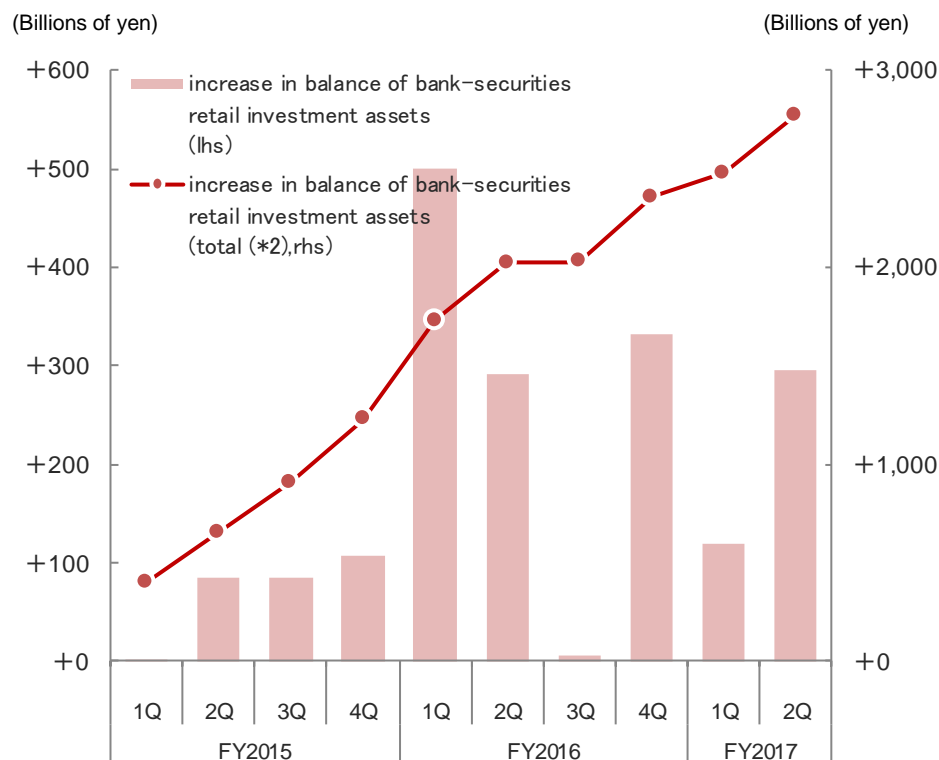
(*2) The number of accounts at the end of each quarter with regards to individual customer who either was referred by SMBC to SMBC Nikko or opened an account with SMBC Nikko via SMBC's financial products intermediary service.

(*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.

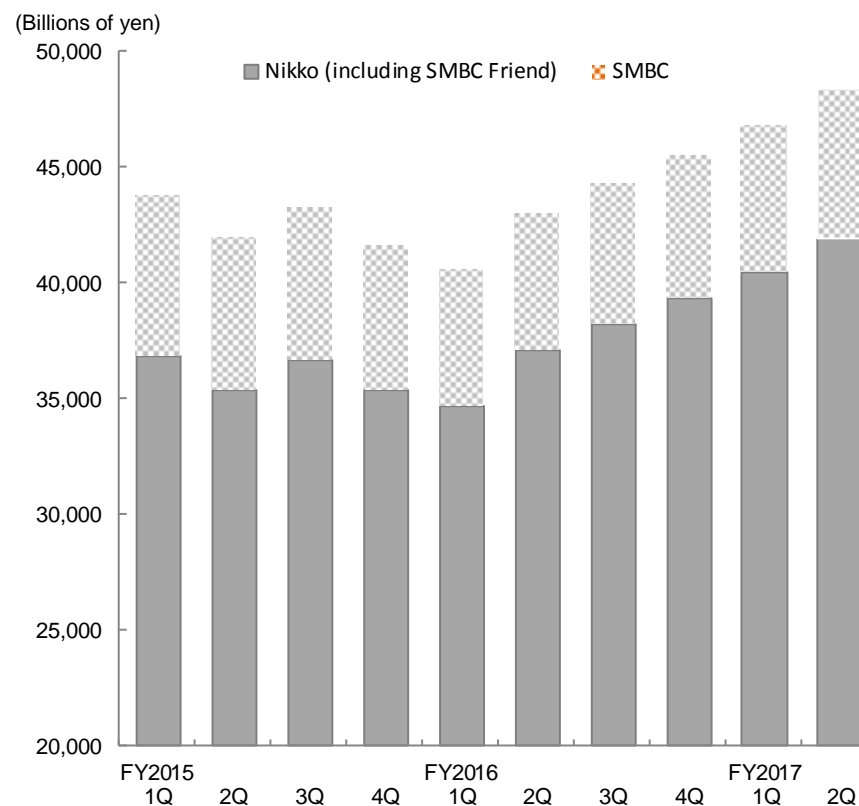
【Reference】 Sum of bank-securities retail investment assets

