

# Financial Results

**Second Quarter**

**Fiscal Year ending March 2024**

October 2023

Mizuho Securities

**MIZUHO**

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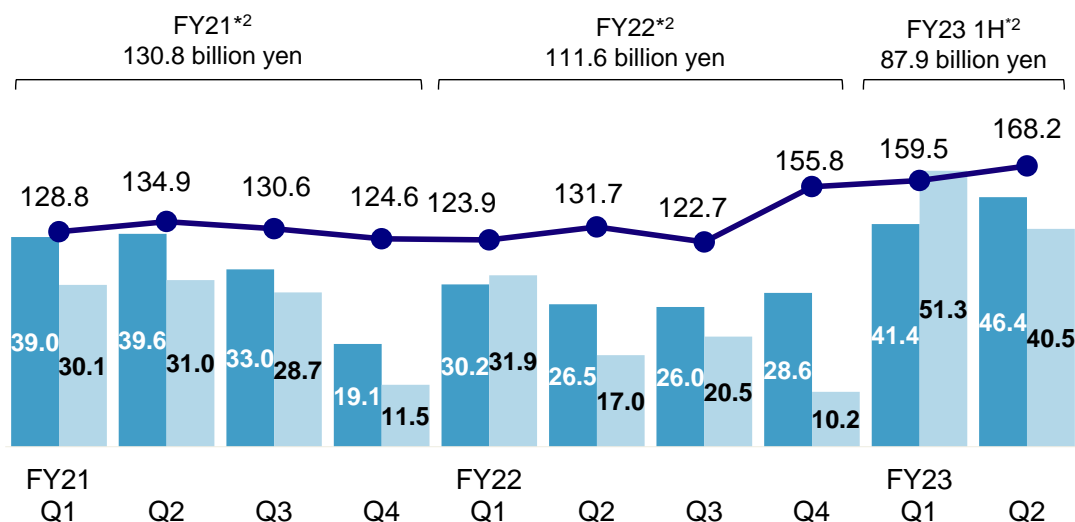
\* The information herein is being provided solely for informational purposes in relation to the Company's FY23 Q2 financial results, not for investment purposes or advice regarding securities issued by the Company. The information herein is based on data as of October 30, 2023. The Company makes no claims, promises or guarantees about the accuracy, completeness, or adequacy of this information which may change at any time without prior notice.

\* In addition, unless otherwise stated, these financial results have been calculated on an internal management basis inclusive of our US-based entities (such as MSUSA, etc.) which are not consolidated subsidiaries of Mizuho Securities.

# FY23 Q2 highlights

## Financial results\*1

(JPY billion) — Ordinary income — Net income — Net operating revenues



| (JPY million)   | FY23    |                |        | FY22    |         |      |
|---|---------|----------------|--------|---------|---------|------|
|   | Q1      | Q2             | QoQ    | 1H      | 1H      | YoY  |
| Net operating revenues  | 159,559 | <b>168,225</b> | +5%    | 255,658 | 327,785 | +28% |
| SG&A expenses   | 118,673 | <b>122,778</b> | +3%    | 199,495 | 241,452 | +21% |
| Ordinary income   | 41,497  | <b>46,410</b>  | +12%   | 56,850  | 87,908  | +55% |
| Income (loss) before income taxes and non-controlling interests | 42,933  | <b>45,668</b>  | +6%    | 48,243  | 88,602  | +84% |
| Net income  | 51,359  | <b>40,510</b>  | ( 21%) | 48,993  | 91,869  | +88% |

## Financials recap

**Achieved YoY increase in revenue and income, and set new record for 1H ordinary income. Major contributors included Global Mkts. (solid performance, particularly across FICC) and Investment Banking (ongoing revenue thanks to Japan and overseas sales of DCM, ECM, and M&A products)**

- Throughout 1H, the Americas achieved strong performance serving as companywide revenue driver
- During Q2, along with continued notable FICC performance across the Americas and Japan, large-scale ECM deals also contributed to ongoing success
- R&BB achieved YoY and QoQ increase in ordinary income thanks not only to expansion of client-centric sales approach, but also to bullish tailwinds from Japan and overseas stock markets
- Net income increased YoY thanks to strong business performance and tax benefit impacts

## Ordinary income by business segment\*3

| (JPY billion)   | FY23 |             | QoQ   | FY22 |      | YoY   |
|---|------|-------------|-------|------|------|-------|
|   | Q1   | Q2          |       | 1H   | 1H   |       |
| Global Investment Banking<br><b>CIBC</b> <b>RBC</b><br><b>GCIBC</b> | 7.3  | <b>11.3</b> | +55%  | 7.7  | 18.7 | +142% |
| Global Markets<br><b>GMC</b>  | 30.4 | <b>27.9</b> | ( 8%) | 49.7 | 58.4 | +17%  |
| Retail & Business Banking<br><b>RBC</b>                             | 3.2  | <b>4.1</b>  | +29%  | 4.2  | 7.3  | +76%  |

\*1: As of FY23 Q1, certain transaction expenses have been recorded as SG&A expenses instead of being directly deducted from net operating revenues. Accordingly, the figures for previous years have been adjusted to reflect this change \*2: Ordinary income

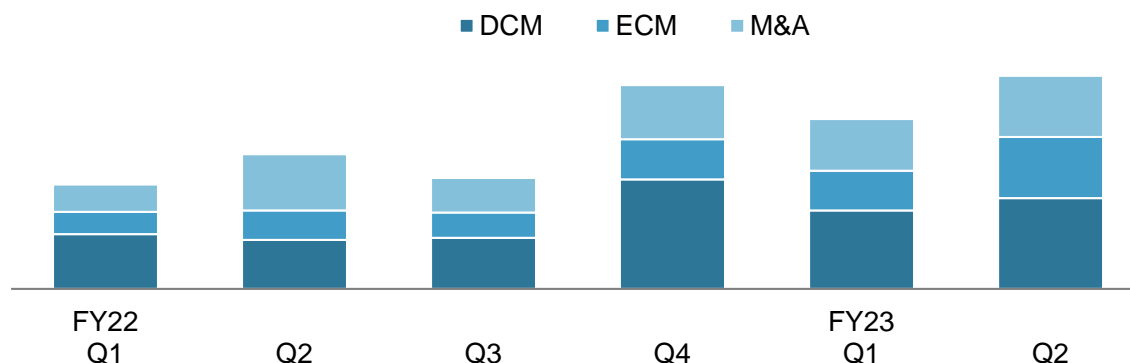
\*3: **CIBC** : Corporate & Investment Banking Company, **GCIBC** : Global Corporate & Investment Banking Company, **GMC** : Global Markets Company, **RBC** : Retail & Business Banking Company

# Business segments—Global Investment Banking ①

## Financial results\*1

| (JPY billion)          | FY23 |      | QoQ  | FY22<br>1H | FY23<br>1H*2 | YoY   |
|------------------------|------|------|------|------------|--------------|-------|
|                        | Q1   | Q2   |      |            |              |       |
| Net operating revenues | 26.4 | 33.1 | +26% | 37.2       | 59.5         | +60%  |
| DCM                    | 10.9 | 12.6 | +16% | 14.4       | 23.5         | +63%  |
| ECM                    | 5.5  | 8.5  | +52% | 7.2        | 14.0         | +94%  |
| M&A                    | 7.2  | 8.5  | +18% | 11.7       | 15.7         | +34%  |
| SG&A expenses          | 19.0 | 21.8 | +14% | 29.5       | 40.8         | +38%  |
| Ordinary income        | 7.3  | 11.3 | +55% | 7.7        | 18.7         | +142% |

### Shift in net operating revenue for each product



## Q2 financials

### Financials recap

**DCM achieved sound performance on back of favorable bond issuance. In addition, successfully executed large-scale ECM deals and definitively monetized M&A deals**

