

# Financial Results

**Second Quarter**

**Fiscal Year ending March 2021**

October 2020

Mizuho Securities

**MIZUHO**

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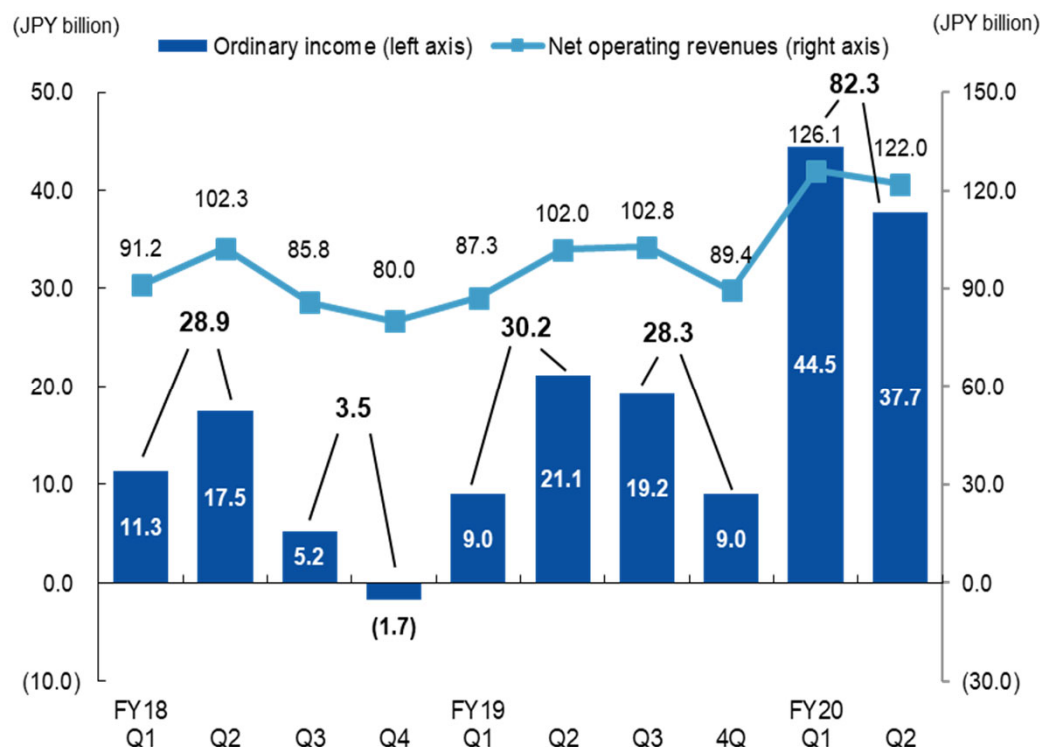
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## Reference Data

\* The information herein is being provided solely for informational purposes in relation to the Company's FY20 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 29, 2020. 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.

# Quarterly highlights (aggregate basis inclusive of US entities\*1)

## Financial results (aggregate basis)



Financial result (JPY billion)

(Aggregate basis)

	FY2020			FY2019		
	Q1	Q2	QoQ %	1H	1H	YoY %
Net operating revenues	126.1	122.0	( 3%)	189.4	248.1	+31%
Ordinary income	44.5	37.7	( 15%)	30.2	82.3	+172%

## Q2 market climate

- Japan and overseas share prices continued to rise in anticipation of government measures to address the corona pandemic
- US primary market boom continued during Q2 although at a slower pace than Q1. Japan's primary market experienced expansion and secondary transactions were active as well

## New all-time high\*2 for (aggregated) ordinary income of JPY 82.3bn

- Achieved definitive progress on structural reforms targeting our business, financial structure, etc. (refer to following slide)
- Set new all-time highs across our three front-office businesses and our three core overseas entities by definitively monetizing the market boom
- Overseas, amid market boom, we enhanced our CIB model, steadily gained client Biz. and recorded strong performance primarily in terms of DCM and fixed income
  - Americas: In addition to leveraging boom in bond issuance Mkt., also leveraged strong performance across ECM and equity Mkts.
  - Europe: Expanded client Biz. by leveraging Mizuho Bank (BK)-Mizuho Securities (SC) collaboration and progress on cost cuts
- On non-consolidated basis, our Retail & Business Banking (R&BB) Biz. served as revenue driver in further promoting our "global equities strategy," and our primary Biz. effectively captured financing needs arising from the corona pandemic
  - In addition to achieving sophisticated consulting services, R&BB also realized comprehensive direct/indirect hybrid sales channel model
  - Led markets for both in terms of SDG bonds and hybrid bonds
  - Fixed income: Upgraded services by adding ability to offer clients integrated equities-derivatives

\*1 "Aggregate basis" is the simple aggregate of P/L Statement-reported: net operating revenues and ordinary income along with net operating revenues and ordinary income (both calculated on an internal management basis) of our US-based entities (such as MSUSA, etc.) which are not consolidated subsidiaries of Mizuho Securities.

\*2 "New all time high" since the 2013 merger of the former Mizuho Securities and former Mizuho Investors Securities.

# Mizuho Securities progress on 3 Structural Reforms

—realizing more meaningful partnerships with clients

Achieving steady progress on structural reforms. From 2H onward, will accelerate and upgrade structural reforms by addressing issues brought to light via the corona pandemic