◇ In retail business, sum of bank-securities investment assets trends upward.

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



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



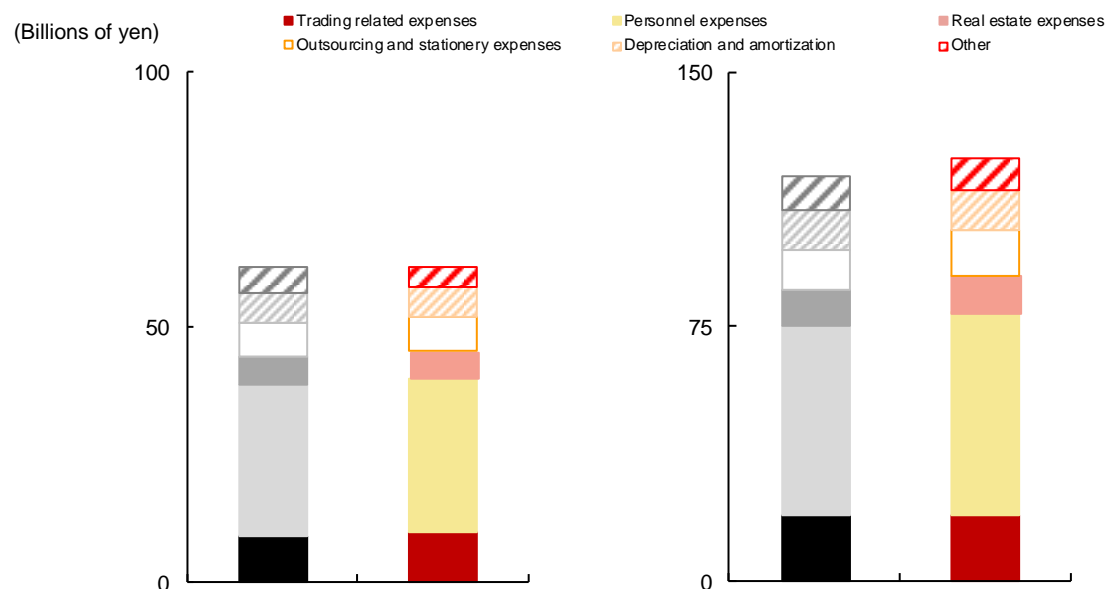
(*1) Sum of retail investment assets (foreign deposit, investment trusts, single premium life insurance) change of SMBC and investment assets (net inflow of assets) change at the sales division (retail) of Nikko

(*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 other than retail) of Nikko

SG&A

- ◇ SG&A for this quarter was ¥ 62.4 B (+0% Q on Q).
- ◇ SG&A for the first half was ¥ 124.7 B (+4% Y on Y), personnel expenses linked to company operations increased.