- All Japan and overseas GIB entities achieved higher revenue vs previous six months thanks not only to strong Japan DCM performance, but also to large-scale US ECM deals and contributions from solid M&A revenue
- Significant YoY increase in revenue both due to Japan and overseas monetization of large-scale ECM deals and DCM revenue generation thanks to recovery tailwinds in overseas bond issuance
- Increased revenue across wide range of products thanks to sound performance across private real estate investments and steady monetization of M&A deals and related activity

\*1: As of FY23 Q1, certain transaction expenses have been recorded as SG&A expenses instead of being directly deducted from net operating revenues. Accordingly, the figures for previous years have been adjusted to reflect this change

\*2: Due to organizational restructuring, certain entities were transferred from Retail & Business Banking (R&BB) starting FY23 Q1

# Business segments—Global Investment Banking ②

## Major league tables (Apr. 1, 2023 – Sep. 30, 2023)

### Total Japan publicly offered bonds\*1

| Rank | Company Name                       | Amount (JPY bn) | Share (%) |
|------|------------------------------------|-----------------|-----------|
| 1    | Mizuho Sec.                        | 2,362.0         | 22.3      |
| 2    | Nomura Sec.                        | 2,144.6         | 20.2      |
| 3    | Daiwa Sec.                         | 2,049.6         | 19.3      |
| 4    | SMBC Nikko Sec.                    | 1,718.2         | 16.2      |
| 5    | Mitsubishi UFJ Morgan Stanley Sec. | 1,450.2         | 13.7      |

### M&A Advisory for announced deals\*2

| Rank | Company Name                       | No. of transactions | Amount (JPY bn) |
|------|------------------------------------|---------------------|-----------------|
| 1    | Nomura Sec.                        | 43                  | 3,158.0         |
| 2    | Mitsubishi UFJ Morgan Stanley Sec. | 21                  | 2,765.3         |
| 3    | JPMorgan                           | 5                   | 2,093.9         |
| 4    | BofA Securities                    | 13                  | 1,550.5         |
| 5    | Deloitte                           | 41                  | 1,363.4         |
| 6    | Mizuho Financial Group             | 42                  | 1,350.5         |

### Total equity underwriting worldwide\*3

| Rank | Company Name                       | Amount (JPY bn) | Share (%) |
|------|------------------------------------|-----------------|-----------|
| 1    | Nomura Holdings                    | 561.3           | 33.7      |
| 2    | Daiwa Securities Group             | 223.1           | 13.4      |
| 3    | SMBC Nikko Sec.                    | 215.0           | 12.9      |
| 4    | Mizuho Financial Group             | 193.4           | 11.6      |
| 5    | Mitsubishi UFJ Morgan Stanley Sec. | 133.7           | 8.0       |

### US IG Corp USD bonds\*4

| Rank | Company Name           | Amount (USD M) | Share (%) |
|------|------------------------|----------------|-----------|
| 1    | JPMorgan               | 27,562         | 11.4      |
| 2    | BofA Securities        | 26,307         | 10.9      |
| 3    | City                   | 19,398         | 8.0       |
| 4    | Morgan Stanley         | 16,072         | 6.6       |
| 5    | Barclays               | 13,602         | 5.6       |
| 8    | Mizuho Financial Group | 12,169         | 5.0       |

### Global SDG bonds\*5

| Rank | Company Name           | Amount (USD M) | Share (%) |
|------|------------------------|----------------|-----------|
| 1    | Morgan Stanley         | 4,224          | 5.7       |
| 2    | BNP Paribas            | 3,695          | 5.0       |
| 3    | Mizuho Financial Group | 3,198          | 4.3       |
| 4    | City                   | 3,015          | 4.1       |
| 5    | JPMorgan               | 2,935          | 4.0       |

### US ECM\*6

| Rank | Company Name           | Amount (USD M) | Share (%) |
|------|------------------------|----------------|-----------|
| 1    | Goldman Sachs          | 15,488         | 14.8      |
| 2    | BofA Securities        | 11,854         | 11.4      |
| 3    | JPMorgan               | 11,507         | 11.0      |
| 4    | Morgan Stanley         | 7,996          | 7.7       |
| 5    | Citi                   | 5,760          | 5.5       |
| 12   | Mizuho Financial Group | 1,929          | 1.9       |

\*1: Including underwriting amount basis, samurai bond launch date basis, local Govt. bonds (lead manager method), and preferred capital injection (Excl. own debt) Source: Prepared by Mizuho Securities based on data from Capital Eye

\*2: Based on deal amounts. Any Japanese related deals (excluding real estate deals)

Source: Prepared by Mizuho Securities based on data from Refinitiv

\*3: Based on bookrunner and pricing date basis. Deals including initial public offerings, public offerings, convertible bonds, and REITs

Source: Prepared by Mizuho Securities based on data from Refinitiv

\*4: Bookrunner basis. Bonds issued by corporations granted investor status by the US (issuance of USD 250M or more)

Source: Prepared by Mizuho Securities based on data from Dealogic

\*5: Bookrunner and global basis. SDG Bonds issued by corporations granted investor status (issuance of USD 250M or more)

Source: Prepared by Mizuho Securities based on data from Dealogic

\*6: Bookrunner basis. Stocks issued via US exchanges. Source: Prepared by Mizuho Securities based on data from Dealogic

## Major deals (FY23/Q2)

### DCM

#### ■ Japan

##### Sustainability bond

Development Bank of Japan

##### Sustainability-linked bond

AEON, Orient Corporation

##### Green bond

NTT FINANCE CORPORATION, Iwate Prefecture

##### Social impact bond

West Nippon Expressway

##### Industrial bond

NISSAN FINANCIAL SERVICES, Astellas Pharma, NIPPON SANSO HOLDINGS, Panasonic Holdings, and Japan Investment Adviser

##### Hybrid bond

ENEOS Holdings, JAPAN POST INSURANCE

##### Samurai bond

BPCE and Republic of Korea

#### Local Govt. bonds

Fukui Prefecture

#### Zaito institution bonds

Central Nippon Expressway

#### ■ Global

##### Sustainability bond

KEPCO

##### Green bond

ENGIE, EDP

##### Green hybrid bond

Volkswagen International Finance

##### Industrial bond

Columbia Pipelines Operating, Thermo Fisher Scientific, ConocoPhillips, Unilever Capital, and KEXIM

## M&A and other advisory deals

#### ■ Japan

The Carlyle Group's TOB to acquire Seiko PMC as subsidiary

CHANGE Hld.'s acquisition of E-Guardian as wholly-owned consolidated subsidiary

KDDI's sale of J:COM cable TV business

#### ■ Global

Honda Motor's sale of stake in Yachiyo Industry to Motherson

SB Technology's sale of Fontworks to Monotype Imaging

DENSO's full-stake acquisition of Certhon Build

### ECM

#### ■ Japan

##### FO

CellSource

##### IPO

Naruru Group, EcoNaviSta, and JRC

##### INFRA/FO

Canadian Solar Infrastructure Fund

##### REIT/FO

Invincible Investment, Comforia Residential REIT, Star Asia Investment, Japan Hotel REIT Investment, and Advance Residence Investment