FY20 1H

## 3 Structural Reforms

Business	Retail business	<ul style="list-style-type: none"> <li>Developed consulting-based sales focused on “<b>global equities strategy</b>”</li> <li>-<b>Achieved major AUM growth</b>, and AUM balance steadily expanding</li> <li><b>Achieved sophisticated (scientific sales approach) direct channel services by promoting DX</b> <sup>*1</sup></li> </ul>
	Midcap IB & Integrated Corp.-Retail	<ul style="list-style-type: none"> <li>Strengthened solutions capabilities in terms of linking abilities, such as <b>linking Japanese growth companies and overseas investors</b></li> <li><b>Continued building track record in winning lead manager deals for post-IPO ECM startups</b></li> <li><b>Expanded ultra-HNW strategy/targeting, and strengthened/promoted sales &amp; Mktg. focused on key target families</b></li> </ul>
	Investment banking	<ul style="list-style-type: none"> <li>Continued to win large-scale deals <b>by offering solutions tailored to client business strategies</b></li> <li>- Provided subordinated bonds and hybrid financing to address corona pandemic-related financing needs, etc.</li> <li><b>Continued to achieve progress in rollout of the US CIB</b> <sup>*2</sup>→achieving highly-dynamic global collaboration via horizontal rollout of CIB model</li> </ul>
	Sales & Trading	<ul style="list-style-type: none"> <li><b>Offered clients solutions via our integrated (Japan-global and BK-SC) derivatives sales platform</b></li> <li>Achieved definitive progress on <b>digitizing and strengthening our execution platform</b></li> </ul>
Financial	Revenue/expenses structure	<ul style="list-style-type: none"> <li><b>Realized bottom-line control across Four Priority Areas</b> <sup>*3</sup></li> <li>(MHI) maintained profit thanks to progress on cost-related structural reforms and gross operating revenue improvement initiatives</li> </ul>
Admin. platform	HR	<ul style="list-style-type: none"> <li><b>Promoted and achieved widespread adoption of HR reforms</b> (dynamic benefits structure, etc.) to improve quality and professional competence of our talent</li> <li><b>Promoted HR Portfolio Strategy</b> (personnel Mgmt. based on “ability to produce results”)</li> </ul>
	IT systems	<ul style="list-style-type: none"> <li><b>Focused on introduction of shared retail platform</b></li> <li><b>Reviewed and promoted the use of globally-shared systems</b></li> </ul>

Initial valuation for new fund ESG investment trust:

**JPY 383bn**

(Industry's 2<sup>nd</sup> highest)

As of Oct. 28, stood at over JPY 660bn

Net Incr. in equity Invest.: **JPY 321.2bn**  
(New record high)

Asset inflows:  
Over JPY 1 trillion for 6 years in a row

### Major League Tables

Publicly-offered bonds (Japan):	<b>#1</b>
SDG bonds:	<b>#1</b>
Corp. subordinated bonds:	<b>#1</b>
Japan and foreign equities:	<b>#3</b>
US IG USD bonds:	<b>#8</b>
(#1 for Japanese firm)	(FY19: #10)
US ECM:	<b>#15</b>
(#1 for Japanese firm)	(FY19: #29)

Bottom-line control benefit  
Estm. JPY **30bn**

Increasingly intensive structural reforms with a focus on the post-corona era

Transform client Biz.

Review organizational structure

Enhance client convenience  
Achieve more dynamic organization

Rebuild operational processes

New workstyles

Point

Improve Biz. quality & added-value

Remote-access/direct hybrid channel

Thoroughly review Biz. processes and streamline

\* 1 DX = Digital Transformation

\* 2 CIB = Corporate and Investment Banking

\* 3 Four Priority Areas: Japanese equity, MHI ((Mizuho International plc) which is a London-based subsidiary of Mizuho Securities), MCM ((Mizuho Capital Markets LLC) a company which shares integrated management with MSUSA), and R&BB (Retail & Business Banking Division)

\* 4 All data was prepared by Mizuho Securities based on sources as follows: Data covering publicly-offered bonds (Japan), SDG bonds, and Corp. subordinated bonds from I-N Informations Systems. Japan and global equity data from Refinitiv. US IG USD Bond and US ECM data from Dealogic.

# Earnings summary—Consolidated

## ■ FY20 1H ordinary income highest on record since our US overseas entities became non-consolidated subsidiaries (in FY16 2H)

### Financials recap

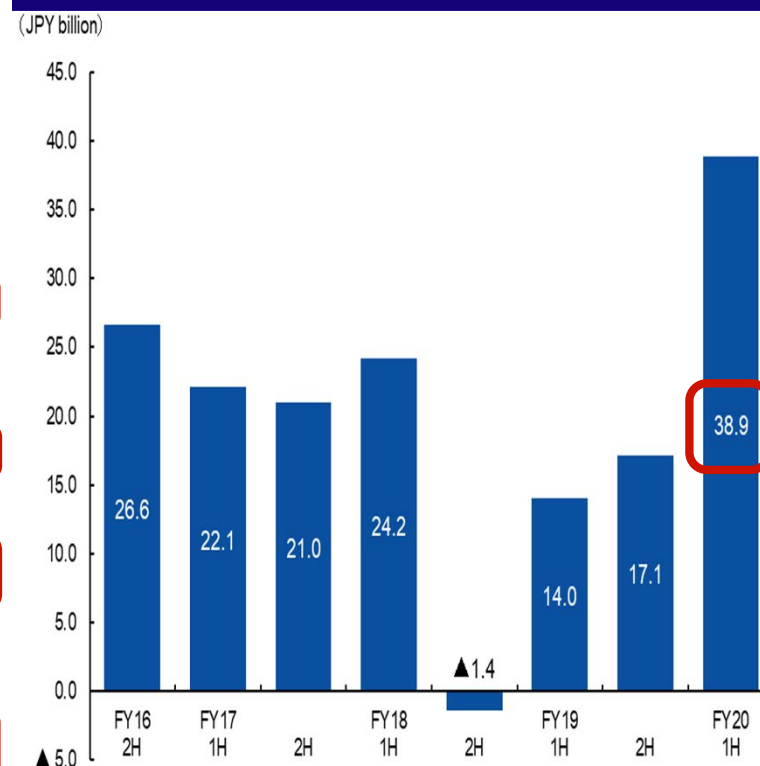
- Q2 ordinary income was JPY 19.2bn—on par with the impressive level achieved for Q1. Achieved new record high for 1H ordinary income which increased by 176.5% YoY to JPY 38.9bn

### Aggregate basis inclusive of US entities

- On an aggregate basis inclusive of US entities, while QoQ ordinary income decreased 15.3% to JPY 37.7bn, it increased 172.1% YoY to set a new record of JPY 82.3bn.

Financial results (JPY billion)	FY2020		QoQ	FY2019	FY2020	YoY
	Q1	Q2	%	1H	1H	%
Operating revenues	94.7	106.4	+12.4%	190.3	201.2	+5.7%
Commissions	42.4	47.1	+11.1%	79.1	89.5	+13.2%
Net gain on trading	32.6	31.6	(2.9%)	53.6	64.3	+19.9%
Net gain (loss) on operating investment securities	1.3	0.0	(98.7%)	3.2	1.3	(57.8%)
Interest and dividend income	18.3	27.6	+50.8%	54.3	45.9	(15.4%)
Interest expenses	14.2	21.7	+51.9%	51.9	36.0	(30.6%)
Net operating revenues	80.4	84.7	+5.3%	138.4	165.2	+19.3%
SG & A expenses	61.2	65.4	+7.0%	124.8	126.7	+1.5%
Operating income	19.2	19.2	+0.1%	13.6	38.4	+183.0%
Ordinary income (A)	19.6	19.2	(2.2%)	14.0	38.9	+176.5%
Income before tax <sup>*1</sup>	18.9	18.2	(3.9%)	14.0	37.1	+165.4%
Net income attributable to owners of parent	14.4	15.7	+9.1%	10.3	30.2	+191.2%
<Aggregate basis inclusive of US entities <sup>*2</sup> >						
Mizuho Securities USA ordinary income (B)	24.8	18.4	(25.8%)	16.1	43.3	+168.2%
Ordinary income calculated on simple aggregate basis (A+B)	44.5	37.7	(15.3%)	30.2	82.3	+172.1%

### Shift in consolidated ordinary income



\* "Aggregate basis" is the simple aggregate of P/L Statement-reported: net operating revenues and ordinary income along with net operating revenues and ordinary income (both calculated on an internal management basis) of our US-based entities (such as MSUSA, etc.) which are not consolidated subsidiaries of Mizuho Securities.