(Billions of yen)	FY2017 1Q	2Q	Q on Q	6 months to Sep. 30 2016	6 months to Sep. 30 2017	Y on Y
Trading related expenses	9.3	9.8	+5%	19.4	19.2	-1%
Personnel expenses	29.5	30.2	+2%	55.9	59.8	+7%
Real estate expenses	5.5	5.3	-3%	10.5	10.9	+3%
Outsourcing and stationery expenses	6.6	6.6	-0%	12.1	13.2	+9%
Depreciation and amortization	5.9	6.0	+2%	11.8	12.0	+2%
Other	5.2	4.1	-20%	9.6	9.4	-3%
SG&A/ Fixed expense	62.3	62.4	+0%	119.5	124.7	+4%
SG&A/ Net operating revenue	76%	75%	- 0pt	80%	76%	- 4pt

Balance Sheet / Capital Adequacy Ratio

(Billions of Yen)	Mar.17	Sep.17	Variance
Current assets	11,429.1	12,171.2	+742.1
Trading products	4,058.3	3,855.5	-202.7
Loans secured by securities	5,233.1	6,297.3	+1,064.1
Other current assets	2,137.6	2,018.3	-119.2
Noncurrent assets	258.3	262.0	+3.7
Tangible assets	25.3	24.7	-0.5
Intangible assets	78.4	76.3	-2.1
Investments and other assets	154.4	160.9	+6.4
Total assets	11,687.4	12,433.2	+745.8
Current liabilities	10,354.9	11,144.7	+789.7
Trading products	2,571.5	2,662.8	+91.3
Loans payable secured by securities	5,444.1	6,511.5	+1,067.3
Short-term loans payable / Commercial papers	1,438.4	1,224.4	-213.9
Other current liabilities	900.8	745.9	-154.8
Noncurrent liabilities / Reserves under the special laws	788.2	724.1	-64.0
Total liabilities	11,143.1	11,868.9	+725.7
Total net assets	544.2	564.3	+20.1
Total liabilities and net assets	11,687.4	12,433.2	+745.8

【non-consolidated】

(Billions of Yen)	Mar.17	Sep.17	Variance
Basic items	496.1	509.8	+13.7
Supplementary items	117.9	121.4	+3.5
Deductible assets	158.6	158.5	-0.0
Net capital	455.4	472.7	+17.3
Risk total	137.6	144.0	+6.4
Market Risk	57.1	60.1	+3.0
Counterparty Risk	21.3	20.3	-0.9
Basic Risk	59.2	63.5	+4.2
Capital Adequacy Ratio	331%	328%	-3pt

【non-consolidated】

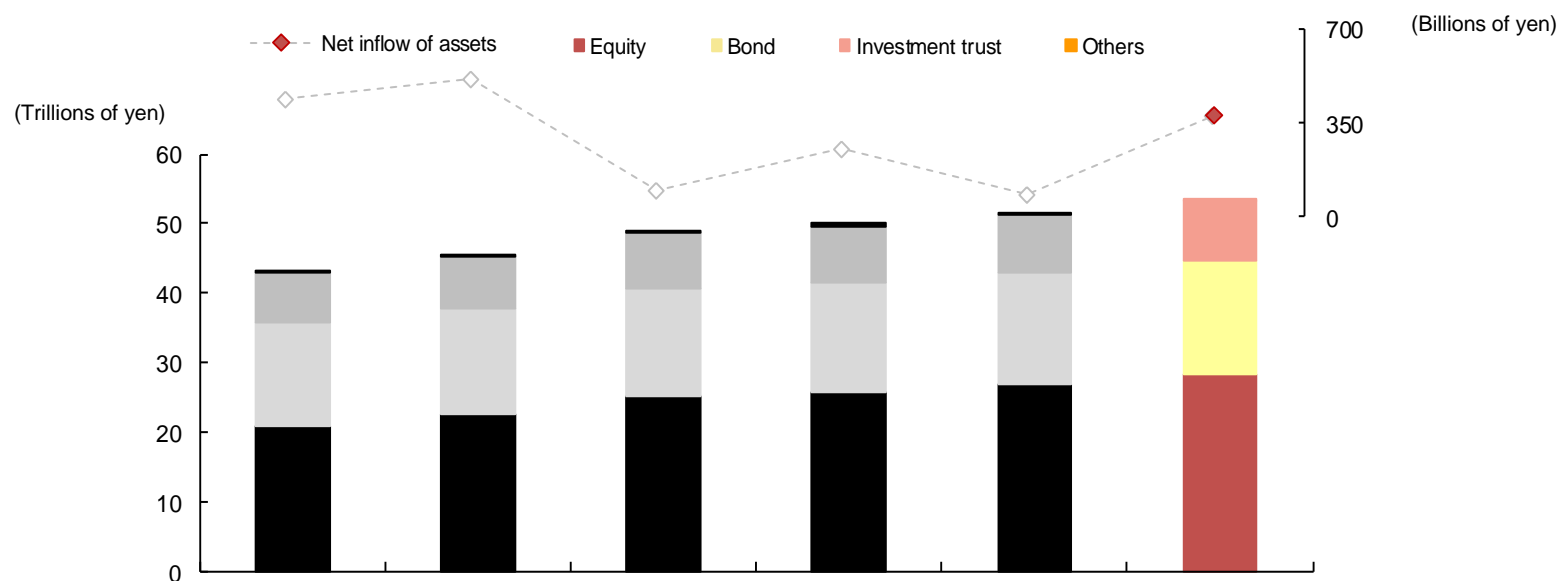
Credit ratings on Long Term (as of Oct 30, 2017)