#### ■ Global

##### CB

Cellnex Telecom, Envista Holdings, and Liberty Media

##### IPO

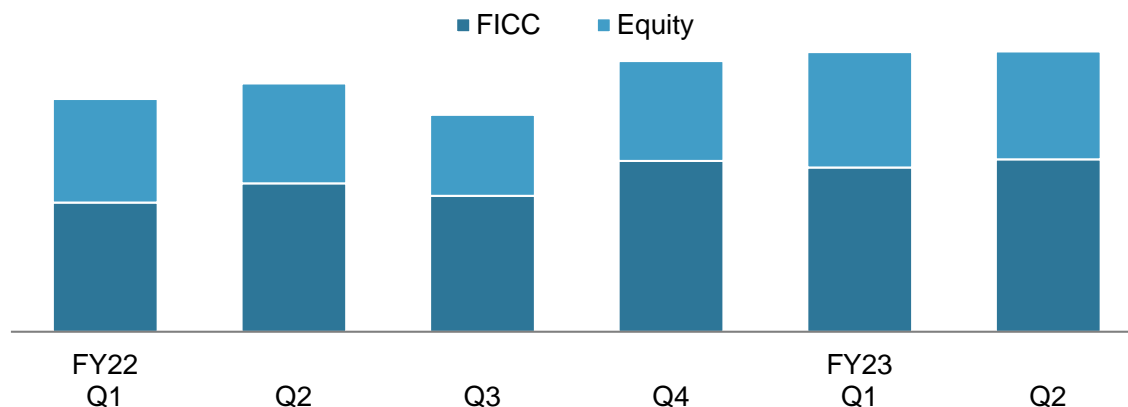
Arm Holdings and Klaviyo

# Business segments—Global Markets

## Financial results\*

| (JPY billion)          | FY23  |              | QoQ   | FY22<br>1H | FY23<br>1H | YoY  |
|------------------------|-------|--------------|-------|------------|------------|------|
|                        | Q1    | Q2           |       |            |            |      |
| Net operating revenues | 101.1 | <b>102.2</b> | +1%   | 168.6      | 203.4      | +21% |
| FICC                   | 58.1  | <b>61.0</b>  | +5%   | 98.3       | 119.1      | +21% |
| Equity                 | 40.8  | <b>38.1</b>  | ( 6%) | 71.9       | 78.9       | +10% |
| SG&A expenses          | 70.6  | <b>74.3</b>  | +5%   | 118.8      | 145.0      | +22% |
| Ordinary income        | 30.4  | <b>27.9</b>  | ( 8%) | 49.7       | 58.4       | +17% |

### Shift in net operating revenue by product



## Q2 financials

### Financials recap

**Achieved stable revenue and expertly captured client flow despite uncertainty surrounding US/Japan monetary policies and economic trends**

- FICC-related credit and derivatives business maintained solid performance both in Japan and overseas. In addition, US securitized products business steadily expanded on back of improved supply and demand to extend positive QoQ momentum
- Equities business revenue declined QoQ because, although commissions & fees revenue was stable QoQ, trading was sluggish due to factors including global decline in stock prices from Aug.
- Significant YoY increase in ordinary income thanks to strong FICC performance in Japan and the Americas, as well as ongoing improvements in EMEA's balance sheet

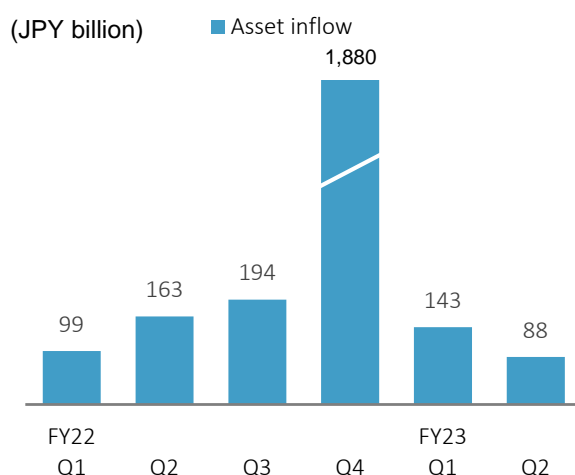
\*As of FY23 Q1, certain transaction expenses have been recorded as SG&A expenses instead of being directly deducted from net operating revenues. Accordingly, the figures for previous years have been adjusted to reflect this change. Additionally, retrospective adjustments were made to some FY23 Q1 results.

# Business segments—Retail & Business Banking (R&BB)

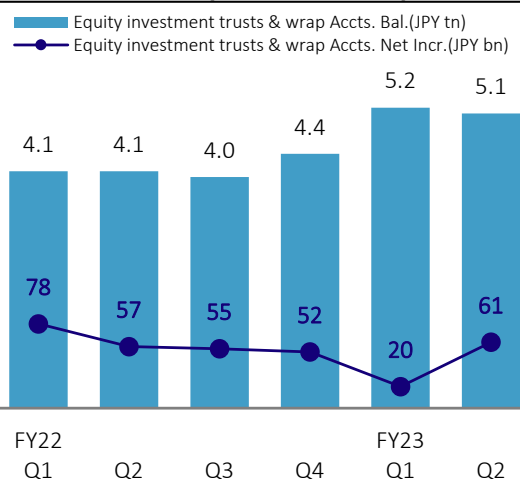
## Financial results

| (JPY billion)          | FY23 |      | QoQ  | FY22 | FY23             | YoY   |
|------------------------|------|------|------|------|------------------|-------|
|                        | Q1   | Q2   |      | 1H   | 1H <sup>*1</sup> |       |
| Net operating revenues | 29.2 | 31.6 | +8%  | 58.4 | 60.9             | +4%   |
| Client flow revenue    | 21.5 | 23.1 | +8%  | 43.9 | 44.6             | +2%   |
| Stable revenue         | 7.7  | 8.5  | +10% | 14.4 | 16.2             | +13%  |
| SG&A expenses          | 26.0 | 27.5 | +6%  | 54.2 | 53.5             | ( 1%) |
| Ordinary income        | 3.2  | 4.1  | +29% | 4.2  | 7.3              | +76%  |

### Asset inflow



### Equity investment trusts & wrap Accts. (Bal./Net Incr.)



\*1: Certain entities previously part of other divisions have been repositioned within the Global Investment Banking Div. due to FY23 Q1 organizational restructuring \*2: Since the 2013 merger of the former Mizuho Securities and former Mizuho Investors Securities \*3: "Stable revenue ratio" is calculated by dividing R&BB Div.'s stable revenue (investment trust brokerage fees & revenue from fund wrap accounts) by expenses \*4: This award recognizes companies, government agencies, and organizations that have achieved a client-centric management approach by building strategic, operational, and organization-related relationships with clients and have realized notable results

## Q2 financials

### Financials recap

**Achieved QoQ increase in ordinary income by addressing diverse client needs on back of ongoing interest rate hikes and bullish global stock prices**

- Ongoing client-centric sales approach leading to expansion in consulting services focused on portfolio management tailored to each client
- Achieved major asset inflows exceeding JPY 88.5bn. Significant inflows ongoing since FY13 Q1<sup>\*2</sup>
- Net inflow of JPY 61bn for publicly-offered equity investment trusts and wrap Accts. Definitively expanding stable revenue-generating assets