# Business segments

(JPY billion)

	FY2019			FY2020		QoQ	FY2019	FY2020	YoY
	Q2	Q3	Q4	Q1	Q2	Change	1H	1H	Change
	(a)	(b)	(c)	(d)	(e)	(f) = (e) - (d)	(g)	(h)	(i) = (h) - (g)
【Global Investment Banking】									
Net operating revenues	21.7	19.9	18.5	26.0	23.7	(2.2)	37.7	49.7	+11.9
SG & A expenses	13.6	14.0	12.4	13.6	13.1	(0.5)	25.4	26.7	+1.2
Ordinary income	8.0	5.9	6.0	12.3	10.6	(1.7)	12.3	23.0	+10.6
【Global Markets】									
Net operating revenues	50.8	51.1	39.6	70.4	62.6	(7.8)	93.7	133.0	+39.3
SG & A expenses	37.5	40.4	35.1	43.6	41.9	(1.7)	75.1	85.5	+10.3
Ordinary income	13.3	10.7	4.4	26.8	20.7	(6.1)	18.5	47.5	+29.0
【Retail & Business Banking (R&BB)】									
Net operating revenues	29.6	33.7	32.8	32.1	40.3	+8.1	57.7	72.4	+14.6
SG & A expenses	28.7	29.9	30.6	27.4	29.7	+2.3	57.7	57.2	(0.4)
Ordinary income	1.0	3.8	2.1	4.6	10.4	+5.8	0.1	15.1	+15.0
(Aggregate basis <sup>*1</sup> )									
Net operating revenues	102.0	102.8	89.4	126.1	122.0	(4.0)	189.4	248.1	+58.7
Ordinary income	21.1	19.2	9.0	44.5	37.7	(6.8)	30.2	82.3	+52.0

## Global Investment Banking

- In Japan, successfully captured needs of clients impacted by corona pandemic and won wide range of deals including large-scale public offerings and DCM

- Overseas, definitively captured and monetized both DCM and ECM deals by effectively leveraging capital markets boom (primarily in the US)

## Global Markets

- While fixed income declined compared to Q1 (a quarter in which Global Markets achieved particularly strong results in Japan and overseas), it remained strong for Q2 thanks to efforts to acquire client business via upgraded ability to offer clients integrated equities-derivatives services
- Achieved new all-time high<sup>\*2</sup> for equities thanks to: enhancing Japanese equities execution platform, an advanced ability to capture foreign retail equities business, enhancing US entities business, and promoting cost reductions

## Retail & Business Banking

- Achieved new record high sales figures both in terms of equity investment trusts and foreign equities thanks to promoting built-in-gains-centric sales & Mktg. based on our "global equities strategy"
- Enhanced sales approach to achieve remote-based (indirect)/direct hybrid sales approach
- Achieved record highs for both net operating revenues and ordinary income

<sup>\*1</sup>"Aggregate basis" is the simple aggregate of P/L Statement-reported: net operating revenues and ordinary income along with net operating revenues and ordinary income (both calculated on an internal management basis) of our US-based entities (such as MSUSA, etc.) which are not consolidated subsidiaries of Mizuho Securities.

<sup>\*2</sup> The highest since the 2013 merger of the former Mizuho Securities and former Mizuho Investors Securities.

# Business segments—Global Investment Banking

## Major league tables

### Total Japan publicly offered bonds (2020/4/1-2020/9/30)

Rank	Company Name	Amount (JPY bn)	Share (%)
1	<b>Mizuho Sec.</b>	<b>2,441.3</b>	<b>20.7</b>
2	Nomura Sec.	2,196.0	18.6
3	Mitsubishi UFJ Morgan Stanley Sec.	2,174.6	18.4
4	SMBC Nikko Sec.	2,163.2	18.3
5	Daiwa Sec.	2,099.1	17.8

Based on underwriting amount and pricing date basis  
Deals including straight bonds, investment corporation bonds, zaito institution bonds, municipal bonds (lead manager method only), samurai bonds and preferred securities, but excluding own debt  
Source: Prepared by Mizuho Securities based on data from Refinitiv

### Total equity underwriting worldwide (2020/4/1-2020/9/30)

Rank	Company Name	Amount (JPY bn)	Share (%)
1	Nomura Holdings	573.7	25.0
2	Daiwa Securities Group	424.6	18.5
3	<b>Mizuho Financial Group</b>	<b>373.7</b>	<b>16.3</b>
4	Sumitomo Mitsui Financial Group	280.6	12.2
5	Goldman Sachs	126.6	5.5

Based on underwriting amount and pricing date basis  
Deals including initial public offerings, public offerings, convertible bonds and REITs  
Source: Refinitiv

### M&A Advisory for announced deals (2020/4/1-2020/9/30)

Rank	Company Name	No. of transactions	Amount (JPY bn)
1	Mitsubishi UFJ Morgan Stanley Sec.	16	10,405.5
2	Nomura Sec.	36	9,584.7
3	Goldman Sachs	8	5,673.6
4	Deloitte	33	5,227.3
15	<b>Mizuho Financial Group</b>	<b>29</b>	<b>258.1</b>

Based on deal amounts  
Any Japanese related deals (excluding real estate deals)  
Source: Prepared by Mizuho Securities based on data from Refinitiv

### ABS lead manager (Prelim. figures) (2020/4/1-2020/9/30)

Rank	Company Name	No. of transactions	Amount (JPY bn)
1	<b>Mizuho Financial Group</b>	<b>73</b>	<b>613.9</b>
2	Sumitomo Mitsui Financial Group	13	324.4
3	Mitsubishi UFJ Financial Group	12	248.7
4	Nomura Holdings	6	240.5
5	Morgan Stanley	4	181.5