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

Client Assets / Net Inflow of Assets

【non-consolidated】

- ◇ Overall client assets at the end of Sep. 2017 was ¥ 53.6 trillion (+4% Q on Q).
- ◇ Net inflow of assets at sales division for this quarter was ¥ 376.8 B.



(Trillions of yen)	FY2016 Jun.	FY2016 Sep.	FY2016 Dec.	FY2017 Mar.	FY2017 Jun.	FY2017 Sep.
Equity	21.0	22.5	25.1	25.7	26.8	28.4
Bond	14.9	15.3	15.4	15.9	16.0	16.2
Investment trust	7.1	7.4	8.1	8.1	8.4	8.6
Others	0.3	0.4	0.4	0.4	0.4	0.4
Client assets	43.3	45.5	49.0	50.0	51.6	53.6

(Billions of yen)	1Q	2Q	3Q	4Q	1Q	2Q
Net inflow (outflow) of assets <sales division>(*)	438.2	513.2	98.0	252.4	82.4	376.8
Inflow of assets	1,410.2	1,348.0	1,107.3	1,575.8	1,096.8	1,475.0
Outflow of assets	-972.0	-834.8	-1,009.3	-1,323.4	-1,014.4	-1,098.2

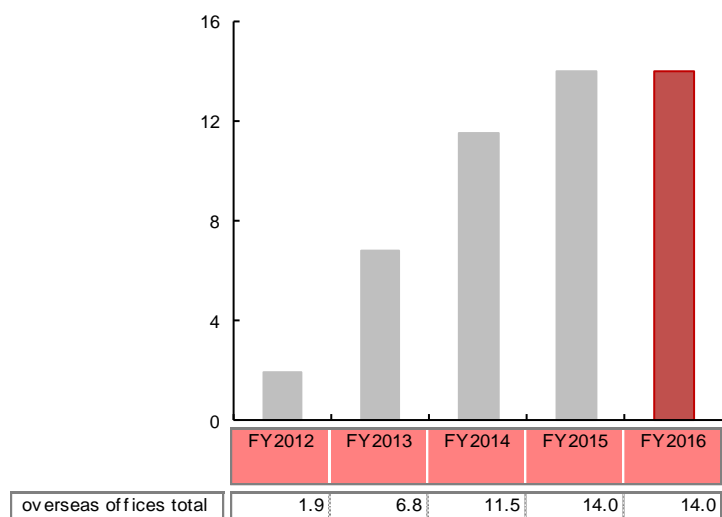
(*) From FY 2017 2Q, net inflow (outflow) of assets was adjusted retrospectively from FY2016 1Q to FY 2017 1Q.