### Stable revenue ratio<sup>\*3</sup>

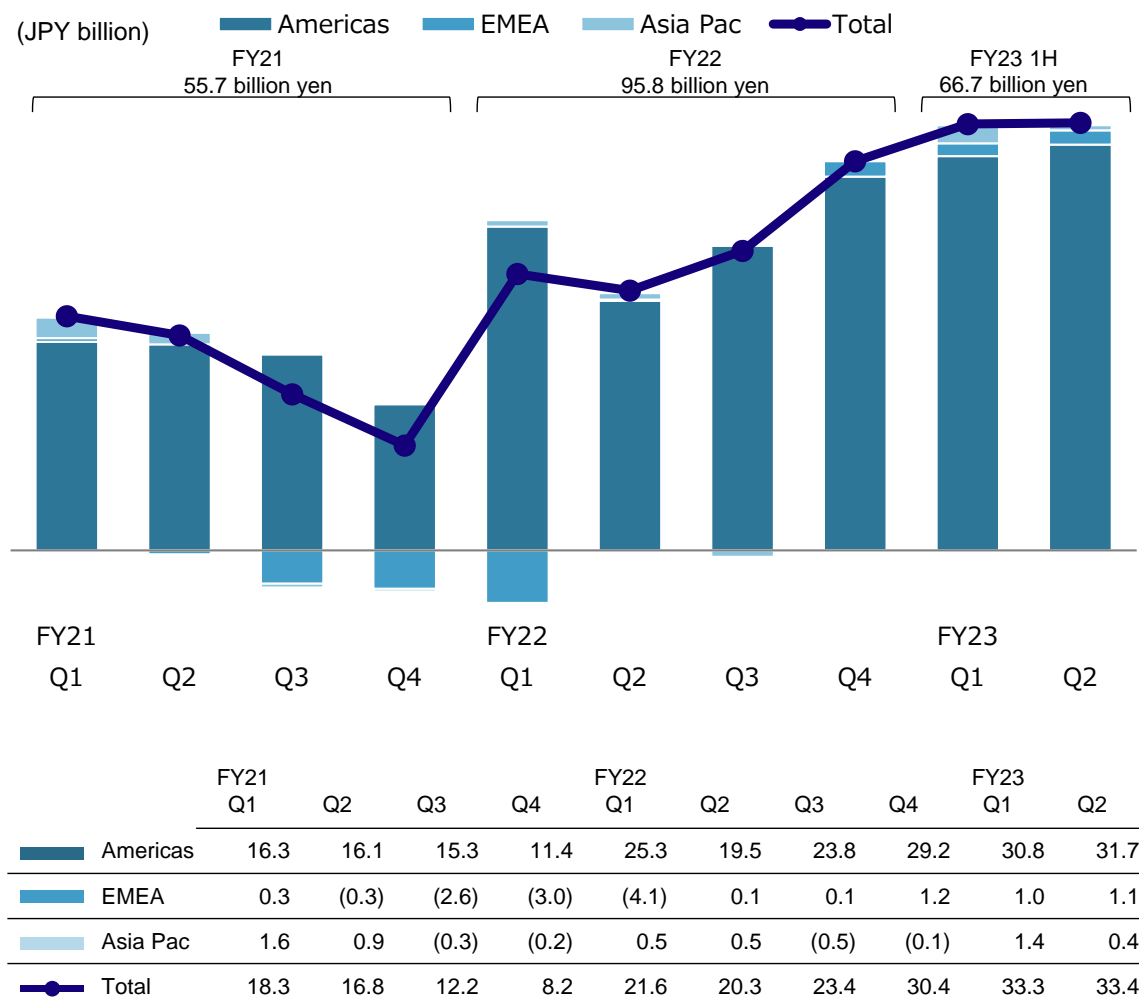
| FY21 |     | FY22 |     |     |     | FY23 |     |     |     |
|------|-----|------|-----|-----|-----|------|-----|-----|-----|
| Q1   | Q2  | Q3   | Q4  | Q1  | Q2  | Q3   | Q4  | Q1  | Q2  |
| 27%  | 30% | 32%  | 30% | 29% | 27% | 27%  | 26% | 31% | 32% |

### Awards and accolades for our client services

- Granted 2023 "CRM Best Practice Award"<sup>\*4</sup> by CRM Association Japan for 7<sup>th</sup> year in a row. Award recognizes achievements in enhancing employee "standalone capabilities" via introduction of effective CS enhancement model

# Overseas entities recap

## Ordinary income of overseas entities by region



## Q2 financials

### ■ The Americas

- Achieved high level of ordinary income thanks not only to FICC (across diverse range of products, such as derivatives and securitized products), but also to large-scale Investment Banking ECM deals and monetization of multiple M&A deals
- Successfully expanded visibility for each product and profitability of each branch continues to rise

### ■ EMEA

- While rolling out CIB model across EMEA, monetized multiple primary market DCM deals. In secondary market, continued to accumulate revenue via credit and derivatives. All of these enabled EMEA to achieve stable profit

### ■ Asia Pacific

- Maintained profit despite increasing concerns of China's slowdown and weakening market trends
- Definitive progress on efforts to integrate securities-banking secondary markets business



# FY23 Q2 topics

## Update on alliance with Rakuten Securities

### Mizuho Securities and Rakuten Securities sign strategic capital & business alliance agreement

- Signed basic agreement to **launch JV that leverages strengths of both companies** to meet **diverse needs of clients** (who use online services) for **face-to-face consulting** to assist them in achieving a prosperous retirement
- Establishment of new company to advise clients as their most-trusted partner regarding intergenerational family assets** by **providing financial product intermediation services** on behalf of both companies

#### Mizuho Securities

Highly specialized products & services focused on asset management, succession planning, and other areas with strong emphasis on face-to-face consulting

#### Rakuten Securities

Highly-convenient online platform with diverse product lineup

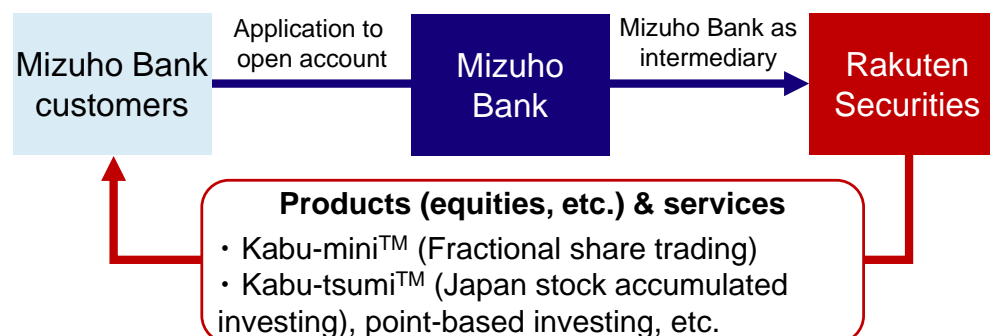
### Establishment of new company via joint investment

#### New company (slated start: spring 2024, subject to approval of authorities)

|                |  |
|----------------|--|
| Aim            | ✓ To serve clients as their most-trusted partner empowering them to share their concerns regarding family assets ensuring peace of mind for generations to come  |
| Mgmt. approach | ✓ Management approach will focus on offering client-centric consulting while maintaining high level of neutrality. Objective is to expand assets by earning client trust   |
| Service        | ✓ One-stop solutions for asset management with focus on highly-convenient, sophisticated face-to-face consulting including inheritance planning. Clients will be able to access online and offline channels in addition to face-to-face consultations several times a year, and receive advice on asset management and inheritance matters |

### Mizuho Bank and Rakuten Securities launch financial products intermediary business

- From Oct. 3, providing Mizuho Bank customers (who wish to participate in stock and other investments) with **Rakuten Securities financial products**



### Other alliance-related achievements

#### Product deals

- Deals in which both companies participated in underwriting
- DCM: 9 deals
  - ECM: 18 deals

#### IR/research collaboration

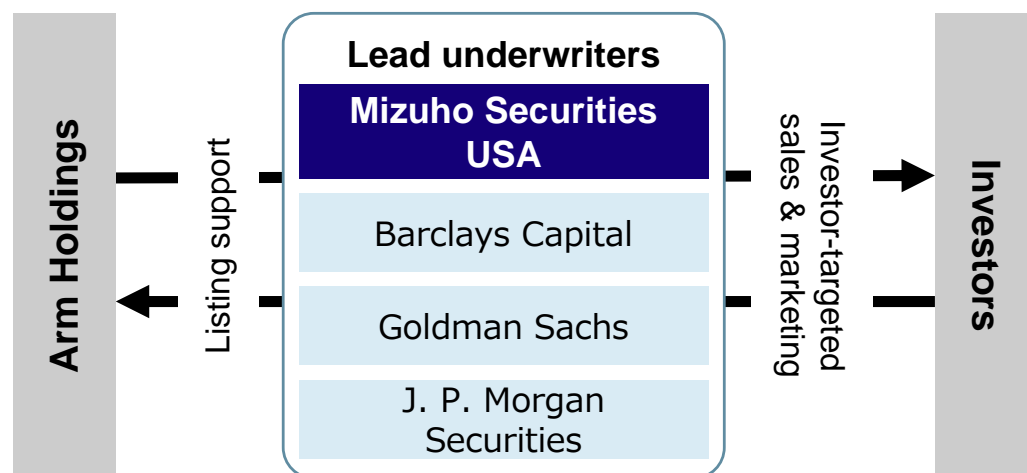
- Enabling Mizuho clients (issuing companies) to take advantage of Rakuten securities IR services for individual investors
- Offering/co-creating content for Mizuho Securities' official YouTube channel
- Offering Mizuho Securities reports to Rakuten Securities clients