Based on deal amounts and settlement date basis  
Source: Prepared by Mizuho Securities based on data (as of 9:00am, Oct. 15, 2020) from Refinitiv  
(Preliminary figures prior to release)

## Major deals underwritten (FY20/Q2)

### DCM

#### Japan

- Tokyo Century Corporation (Subordinated bond)
- NIPRO CORPORATION  
(Subordinated bond•Social-impact bond)
- SEIKO EPSON CORPORATION (Green bond)
- ORIENTAL LAND CO., LTD.
- West Japan Railway Company
- OSAKA GAS CO., LTD. (Subordinated bond)
- SoftBank Corp.
- Tokyo Tatemono Co., Ltd. (Sustainability bond)
- Mizuho Financial Group, Inc.
- TEPCO Power Grid, Incorporated
- Orient Corporation (Social-impact bond)
- East Nippon Expressway Company Limited  
(Social-impact bond)
- Japan Finance Corporation
- Swedish Export Credit Corporation
- Fukui prefecture (Fixed-date redemption bond)
- Aichi prefecture

#### Global

- adidas AG
- American Honda Finance Corp
- Bayer AG
- BPCE
- Dow Chemical Co
- Experian Finance plc
- Honeywell International Inc
- Huarong Finance 2019 Co Ltd
- Hyundai Capital America
- KEXIM
- Korea Expressway Corp
- Medtronic Global Holdings SCA
- MTR Corp Ltd
- Pacific Life Global Funding II
- SEK
- Vale Overseas Ltd

### ECM

- Uzabase, Inc.
- MEDLEY, INC.
- SoftBank Corp.
- Modalis Therapeutics Corporation
- Neural Pocket Inc.
- rakumo
- Headwaters Co., Ltd.
- Direct Marketing MiX Inc.

- MORI HILLS REIT INVESTMENT CORPORATION.
- LaSalle LOGIPORT REIT
- Tokyo Infrastructure Energy Investment Corporation
- Snowflake Inc
- Jamf Holding Corp
- E.Merge Technology Acquisition Corp
- Burgundy Technology Acquisition Corp
- American Electric Power Co Inc – AEP

## SDG bond and hybrid bond league tables

### SDG bonds

Rank	Company Name	Amount (JPY bn)	Share (%)
1	Mizuho Sec.	285.3	28.7
2	Nomura Sec.	202.9	20.4
3	Mitsubishi UFJ Morgan Stanley Sec.	178.9	18.0
4	SMBC Nikko Sec.	177.3	17.8
5	Daiwa Sec.	138.7	13.9

Total	994.4	100.0
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Source: Prepared by Mizuho Securities based on data from Refinitiv

### Corp. hybrid bonds

Rank	Company Name	Amount (JPY bn)	Share (%)
1	Mizuho Sec.	230.2	38.7
2	Nomura Sec.	119.0	20.0
3	Daiwa Sec.	103.9	17.5
4	Mitsubishi UFJ Morgan Stanley Sec.	75.2	12.6
5	SMBC Nikko Sec.	60.5	10.2

Total	595.0	100.0
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Source: Prepared by Mizuho Securities based on data from Refinitiv



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

## I. Asset inflow

- vs FY20 1H: JPY 1,444bn (YoY: +139% and vs FY19 2H: +78%)
- First time to **exceed JPY 1 trillion** for 6-month period since FY18 2H

## II. Equity investment trusts

- Bal. as of end of Sep. 2020: JPY 3.8 trillion (**increase of JPY +1.3 trillion** over Mar. 2020)
- Sales figures for FY20 1H: JPY 717.6bn (YoY: +53% and vs FY19 2H: +45%)
- **Set new record** for 6-month period<sup>\*1</sup>
- Net increase figures<sup>\*2</sup>
- FY20 1H: JPY 321.2bn (YoY: +349% and vs FY19 2H: +203%)
- **Achieved net increase for 6 quarters in a row**, and **set new unprecedentedly high record** for 6-month period<sup>\*1</sup> (**1st time to exceed JPY 300bn**)
- Achieved definitive progress on “global equities strategy” (themes: long-term, diversified, and global). Our global equities strategy funds<sup>\*3</sup> balance topped JPY 2.8 trillion and built-in gains<sup>\*4</sup> topped JPY 1 trillion (balance of JPY 1,014.4bn).
- Stable revenue ratio: FY20 Q2 21% (QoQ: +3%)
- KPI-based ratio of clients according to managed asset P/L as of end of Sep. 2020: 82% (one of the industry's highest)

## III. Foreign equities

- FY20 1H trading Vol.: JPY 797.4bn (YoY: +126% and vs FY19 2H: +50%), Bal.: JPY 534bn (as of end of Sep. 2020). Both represent **new all-time highs**<sup>\*1</sup>
- Steady growth in clients with foreign equities holdings (49,600 clients)

## IV. Client service enhancements

- Praised for “data-leveraging & evolving direct-sales model” and awarded “2020 CRM Best Practices Award”<sup>\*5</sup> for the 4th year in a row (receiving the award four years consecutively is the minimum requirement to receive the “ongoing award” and, therefore, it was Mizuho Securities 1st time to receive it)
- Ability to effectively offer services via contact centers and internet channels received high marks which ultimately led HDI-Japan to award (for the 5th year in a row) their highest benchmark rating of “three stars”<sup>\*6</sup>

Fig. 1 Shift in asset inflow

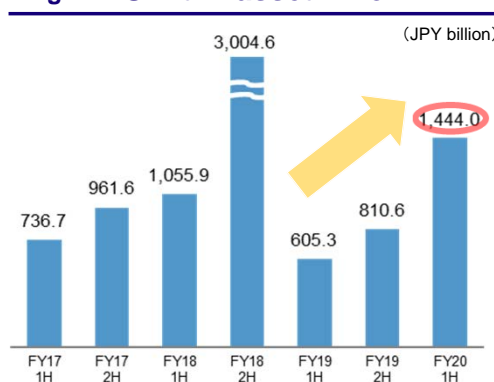


Fig. 3 Global Equities Strategy Funds Incr. Bal. and built-in gains

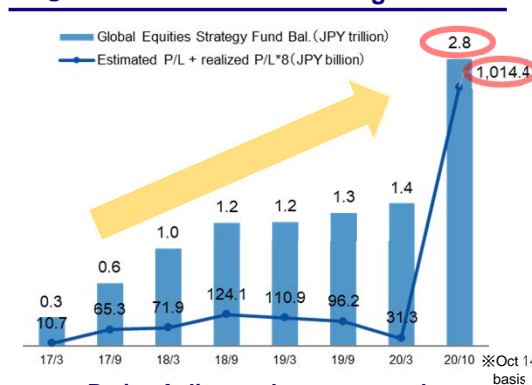


Fig. 5 Ratio of clients whose managed assets have P/L above 0%<sup>\*10</sup> (investment trusts)