Business Trends of Overseas Offices

- ◇ Earnings based on managerial accounting for this quarter was ¥ 2.2 B (-48% Q on Q).
- ◇ Even though influenced by overseas financing of global issuers, earnings based on managerial accounting steadily changed.

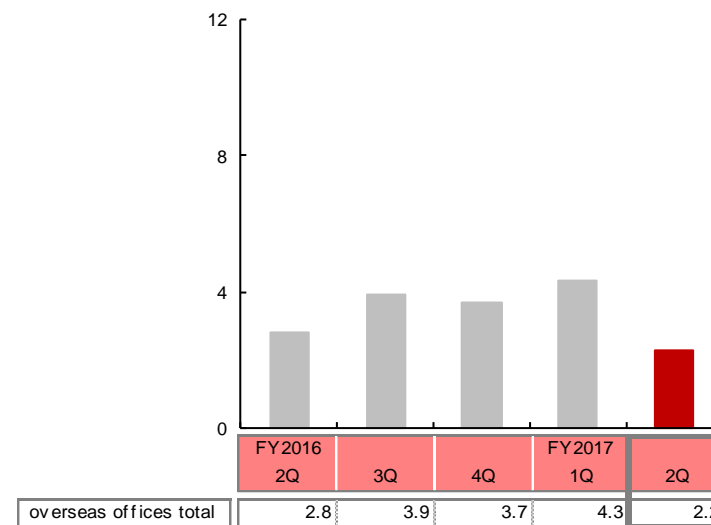
Earnings based on managerial accounting Annual trend

(Billions of yen)



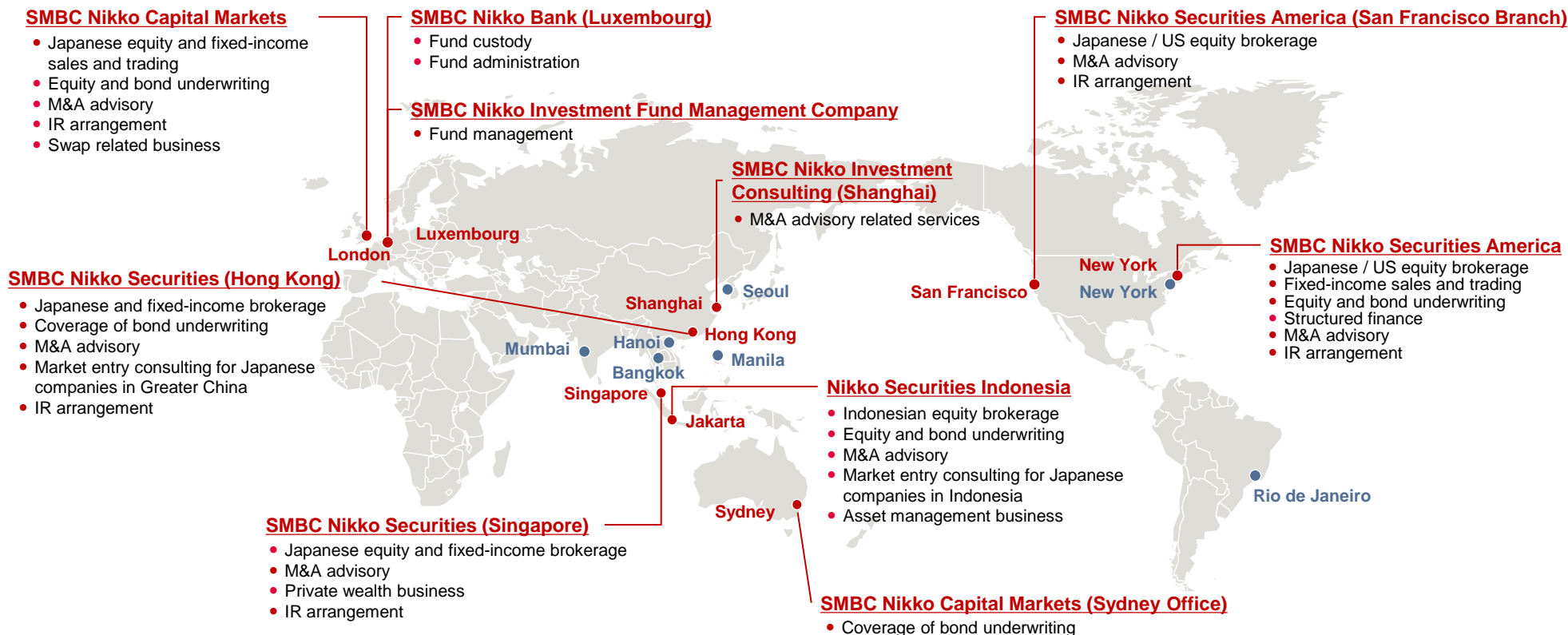
Earnings based on managerial accounting Quarterly trend