\*Total for Nov. 2022 – Sep. 2023

# FY23 Q2 topics

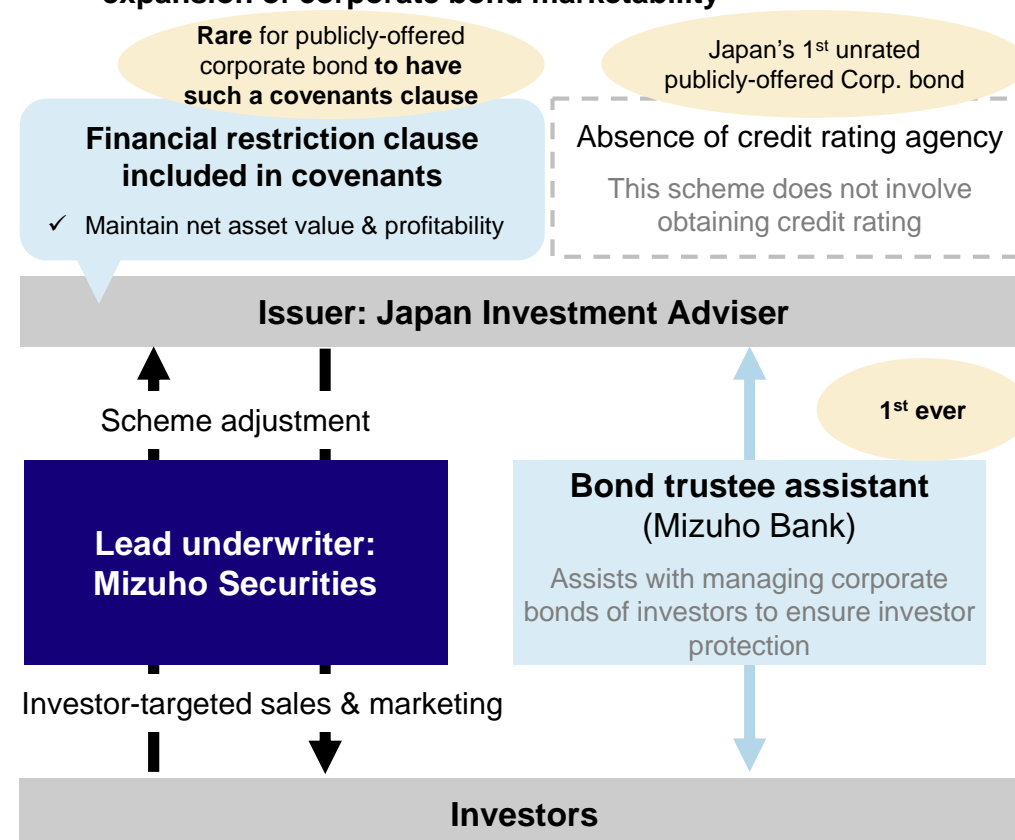
## Won lead underwriter for world's biggest IPO of 2023

- Mizuho Securities USA served as joint lead underwriter, along with three European and American bulge bracket firms, in world's biggest IPO of 2023—Arm Holdings (leading UK-based chip design firm)
- Successful example of global CIB\*1 collaboration across Mizuho worldwide



## Achieved Japan's 1<sup>st</sup> issuance of unrated corporate bond

- Mizuho Securities served as lead underwriter (and arranged bond scheme) for Japan's first issuance of unrated publicly-offered corporate bond (achieved by establishing bond trustee assistant\*2 and by including financial restriction clause in covenants\*3)
- Use of similar schemes expected to contribute to future expansion of corporate bond marketability



**Company:** Arm Holdings plc

**HQ:** 110 Foulbourn Road Cambridge, Cambridgeshire CB1 9NJ GBR

**Business:** Chip design, sales of development tools, etc.

**Listing:** NASDAQ National Market System

\*1: Corporate & Investment Banking

\*2: Role of corporate bond trustee assistant is based on Corporate Bond Trustee Assistance Guidelines (Est. MAR 2021). Assistant assists bondholders to ensure seamless management of corporate bonds by protecting bondholder rights. Among related duties, assistants act as bondholder representatives and carry out filings necessary for bondholders to participate in bankruptcy proceedings

\*3: Refers to covenant clauses that specify obligations and restrictions of issuer included in terms & conditions of corporate bond issuance

# Appendix

# US-based entities aggregate data (P/L shift)\*

(JPY million)

|                        | FY23    |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
|                        | Q1-Q4   | Q1      | Q2      | -       | -       |
| Net operating revenues | 327,785 | 159,559 | 168,225 |         |         |
| Ordinary income        | 87,908  | 41,497  | 46,410  |         |         |
| Net income             | 91,869  | 51,359  | 40,510  |         |         |
|                        | FY22    |         |         |         |         |
|                        | Q1-Q4   | Q1      | Q2      | Q3      | Q4      |
| Net operating revenues | 534,265 | 123,910 | 131,748 | 122,782 | 155,824 |
| Ordinary income        | 111,624 | 30,269  | 26,581  | 26,088  | 28,685  |
| Net income             | 79,862  | 31,917  | 17,076  | 20,591  | 10,277  |
|                        | FY21    |         |         |         |         |
|                        | Q1-Q4   | Q1      | Q2      | Q3      | Q4      |
| Net operating revenues | 519,083 | 128,896 | 134,950 | 130,608 | 124,628 |
| Ordinary income        | 130,893 | 39,054  | 39,602  | 33,072  | 19,164  |
| Net income             | 101,500 | 30,124  | 31,031  | 28,752  | 11,591  |

\*As of FY23 Q1, certain transaction expenses have been recorded as SG&A expenses instead of being directly deducted from net operating revenues. Accordingly, the figures for previous years have been adjusted to reflect this change