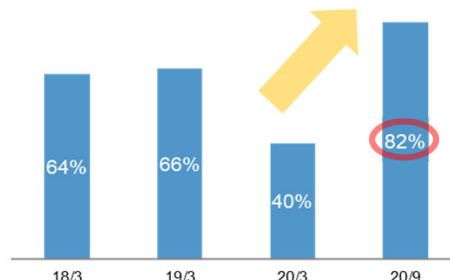


Fig. 2 Shift in equity Invest. trust Bal. (and our share)

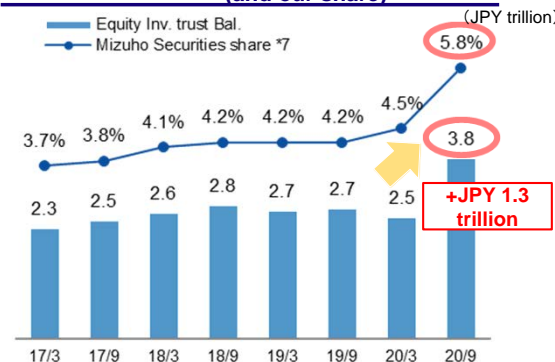


Fig. 4 Stable revenue assets & the ratio<sup>\*9</sup>

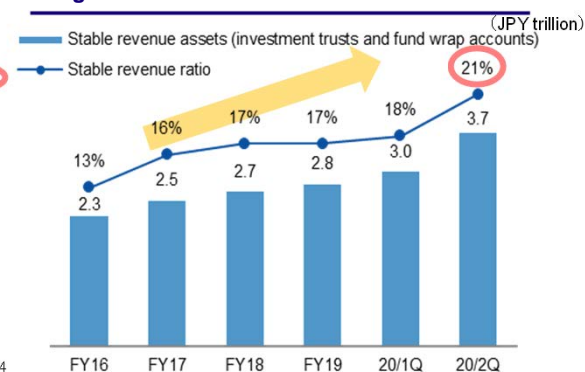
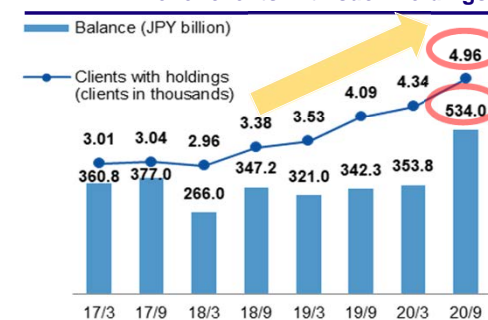


Fig. 6 Shift in foreign equities Bal. & No. of clients with such holdings



\*1 Since 2013 merger of the former Mizuho Securities and former Mizuho Investors Securities. \*2 Incl. reinvested dividends. \*3 Sixteen investment funds investing in global emerging markets and US equities (targeting 15 funds from Oct. 2020)

\*4 Estimated P/L + realized P/L \*5 Awards granted to companies, government agencies, and organizations which have (in terms of strategy, operations, and organization) pursued client-centric relationships and have achieved results in seeking to realize customer-centric operations \*6 Specialists possessing international HDI qualifications as well as individuals chosen from among the general public are invited use and survey the hotlines (call centers) and websites of each corporation to assess customer service based on evaluation criteria established in accordance with HDI international standards. Each corporation is evaluated on a 4-point scale from “No Star” to the highest rating of “three-star.”

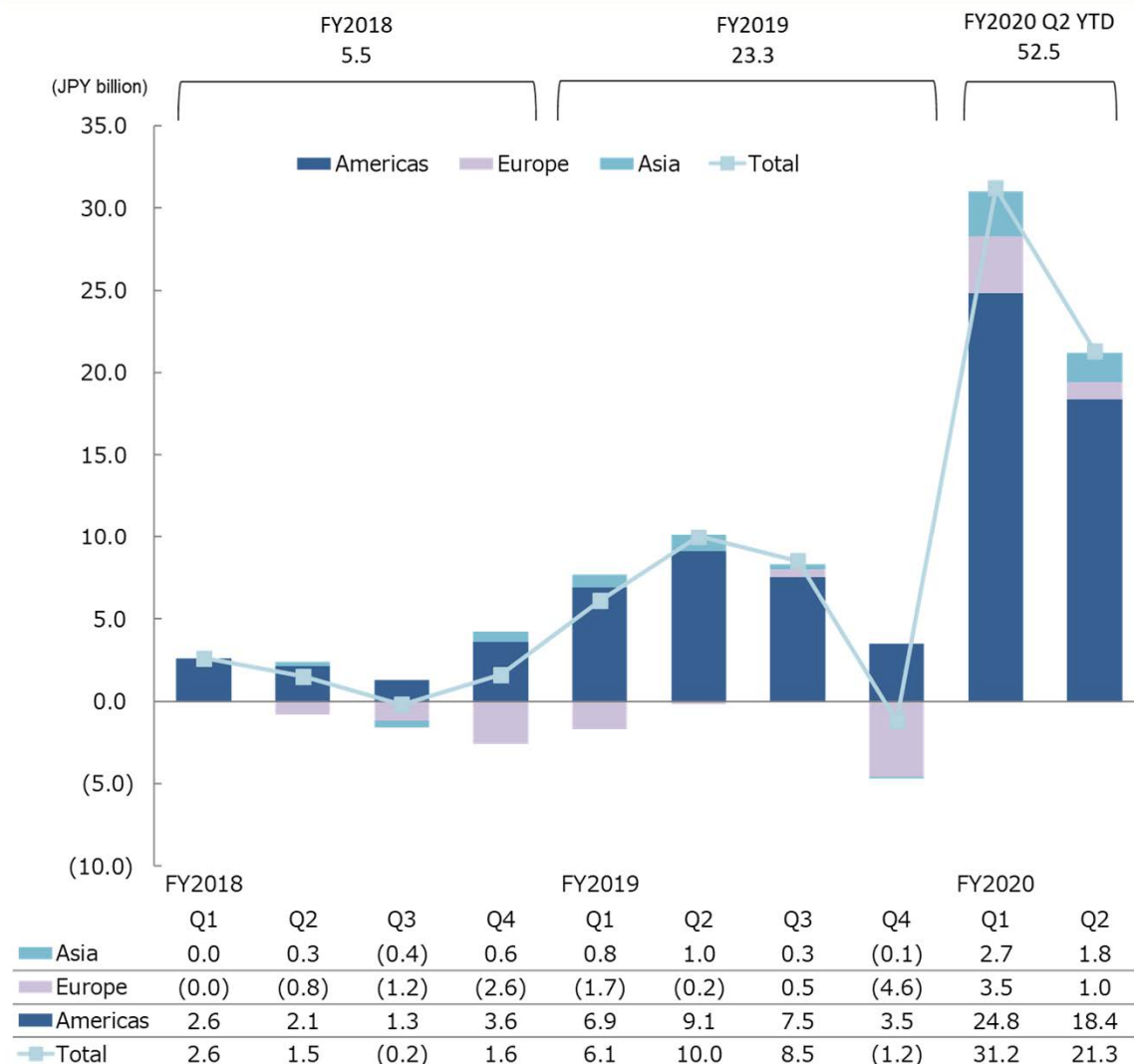
\*7 Calculated based on The Investment Trusts Association data: “Changes in Assets of Publicly Offered Investment Trusts (actual) Eqty. Invst. trusts (Excl. ETFs)” \*8 Calculated based on publicly offered Eqty. Invst. trust “Estm. Value - net gain”