(Billions of yen)



- Overseas offices total is defined as the total of:
 - ✓ Earnings of consolidated subsidiaries: SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore) ; and
 - ✓ Earnings 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 77.65%, SMBC Financial Services, Inc.(subsidiary of SMBC) 2.35%)

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 Group (Mumbai)**
 - Alliance in M&A advisory

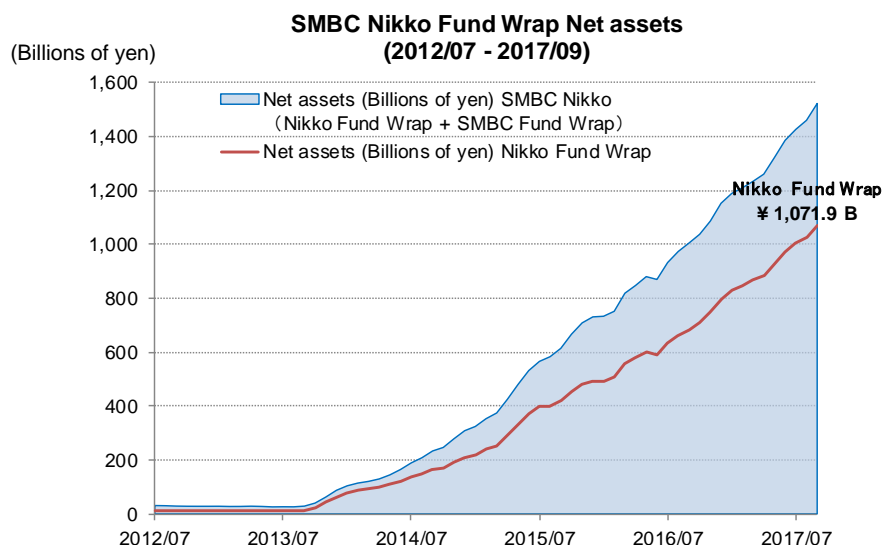
Business Partners (Americas)

- 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

Nikko Fund Wrap exceeded 1,000 billion yen

Ten and half years have passed since “Nikko Fund Wrap” was established on Nov 20, 2006 (partial model started on Sep 17, 2014) and fortunately exceeded 1,000 billion yen amount as of July 2017. Each model is performing well. We look forward to continued favorable performance.



Revision of the Group Organizational Strategy in Europe

■ Establishment of a securities subsidiary in Germany

SMFG has been providing its securities services to its clients in Europe through SMBC Nikko Capital Markets Ltd. However, to ensure that SMFG can continue offering clients securities services with no disruption following the UK's withdrawal from the EU, SMFG will, subject to regulatory approval, commence preparations to establish a subsidiary in Frankfurt, Germany.