# Profit and Loss Statement—Consolidated results

|  | (JPY million) |         |         |         |         |         |         |         |
|--|---------------|---------|---------|---------|---------|---------|---------|---------|
|  | FY22          |         |         |         |         | FY23    |         |         |
|  | Q1-Q4         | Q1      | Q2      | Q3      | Q4      | Q1-Q2   | Q1      | Q2      |
| Operating revenues                                 | 424,977       | 87,625  | 113,010 | 99,856  | 124,485 | 278,398 | 132,008 | 146,390 |
| Commissions  | 161,084       | 36,093  | 39,712  | 39,932  | 45,346  | 95,818  | 47,446  | 48,372  |
| Brokerage commissions                              | 29,746        | 7,579   | 7,395   | 6,770   | 8,000   | 18,392  | 9,177   | 9,215   |
| Equities   | 28,192        | 7,192   | 6,994   | 6,467   | 7,537   | 17,629  | 8,809   | 8,820   |
| Bonds  | 1,074         | 244     | 278     | 194     | 358     | 552     | 262     | 290     |
| Underwriting and selling fees and commissions*     | 29,024        | 5,338   | 6,564   | 9,143   | 7,978   | 21,156  | 9,933   | 11,223  |
| Equities   | 9,207         | 693     | 1,621   | 2,621   | 4,271   | 8,329   | 4,340   | 3,989   |
| Bonds  | 19,374        | 4,564   | 4,818   | 6,499   | 3,492   | 12,664  | 5,484   | 7,179   |
| Offering, selling, and other commissions and fees* | 29,681        | 8,109   | 6,777   | 6,252   | 8,541   | 17,684  | 8,471   | 9,213   |
| Beneficiary certificates                           | 19,843        | 6,533   | 4,950   | 4,211   | 4,147   | 10,494  | 4,702   | 5,792   |
| Other commissions and fees                         | 72,633        | 15,066  | 18,974  | 17,765  | 20,825  | 38,584  | 19,864  | 18,720  |
| Beneficiary certificates                           | 26,154        | 6,539   | 6,724   | 6,433   | 6,457   | 15,150  | 7,157   | 7,993   |
| Other (excl. equities and bonds)                   | 37,817        | 6,224   | 10,398  | 8,835   | 12,359  | 19,245  | 10,343  | 8,901   |
| Net gain on trading                                | 92,063        | 23,311  | 23,552  | 22,577  | 22,622  | 57,582  | 32,073  | 25,508  |
| Equities, etc.                                     | 12,909        | (1,528) | 11,910  | (6,409) | 8,936   | (7,589) | (7,371) | (217)   |
| Bonds, etc. and Others                             | 79,154        | 24,839  | 11,641  | 28,987  | 13,686  | 65,171  | 39,445  | 25,725  |
| Net gain (loss) on operating investment securities | 2,159         | 1,116   | 49      | 1,556   | (563)   | 1,126   | 465     | 661     |
| Interest and dividend income                       | 169,669       | 27,104  | 49,695  | 35,790  | 57,078  | 123,870 | 52,022  | 71,847  |
| Interest expenses                                  | 144,360       | 22,485  | 40,319  | 32,920  | 48,634  | 112,536 | 50,603  | 61,933  |
| Net operating revenues                             | 280,616       | 65,139  | 72,690  | 66,936  | 75,850  | 165,861 | 81,404  | 84,456  |
| SG&A expenses                                      | 263,992       | 60,580  | 65,951  | 63,803  | 73,656  | 141,885 | 71,241  | 70,644  |
| Operating income                                   | 16,624        | 4,558   | 6,738   | 3,132   | 2,193   | 23,976  | 10,163  | 13,812  |
| Non-operating income                               | 3,021         | 1,031   | 1,081   | 143     | 765     | 1,705   | 839     | 866     |
| Non-operating expenses                             | 6,024         | 643     | 782     | 1,073   | 3,525   | 130     | 227     | (97)    |
| Ordinary income                                    | 13,620        | 4,946   | 7,037   | 2,202   | (565)   | 25,551  | 10,775  | 14,775  |
| Extraordinary gains                                | 9,202         | 61      | 240     | 3,786   | 5,114   | 2,031   | 1,897   | 133     |
| Extraordinary losses                               | 46,344        | 2,090   | 6,798   | 2,599   | 34,856  | 1,336   | 461     | 875     |
| Net income   | 6,494         | 12,186  | 956     | 3,277   | (9,925) | 42,894  | 28,207  | 14,687  |

\*"Underwriting and selling fees and commissions from solicitation to qualifying investors" and "offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors" are described as "underwriting and selling fees and commissions" and "offering, selling, and other commissions and fees," respectively.

# Commissions & fees and SG&A expense—Consolidated

| (JPY billion)   |      |      |      |      |      |       |      |       |     |
|---|------|------|------|------|------|-------|------|-------|-----|
| Commissions & fees  | FY22 |      |      | YTD  | FY23 |       |      | YTD   | YoY |
|   | Q1   | Q2   | Q1   |      | Q2   | QoQ   |      |       |     |
| Equities  | 9.2  | 10.3 | 19.6 | 15.0 | 14.3 | (0.6) | 29.4 | +9.7  |     |
| Brokerage commissions   | 7.1  | 6.9  | 14.1 | 8.8  | 8.8  | +0.0  | 17.6 | +3.4  |     |
| Underwriting and selling fees and commissions* <sup>1</sup>     | 0.6  | 1.6  | 2.3  | 4.3  | 3.9  | (0.3) | 8.3  | +6.0  |     |
| Offering, selling, and other commissions and fees* <sup>2</sup> | 0.1  | 0.5  | 0.6  | 0.6  | 0.3  | (0.2) | 1.0  | +0.4  |     |
| Other commissions and fees                                      | 1.2  | 1.2  | 2.4  | 1.2  | 1.1  | (0.0) | 2.3  | (0.0) |     |
| Bond  | 7.1  | 6.8  | 13.9 | 9.7  | 10.5 | +0.8  | 20.2 | +6.2  |     |
| Brokerage commissions   | 0.2  | 0.2  | 0.5  | 0.2  | 0.2  | +0.0  | 0.5  | +0.0  |     |
| Underwriting and selling fees and commissions* <sup>1</sup>     | 4.5  | 4.8  | 9.3  | 5.4  | 7.1  | +1.6  | 12.6 | +3.2  |     |
| Offering, selling, and other commissions and fees* <sup>2</sup> | 1.3  | 1.1  | 2.4  | 2.8  | 2.4  | (0.3) | 5.2  | +2.8  |     |
| Other commissions and fees                                      | 1.0  | 0.6  | 1.6  | 1.1  | 0.6  | (0.5) | 1.7  | +0.1  |     |
| Beneficiary certificates  | 13.2 | 11.7 | 25.0 | 11.9 | 13.8 | +1.9  | 25.8 | +0.8  |     |
| Brokerage commissions   | 0.1  | 0.1  | 0.2  | 0.1  | 0.1  | (0.0) | 0.2  | (0.0) |     |
| Offering, selling, and other commissions and fees* <sup>2</sup> | 6.5  | 4.9  | 11.4 | 4.7  | 5.7  | +1.0  | 10.4 | (0.9) |     |
| Agency commissions  | 6.5  | 6.7  | 13.2 | 7.1  | 7.9  | +0.8  | 15.1 | +1.8  |     |
| Other   | 6.4  | 10.7 | 17.1 | 10.7 | 9.5  | (1.2) | 20.2 | +3.1  |     |
| Fees on Insurance Business Related                              | 0.1  | 0.1  | 0.2  | 0.5  | 0.7  | +0.2  | 1.3  | +1.0  |     |
| Fees on Wrap Accounts Services                                  | 0.9  | 0.9  | 1.9  | 0.8  | 0.9  | +0.0  | 1.8  | (0.1) |     |
| Financial advisory Fee - M&A                                    | 1.5  | 2.6  | 4.1  | 2.1  | 1.3  | (0.8) | 3.4  | (0.7) |     |
| Financial advisory Fee - Structured Finance                     | 1.7  | 4.2  | 6.0  | 3.3  | 3.0  | (0.3) | 6.4  | +0.4  |     |
| Financial advisory Fee - Other consulting                       | 0.6  | 0.5  | 1.1  | 0.6  | 0.5  | (0.0) | 1.2  | +0.1  |     |
| Other commissions and fees                                      | 1.4  | 2.1  | 3.5  | 3.0  | 2.7  | (0.3) | 5.8  | +2.3  |     |
| Total   | 36.0 | 39.7 | 75.8 | 47.4 | 48.3 | +0.9  | 95.8 | +20.0 |     |

| (JPY billion)                 |      |      |       |      |      |       |       |       |     |
|-------------------------------|------|------|-------|------|------|-------|-------|-------|-----|
| SG&A expenses                 | FY22 |      |       | YTD  | FY23 |       |       | YTD   | YoY |
|                               | Q1   | Q2   | Q1    |      | Q2   | QoQ   |       |       |     |
| Transaction-related           | 10.7 | 11.4 | 22.2  | 12.7 | 11.4 | (1.2) | 24.1  | +1.8  |     |
| Personnel                     | 26.5 | 30.1 | 56.6  | 29.5 | 33.2 | +3.6  | 62.8  | +6.1  |     |
| Real estate                   | 7.3  | 8.5  | 15.9  | 10.0 | 9.4  | (0.5) | 19.4  | +3.5  |     |
| Administrative                | 8.0  | 7.6  | 15.6  | 9.0  | 9.6  | +0.5  | 18.6  | +3.0  |     |
| Depreciation and amortization | 5.3  | 6.4  | 11.8  | 5.1  | 5.3  | +0.2  | 10.4  | (1.3) |     |
| Other                         | 2.5  | 1.7  | 4.2   | 4.7  | 1.6  | (3.1) | 6.3   | +2.1  |     |
| Total                         | 60.5 | 65.9 | 126.5 | 71.2 | 70.6 | (0.5) | 141.8 | +15.3 |     |

<sup>\*1</sup> "Underwriting and selling fees and commissions from solicitation to qualifying investors" is described as "underwriting and selling fees and commissions".