\*9 “The ratio” (stable revenue ratio) is calculated by dividing R&BB Div.’s stable revenue (Invst. trust brokerage fees & revenue from fund wrap accounts) by expenses \*10 Calculated based on Japan’s Financial Services Agency’s common-use KPI (ratio of clients according to revenue generated from investment trusts and fund wrap Accts).



# Ordinary income\*—Overseas entities

## Ordinary income of overseas entities by region



## Ordinary income of overseas entities by region

- Strong ordinary income figures thanks to progress on both “offense” and “defense” type structural reforms
- Meaningful progress in rolling out CIB model across US entities, as well as in introducing model worldwide, led to new level of activity in collaborative deals among entities throughout our global operations
- Definitively monetized both globally-active DCM markets and ECM (primarily US) issuance markets

### -- Americas

- Effectively monetized record-breaking issuance market boom in US (ongoing from G1) and maintained strong performance across primary and secondary markets
- MSUSA subsidiary “Mizuho Capital Markets” (MCM), with expertise in derivatives, maintained strong performance and significantly expanded profit

### -- Europe

- Our European operations as well, recorded stable profit, thanks to profit-structure reforms achieved via various initiatives including those to leverage collaboration with Mizuho Bank to expand client business in addition to achieving significant progress on cost-related structural reforms

\*Figures for the above graph are those calculated on an internal management basis prior to subtracting internal transaction figures.

Note that ordinary income for “Americas” includes that of our US entities (such as MSUSA, etc.) which are not consolidated subsidiaries of Mizuho Securities.

# FY20 1H topics

## Mizuho Securities sustainability initiatives

At Mizuho Securities, achieving sustainable growth goes hand in hand with our environmental conservation efforts and our aim to achieve sustainable development and prosperity for communities, the economy, and industries both at home and abroad

--- Accurately uncovering and anticipating needs of industries, corporations, and investors and changes by which they are impacted, and effectively leveraging securities functions to contribute to clients, capital markets, and society ---

### Sustainable finance

By leveraging our expert ability to create meaningful SDG-bond stories tailored to our clients' sustainability strategies, we have continued to conduct structuring and underwriting leading to countless Japan-first and industry-first deals

Major FY20 deals	Issuer	Vxp p du
	Nagano Prefecture	Subsidy funding to help Nagano undertake Ministry of the Environment adaptation projects (1 <sup>st</sup> round deal)
	Tohoku Electric Power	Green bond issuance (CBI certified) (1 <sup>st</sup> time for Japanese electric power Co.)
	HULIC	Sustainability-linked bond issuance (a Japan 1 <sup>st</sup> )
	Nipro	Social-hybrid bond issuance (a Japan 1 <sup>st</sup> ) (to address corona)
	The Univ. of Tokyo	Social bond issuance (1 <sup>st</sup> time for Japanese University)

### ESG investment trusts



Ranking for 2020 new funds

#1

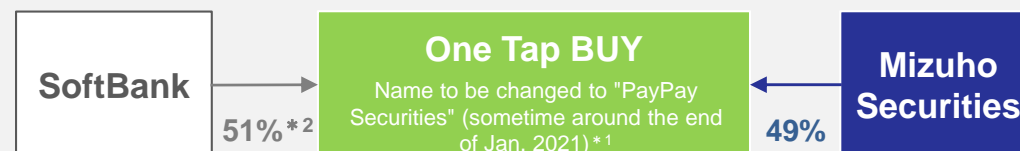
Ranking for all-time highest initial setting

#2

- New publicly-offered (Est. Jul. 2020) equity investment trust: **Global ESG High-quality Growth Equity Fund (a.k.a. "Mirai-no-Sekai (ESG)")** was given high marks for ESG by asset management Co. when evaluating for portfolio inclusion
- Initially set at JPY 383bn, it became the **2<sup>nd</sup> highest ever initial setting for the Japanese industry as a whole** (a record which had remained unbroken for the past 20 years and 5 months)

## SoftBank & Mizuho Securities joint venture leads to smartphone based securities platform "One Tap BUY"

Offering clients a new next-generation smartphone-based financial services platform combining lifestyle and finance Biz. advantages



### Concept

Expanding new services focused on investment trusts that enable investors to make "long-term, diversified, and accumulated" investments by investing small amounts

### Familiar

### User-friendly

Strengthening collaboration via the use of PayPay Corporation's "PayPay Bonus," etc.

**Providing an easily accessible asset-building tool for inexperienced investors and newbies (to accelerate shift from saving to investing)**

## 2020 Japan Alpha Conference (JAC)

Japan's largest virtual conference (Sep. 7 – 17)

2020 Japan Alpha Conference (JAC)

Theme: **ESGs**

Primarily invited those Japanese corporations expected to achieve mid-to-long-term growth

**480 Japan and overseas-based institutional investors (N. America, Asia, and Europe) participated**

Conducted meetings with corporations, thematic small meetings, thematic sessions, etc.