Expand function of auto chat service in LINE utilizing AI

Since September, we expanded the function of auto chat service in LINE utilizing AI as follows:

- **Support tool for fund transaction “fund eye” (“to choose the first fund” course)**
AI recommends maximum three funds for clients risk acceptance by simply answering eight questions.
- **Share price search (20 minute delay)**
- **Market information (current news, market news, list of stock indexes, forex rate, etc.)**

This service is free for anyone who accesses as a friend in SMBC Nikko LINE account.

AIチャットボット(新機能)のご利用イメージ



Award at Best Customer Support for The Year 2017

SMBC Nikko has received the highest award at “Best Customer Support for The Year 2017” hosted by Japan Institute of Information Technology. This is the first time a company has won domestically eight consecutive awards.



Reference Data



Consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	81,013	82,070	87,298	110,849	91,483	91,543
Commissions received	35,335	42,582	40,261	58,983	41,726	43,495
Brokerage commissions	7,390	6,753	10,167	9,136	9,165	8,821
Underwriting and distribution commissions	7,518	12,182	6,237	18,061	5,659	6,820
Flotation and distribution fees	7,529	9,192	8,854	14,687	10,656	10,304
Other commissions	12,898	14,452	15,002	17,098	16,243	17,549
Net trading income	36,757	27,294	35,706	35,621	38,008	34,770
Equities	4,313	161	5,756	6,741	8,568	5,569
Bonds / Others	32,444	27,132	29,950	28,880	29,439	29,200
Financial revenue	5,385	8,511	7,633	10,731	9,600	10,988
Other sales	3,534	3,683	3,696	5,512	2,148	2,288
Financial expenses	4,653	4,101	6,269	6,506	7,462	6,769
Cost of sales	2,674	2,547	2,943	4,767	1,856	2,057
Net operating revenue	73,685	75,422	78,085	99,576	82,164	82,716
SG&A	58,814	60,720	61,599	69,830	62,353	62,418
Operating income / loss	14,870	14,701	16,485	29,745	19,811	20,297
Ordinary income / loss	15,750	15,750	17,195	31,368	20,960	20,938
Extraordinary income / loss	-497	298	-11,277	-2,103	-372	-517
Income before income taxes	15,252	16,049	5,917	29,265	20,587	20,420
Income taxes-current	585	5,272	6,945	11,659	5,909	-2,729
Income taxes-deferred	3,913	-512	-5,312	-3,024	184	8,784
Profit / loss	10,753	11,289	4,285	20,630	14,493	14,365
Profit attributable to owners of parent	10,750	11,281	4,279	20,631	14,491	14,365

Non-consolidated Business Results (Quarterly Trend)

(Millions of yen)	FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	75,119	75,977	80,448	102,913	86,651	86,282
Commissions received	33,132	40,334	37,326	56,737	39,243	40,737
Brokerage commissions	6,679	6,081	9,155	8,606	8,449	8,149
Underwriting and distribution commissions	7,518	12,182	6,237	18,061	5,659	6,820
Flotation and distribution fees	7,459	9,178	8,834	14,633	10,594	10,281
Other commissions	11,475	12,892	13,098	15,435	14,540	15,485
Net trading income	36,757	27,294	35,706	35,619	38,006	34,770
Equities	4,313	161	5,756	6,741	8,568	5,569
Bonds / Others	32,444	27,132	29,950	28,878	29,437	29,200
Financial revenue	5,228	8,349	7,416	10,556	9,401	10,773
Financial expenses	4,535	3,987	6,123	6,342	7,315	6,609
Net operating revenue	70,584	71,990	74,325	96,570	79,336	79,672
SG&A	57,762	59,099	59,207	68,349	61,189	60,978
Operating income / loss	12,821	12,890	15,118	28,221	18,146	18,693
Ordinary income / loss	13,097	13,402	15,115	28,937	18,348	19,228
Extraordinary income / loss	-500	302	-11,277	-1,926	-372	-517
Income before income taxes	12,596	13,704	3,837	27,010	17,975	18,710
Income taxes-current	421	4,957	6,891	11,392	5,460	-2,478
Income taxes-deferred	3,466	-723	-5,682	-3,008	-	8,154
Profit / loss	8,709	9,470	2,628	18,625	12,515	13,034