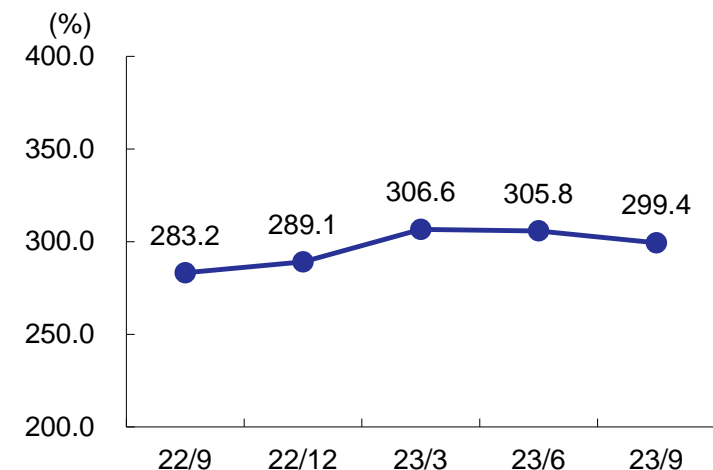
<sup>\*2</sup> "Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors" is described as "offering, selling, and other commissions and fees".

# Balance sheet summary

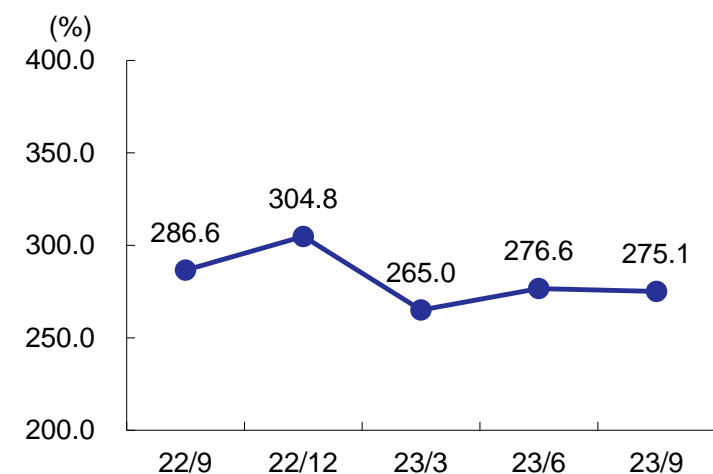
## Balance sheets (consolidated)

|   |        |        | (JPY billion)   |        |        |
|---|--------|--------|---|--------|--------|
|   |        |        | 2023  | 2023   |        |
|   |        |        | Jun.  | Sep.   |        |
| Assets  |        |        | Liabilities   |        |        |
| <b>Total current assets</b>                               | 20,197 | 24,278 | <b>Total current liabilities</b>                          | 18,345 | 22,319 |
| Cash and bank deposits                                    | 652    | 1,046  | Trading liabilities                                       | 10,297 | 12,387 |
| Trading assets  | 11,809 | 14,136 | Collateralized short-term financing agreements-receivable | 4,766  | 5,732  |
| Operating investment securities                           | 97     | 100    | Short-term borrowings                                     | 999    | 1,354  |
| Collateralized short-term financing agreements-receivable | 6,162  | 7,492  | Commercial paper  | 411    | 431    |
| <b>Total noncurrent assets</b>                            | 354    | 329    | <b>Total noncurrent liabilities</b>                       | 1,444  | 1,506  |
| Property and equipment                                    | 25     | 25     | Bonds and notes   | 661    | 687    |
| Intangible assets   | 58     | 58     | Long-term borrowings                                      | 752    | 789    |
| Investments and other assets                              | 270    | 245    | <b>Total liabilities</b>                                  | 19,793 | 23,829 |
| Investment securities                                     | 127    | 128    | <b>Net assets</b>   |        |        |
|   |        |        | Total shareholders' equity                                | 738    | 753    |
|   |        |        | Accumulated other comprehensive income                    | 14     | 19     |
|   |        |        | Non-controlling interests                                 | 5      | 5      |
|   |        |        | <b>Total net assets</b>                                   | 758    | 778    |
| <b>Total assets</b>                                       | 20,551 | 24,608 | <b>Total liabilities and net assets</b>                   | 20,551 | 24,608 |

## Capital adequacy ratio (consolidated)



## Capital adequacy ratio (non-consolidated)



# Profit and Loss Statement—Non-consolidated results

|  |         |         |         |         |         | (JPY million) |         |         |
|--|---------|---------|---------|---------|---------|---------------|---------|---------|
|  | FY22    |         |         |         |         | FY23          |         |         |
|  | Q1-Q4   | Q1      | Q2      | Q3      | Q4      | Q1-Q2         | Q1      | Q2      |
| Operating revenues                                 | 372,379 | 81,977  | 103,549 | 85,121  | 101,730 | 215,396       | 99,866  | 115,530 |
| Commissions  | 143,118 | 32,563  | 34,991  | 36,522  | 39,042  | 82,686        | 39,549  | 43,136  |
| Brokerage commissions                              | 23,788  | 5,988   | 5,886   | 5,634   | 6,278   | 14,880        | 7,466   | 7,413   |
| Equities   | 23,155  | 5,817   | 5,736   | 5,488   | 6,113   | 14,562        | 7,310   | 7,251   |
| Bonds  | 153     | 28      | 27      | 37      | 60      | 107           | 50      | 57      |
| Underwriting and selling fees and commissions*     | 26,684  | 4,813   | 5,653   | 8,846   | 7,370   | 17,909        | 8,381   | 9,527   |
| Equities   | 8,520   | 666     | 1,151   | 2,526   | 4,176   | 6,618         | 3,433   | 3,184   |
| Bonds  | 17,722  | 4,067   | 4,377   | 6,297   | 2,979   | 11,128        | 4,839   | 6,289   |
| Offering, selling, and other commissions and fees* | 23,066  | 7,169   | 5,483   | 5,044   | 5,370   | 11,940        | 5,305   | 6,634   |
| Beneficiary certificates                           | 19,843  | 6,533   | 4,950   | 4,211   | 4,147   | 10,494        | 4,702   | 5,792   |
| Other commissions and fees                         | 69,578  | 14,591  | 17,967  | 16,997  | 20,022  | 37,957        | 18,396  | 19,561  |
| Beneficiary certificates                           | 26,154  | 6,539   | 6,724   | 6,433   | 6,457   | 15,150        | 7,157   | 7,993   |
| Other (excl. equities and bonds)                   | 30,153  | 4,760   | 8,493   | 7,106   | 9,792   | 13,798        | 7,355   | 6,443   |
| Net gain on trading                                | 90,648  | 26,704  | 23,029  | 20,685  | 20,229  | 51,390        | 28,109  | 23,280  |
| Equities, etc.                                     | 13,084  | (1,518) | 11,884  | (6,374) | 9,093   | (8,224)       | (7,370) | (853)   |
| Bonds, etc. and Others                             | 77,564  | 28,222  | 11,145  | 27,060  | 11,136  | 59,615        | 35,480  | 24,134  |
| Net gain (loss) on operating investment securities | 1,204   | 431     | 498     | 414     | (139)   | 1,004         | 98      | 906     |
| Interest and dividend income                       | 137,406 | 22,278  | 45,030  | 27,499  | 42,599  | 80,314        | 32,108  | 48,206  |
| Interest expenses                                  | 120,444 | 18,521  | 36,960  | 27,304  | 37,657  | 77,906        | 34,638  | 43,267  |
| Net operating revenues                             | 251,934 | 63,455  | 66,588  | 57,817  | 64,073  | 137,490       | 65,227  | 72,262  |
| SG&A expenses                                      | 230,326 | 55,118  | 58,947  | 55,532  | 60,727  | 117,207       | 57,834  | 59,372  |
| Operating income                                   | 21,608  | 8,337   | 7,641   | 2,284   | 3,345   | 20,282        | 7,392   | 12,890  |
| Non-operating income                               | 2,952   | 864     | 502     | 754     | 831     | 777           | 419     | 357     |
| Non-operating expenses                             | 227     | 35      | 36      | 30      | 126     | 300           | 126     | 174     |
| Ordinary income                                    | 24,333  | 9,165   | 8,107   | 3,008   | 4,051   | 20,759        | 7,686   | 13,073  |
| Extraordinary gains                                | 19,300  | 61      | 240     | 3,786   | 15,211  | 894           | 498     | 396     |
| Extraordinary losses                               | 44,026  | 2,275   | 6,895   | 2,600   | 32,255  | 1,204         | 461     | 742     |
| Net income   | 24,297  | 16,302  | 2,204   | 3,722   | 2,067   | 37,837        | 24,165  | 13,672  |