Mizuho Investment Conference Tokyo, last held in FY19, was reorganized from FY20 as a Japan-based conference held four times a year

\*1 Name change is subject to registration and approval by relevant governmental supervisory agencies as required by law in order for the company to conduct stated business and shall be reviewed on the premise that said company will comply with and abide by relevant laws and regulations.

\*2 Including 1.1% indirect ownership through "Z Holdings."

# Reference Data

# Commissions & fees and SG&A expense—Consolidated

Commissions & fees		FY2019			FY2020				YoY Change
		Q1	Q2	YTD	Q1	Q2	QoQ Change	YTD	
Equities		9.4	10.9	20.3	10.6	13.6	+3.0	24.3	+3.9
	Brokerage commissions	6.0	7.0	13.0	7.8	7.0	(0.8)	14.9	+1.8
	Underwriting and selling fees and commissions <sup>*1</sup>	2.5	2.6	5.1	0.4	4.8	+4.4	5.2	+0.0
	Offering, selling, and other commissions and fees <sup>*2</sup>	0.0	0.5	0.6	0.0	0.6	+0.6	0.6	+0.0
	Other commissions and fees	0.7	0.7	1.4	2.3	1.1	(1.2)	3.5	+2.0
Bond		10.4	12.0	22.4	8.7	10.8	+2.0	19.6	(2.8)
	Brokerage commissions	0.2	0.2	0.4	0.2	0.2	+0.0	0.5	+0.0
	Underwriting and selling fees and commissions <sup>*1</sup>	6.1	8.0	14.2	4.4	7.0	+2.5	11.4	(2.7)
	Offering, selling, and other commissions and fees <sup>*2</sup>	2.2	2.8	5.1	2.7	2.7	+0.0	5.5	+0.4
	Other commissions and fees	1.7	0.9	2.6	1.3	0.7	(0.5)	2.0	(0.5)
Beneficiary certificates		11.4	10.3	21.8	14.3	16.1	+1.7	30.4	+8.6
	Brokerage commissions	0.1	0.1	0.2	0.2	0.1	(0.1)	0.3	+0.0
	Offering, selling, and other commissions and fees <sup>*2</sup>	7.0	5.7	12.7	9.6	10.3	+0.7	19.9	+7.2
	Agency commissions	4.3	4.4	8.8	4.5	5.6	+1.0	10.1	+1.3
Other		5.8	8.5	14.4	8.5	6.4	(2.1)	15.0	+0.6
	Fees on Insurance Business Related	0.0	0.0	0.1	0.0	0.0	+0.0	0.1	(0.0)
	Fees on Wrap Accounts Services	0.7	0.7	1.5	0.6	0.6	+0.0	1.3	(0.2)
	Financial advisory Fee - M&A	1.9	2.5	4.4	3.6	1.3	(2.3)	5.0	+0.5
	Financial advisory Fee - Structured Finance	1.2	2.1	3.3	2.5	1.7	(0.7)	4.2	+0.8
	Financial advisory Fee - Other consulting	0.8	1.1	1.9	0.8	1.4	+0.6	2.3	+0.3
	Other commissions and fees	1.0	1.7	2.8	0.8	1.2	+0.4	2.0	(0.8)
Total		37.2	41.8	79.1	42.4	47.1	+4.6	89.5	+10.4

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

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

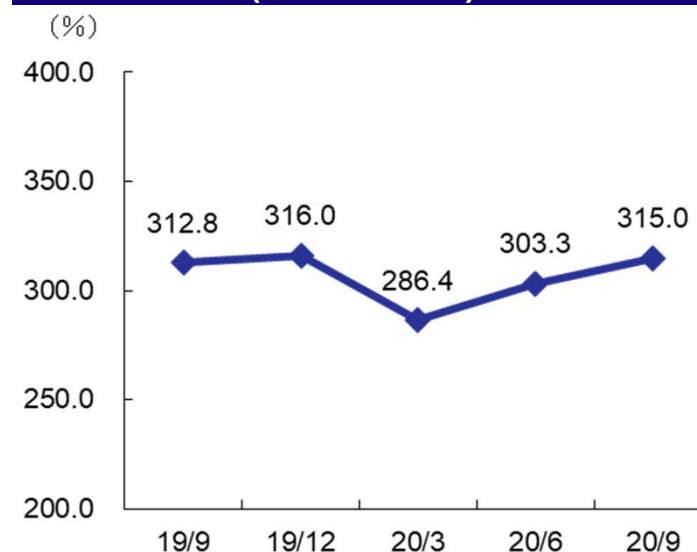
SG&A expenses	FY2019			FY2020				YoY Change
	Q1	Q2	YTD	Q1	Q2	QoQ Change	YTD	
Transaction-related	10.4	11.1	21.6	9.3	10.6	+1.2	19.9	(1.6)
Personnel	26.8	30.2	57.1	28.6	31.4	+2.8	60.0	+2.9
Real estate	7.5	7.1	14.6	6.5	6.6	+0.0	13.2	(1.4)
Administrative	6.6	6.5	13.2	7.4	7.4	+0.0	14.9	+1.7
Depreciation and amortization	7.0	7.4	14.4	7.0	7.3	+0.2	14.3	(0.0)
Other	2.6	1.0	3.6	2.2	1.9	(0.2)	4.1	+0.4
Total	61.1	63.7	124.8	61.2	65.4	+4.2	126.7	+1.8

# Balance sheet summary

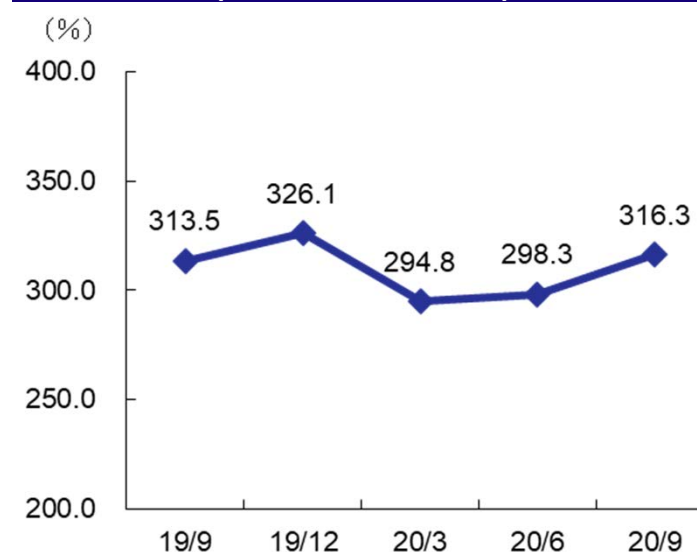
## Balance sheets (consolidated)