Operational Indicators -1

【non-consolidated】

◇ Sales of Products

(Billions of yen)	FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q
Investment trusts	561.9	583.2	560.6	647.9	550.7	566.0
(Equity investment trusts)	(392.8)	(471.3)	(420.0)	(512.4)	(453.7)	(462.0)
(Foreign registered investment trusts)	(68.4)	(80.5)	(74.5)	(108.3)	(71.1)	(88.3)
Fund wrap	74.8	93.1	92.1	84.9	105.6	102.4
Foreign bonds (*1)	657.0	638.8	690.4	794.8	787.3	725.2
(Foreign currency bonds)	(214.0)	(219.8)	(239.9)	(202.2)	(221.2)	(256.6)
Domestic bond	1,021.8	1,357.8	794.8	1,094.1	1,041.6	773.9
(Retail target JGBs)	(132.0)	(184.4)	(178.3)	(349.4)	(129.1)	(175.0)
Public offering	51.1	117.5	88.8	238.0	35.8	156.6
Annuity / insurance	10.0	4.3	11.6	8.9	8.5	16.6
Total (*2)	2,376.5	2,794.9	2,238.4	2,868.7	2,529.5	2,340.6

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

(*2) include sale of fund w rap from FY 2017 1Q

◇ Market Share

	FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q
ECM Global Equity (*1)	19.9%	19.3%	18.6%	19.0%	9.9%	6.2%
DCM All bond in Yen (*2)	20.4%	18.2%	16.8%	17.2%	19.5%	16.1%
M&A Japan related (*3)	6.7%	14.7%	15.0%	14.3%	14.8%	9.1%

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

(*2) All Bonds in Yen, Lead manager

(*3) Any Japanese involvement announced : Rank value

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

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◇ Direct Channel Ratio (*1)

	FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q
Based on number of transaction (Nikko EZ trade)	92.9% (89.0%)	92.4% (88.8%)	91.1% (86.5%)	90.9% (86.7%)	92.2% (88.1%)	91.1% (87.1%)
Based on commissions (Nikko EZ trade)	38.0% (26.2%)	28.3% (19.8%)	33.5% (22.6%)	24.9% (17.0%)	26.7% (17.7%)	24.4% (16.1%)

(*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)	FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q
Equity brokerage amount	6,178.5	6,226.4	7,197.9	6,952.2	7,295.9	7,354.1
Equity brokerage commissions (*3)	6.6	6.3	9.4	8.7	8.6	8.5
Equity commissions rate	9.4bp	8.9bp	11.5bp	11.1bp	10.8bp	10.6bp

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

(*3) on a consolidated basis

Operational Indicators -3

◇ Number of Accounts

(Thousands of accounts)	【non-consolidated】					
	FY2016				FY2017	
	Jun.16	Sep.16	Dec.16	Mar.17	Jun.17	Sep.17
Total accounts	2,739	2,759	2,775	2,801	2,813	2,829
Cash management accounts	2,405	2,426	2,446	2,473	2,486	2,500
Newly opened accounts	33	39	37	42	31	30

◇ Number of Branches

	【non-consolidated】					
	FY2016				FY2017	
	Jun.16	Sep.16	Dec.16	Mar.17	Jun.17	Sep.17
Number of branches	123	124	124	124	124	124

◇ Number of Employees

	【non-consolidated】					
	FY2016				FY2017	
	Jun.16	Sep.16	Dec.16	Mar.17	Jun.17	Sep.17
Number of employees	10,352	10,325	10,198	10,112	10,698	10,559
Number of 4 overseas employees	443	457	467	480	491	524

- Overseas offices total is defined as the total of:
 - ✓ Employees of consolidated subsidiaries which are SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore).
 - ✓ Employees of affiliated companies which are Securities Product Group of SMBC Nikko Capital Markets and SMBC Nikko Securities America.