\*“Underwriting and selling fees and commissions from solicitation to qualifying investors” and “offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors” are described as “underwriting and selling fees and commissions” and “offering, selling, and other commissions and fees,” respectively.



# Product sales and number of accounts—Non-consolidated

|                                |      |     |     |     | (JPY billion) |     |
|--------------------------------|------|-----|-----|-----|---------------|-----|
|                                | FY22 |     |     |     | FY23          |     |
|                                | Q1   | Q2  | Q3  | Q4  | Q1            | Q2  |
| Equity sales*                  | 5    | 12  | 32  | 177 | 61            | 31  |
| Foreign bond sales*            | 179  | 226 | 151 | 188 | 136           | 248 |
| Japan domestic bond sales*     | 226  | 125 | 251 | 177 | 129           | 103 |
| Equity investment trust sales* | 232  | 166 | 152 | 151 | 179           | 211 |

|   |       |       |       |       | (Thousand accounts) |       |
|---|-------|-------|-------|-------|---------------------|-------|
|   | 22/6  | 22/9  | 22/12 | 23/3  | 23/6                | 23/9  |
| Cash management accounts                      | 1,864 | 1,800 | 1,805 | 1,776 | 1,695               | 1,689 |
| Online trading accounts                       | 1,380 | 1,380 | 1,389 | 1,380 | 1,322               | 1,325 |
| Number of new client accounts (R&BB Division) | 15    | 14    | 19    | 20    | 14                  | 16    |
| New NISA accounts                             | 276   | 277   | 277   | 277   | 278                 | 281   |

|   | FY22  |       |       |       | FY23  |       |
|---|-------|-------|-------|-------|-------|-------|
|   | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    |
| % of # of transactions traded online (equities) | 67.0% | 62.5% | 62.0% | 62.4% | 64.2% | 64.2% |
| % of transaction value traded online (equities) | 28.1% | 29.2% | 32.4% | 29.1% | 32.4% | 40.1% |

\* "Equity sales", "Foreign bond sales", "Japan domestic bond sales", and "Equity investment trust sales" specifically refer to R&BB Div. figures

# Market share and assets under management—Non-consolidated

|                       |                   | (JPY billion) |        |        |        |        |        |
|-----------------------|-------------------|---------------|--------|--------|--------|--------|--------|
|                       |                   | FY22          |        |        |        | FY23   |        |
|                       |                   | Q1            | Q2     | Q3     | Q4     | Q1     | Q2     |
| Equity trading volume | Total             | 17,412        | 15,341 | 18,783 | 13,600 | 14,517 | 14,515 |
|                       | Dealing           | 7,669         | 6,900  | 7,827  | 5,702  | 4,766  | 5,296  |
|                       | Brokerage         | 9,742         | 8,440  | 10,956 | 7,898  | 9,751  | 9,218  |
| Share in TSE          |                   | 3.63%         | 3.46%  | 3.89%  | 2.87%  | 2.62%  | 2.52%  |
| Underwriting          | Equities          | 6             | 16     | 42     | 186    | 65     | 55     |
|                       | Bonds             | 1,703         | 1,676  | 2,064  | 1,220  | 1,715  | 2,461  |
| Distribution          | Equities          | 26            | 34     | 69     | 281    | 90     | 151    |
|                       | Bonds             | 1,268         | 1,233  | 1,483  | 882    | 1,107  | 1,894  |
|                       | Investment Trusts | 1,284         | 1,106  | 1,063  | 1,361  | 1,237  | 1,397  |

|   |                   | (JPY billion) |        |        |        |        |        |
|---|-------------------|---------------|--------|--------|--------|--------|--------|
|   |                   | 22/6          | 22/9   | 22/12  | 23/3   | 23/6   | 23/9   |
| AUM   |                   | 48,520        | 47,403 | 47,860 | 50,220 | 54,751 | 54,967 |
|   | Equities          | 27,399        | 27,671 | 28,273 | 29,890 | 33,053 | 33,136 |
|   | Bonds             | 13,801        | 12,709 | 12,733 | 12,987 | 13,352 | 13,566 |
|   | Investment trusts | 6,602         | 6,395  | 6,228  | 6,780  | 7,584  | 7,569  |
|   | Others            | 716           | 626    | 624    | 561    | 761    | 695    |
| R&BB AUM                                    |                   | 43,970        | 44,094 | 44,587 | 45,366 | 49,130 | 49,223 |
|   | Equities          | 24,810        | 25,108 | 25,731 | 25,810 | 28,595 | 28,674 |
|   | Bonds             | 12,502        | 12,451 | 12,456 | 12,638 | 12,815 | 12,827 |
|   | Investment trusts | 6,406         | 6,270  | 6,126  | 6,643  | 7,448  | 7,432  |
| Net inflow of client assets (R&BB Division) |                   | 99            | 163    | 194    | 1,880  | 143    | 88     |

# Number of employees and offices

|  | 22/6  | 22/9  | 22/12 | 23/3  | 23/6  | 23/9  |
|--|-------|-------|-------|-------|-------|-------|
| Consolidated number of employees         | 9,257 | 9,217 | 9,160 | 8,942 | 9,156 | 9,131 |
| Non-consolidated                         | 7,221 | 7,096 | 6,985 | 6,864 | 7,057 | 6,981 |
| Domestic affiliate companies             | 264   | 258   | 262   | 242   | 252   | 248   |
| Overseas subsidiaries                    | 1,772 | 1,863 | 1,913 | 1,836 | 1,847 | 1,902 |
| Number of offices                        | 240   | 240   | 239   | 236   | 236   | 237   |
| Japan                                    | 230   | 230   | 229   | 225   | 225   | 225   |
| Overseas (Rep. offices and subsidiaries) | 10    | 10    | 10    | 11    | 11    | 12    |

\*Figures for number of employees and number of offices include those of Mizuho Securities USA (925 employees as of the end of Jun. 2022, 1,011 employees as of the end of Sep. 2022, 1,032 employees as of the end of Dec. 2022, 941 employees as of the end of Mar. 2023, 946 employees as of the end of Jun. 2023, and 989 employees as of the end of Sep. 2023).