			(JPY billion)		
			2020	2020	
			Jun.	Sep.	
<b>Assets</b>			<b>Liabilities</b>		
<b>Total current assets</b>	18,189	18,347	<b>Total current liabilities</b>	16,677	16,826
Cash and bank deposits	513	374	Trading liabilities	7,903	7,084
Trading assets	10,272	10,093	Collateralized short-term financing agreements-receivable	6,195	7,031
Operating investment securities	72	71	Short-term borrowings	849	1,001
Collateralized short-term financing agreements-receivable	6,250	6,618	Commercial paper	299	297
<b>Total noncurrent assets</b>	212	217	<b>Total noncurrent liabilities</b>	815	812
Property and equipment	28	27	Bonds and notes	650	645
Intangible assets	86	86	Long-term borrowings	137	138
Investments and other assets	97	102	<b>Total liabilities</b>	17,495	17,641
Investment securities	54	60	<b>Net assets</b>		
			Total shareholders' equity	951	967
			Accumulated other comprehensive income	(49)	(45)
			Non-controlling interests	4	1
			<b>Total net assets</b>	905	923
<b>Total assets</b>	18,401	18,564	<b>Total liabilities and net assets</b>	18,401	18,564

## Capital adequacy ratio (consolidated)



## Capital adequacy ratio (non-consolidated)



# Profit and Loss Statement—Non-consolidated results

(JPY million)

	FY19					FY20		
	Q1-Q4	Q1	Q2	Q3	Q4	Q1-Q2	Q1	Q2
Operating revenues	354,192	74,896	96,862	87,541	94,891	183,483	83,434	100,049
Commissions	149,514	34,070	37,933	37,753	39,756	81,518	39,308	42,209
Brokerage commissions	23,881	5,051	6,117	5,868	6,844	12,812	6,814	5,998
Equities	23,263	4,926	5,979	5,755	6,601	12,458	6,580	5,877
Bonds	102	21	23	30	26	37	18	18
Underwriting and selling fees and commissions	30,166	8,032	9,206	7,429	5,498	14,911	4,195	10,716
Equities	10,086	2,413	2,254	2,501	2,917	4,532	358	4,173
Bonds	19,406	5,552	6,889	4,823	2,142	10,029	3,814	6,214
Offering, selling, and other commissions and fees	31,525	8,242	7,515	8,457	7,310	20,440	9,842	10,597
Beneficiary certificates	25,562	7,021	5,733	6,774	6,032	19,994	9,605	10,389
Other commissions and fees	63,940	12,744	15,094	15,998	20,103	33,353	18,455	14,897
Beneficiary certificates	18,156	4,372	4,485	4,596	4,702	10,171	4,561	5,609
Other (excl. equities and bonds)	24,898	4,734	6,794	6,868	6,501	12,582	7,573	5,009
Net gain on trading	111,981	20,401	29,767	30,556	31,256	61,738	28,761	32,976
Equities, etc.	40,262	5,385	10,219	13,690	10,966	28,024	12,104	15,919
Bonds, etc. and Others	71,719	15,015	19,548	16,865	20,289	33,714	16,657	17,056
Net gain (loss) on operating investment securities	2,621	1,293	870	386	71	222	305	(83)
Interest and dividend income	90,075	19,132	28,290	18,845	23,806	40,004	15,058	24,946
Interest expenses	82,590	16,759	28,167	15,582	22,081	31,396	11,666	19,730
Net operating revenues	271,602	58,137	68,695	71,959	72,809	152,086	71,768	80,318
SG&A expenses	237,737	55,177	58,511	61,946	62,103	122,541	58,966	63,575
Operating income	33,864	2,960	10,184	10,013	10,706	29,545	12,801	16,743
Non-operating income	4,744	2,863	615	642	622	3,324	2,632	692
Non-operating expenses	179	57	10	53	58	75	32	42
Ordinary income	38,429	5,766	10,789	10,601	11,270	32,794	15,401	17,393
Extraordinary gains	1,110	181	4	759	165	6,740	6,655	85
Extraordinary losses	2,860	261	203	94	2,301	1,586	740	846
Net income	29,210	4,717	7,557	10,384	6,551	32,002	17,587	14,415

\*“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)	
	FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	Q2
Equity sales	69	39	26	26	2	153
Foreign bond sales	164	207	277	273	120	199
Japan domestic bond sales	272	283	352	275	2	11
Equity investment trust sales	263	205	257	235	346	371
*R & BB Division figures						
					(Thousand account)	
	19/6	19/9	19/12	20/3	20/6	20/9
Cash management accounts	1,785	1,790	1,801	1,812	1,815	1,818
Online trading accounts	1,254	1,263	1,281	1,298	1,304	1,315
Number of new client accounts (R & BB Division)	18	18	26	24	12	19
New NISA accounts	354	354	353	353	353	353
	FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	Q2
% of # of transactions traded online (equities)	56.5%	55.1%	58.0%	61.8%	64.9%	64.4%
% of transaction value traded online (equities)	16.2%	20.9%	16.4%	27.8%	9.8%	20.4%

# Market share and assets under management—Non-consolidated

		(JPY billion)					
		FY2019				FY2020	
		Q1	Q2	Q3	Q4	Q1	Q2
Equity trading volume	Total	10,714	11,662	13,000	13,254	13,809	11,913
	Dealing	4,355	5,792	5,601	5,748	4,962	4,972
	Brokerage	6,359	5,870	7,398	7,505	8,846	6,941
Share in TSE		3.19%	3.40%	3.35%	3.07%	2.79%	3.06%
Underwriting	Equities	68	73	37	46	3	158
	Bonds	1,959	2,309	2,030	1,271	1,829	2,484
Distribution	Equities	78	86	70	104	10	167
	Bonds	1,324	1,837	1,390	871	1,188	1,723
	Investment Trusts	1,384	1,355	1,614	1,476	985	1,667

		(JPY billion)					
		19/6	19/9	19/12	20/3	20/6	20/9
AUM		45,737	46,322	48,213	42,317	45,050	47,494
Equities		26,072	26,515	28,056	23,087	24,979	26,893
Bonds		13,864	13,985	13,985	13,671	13,882	13,759
Investment trusts		5,257	5,297	5,630	4,958	5,534	6,192
Others		543	524	541	599	654	648
R & BB AUM		40,938	41,232	43,417	37,637	40,596	42,653
Equities		23,354	23,535	25,254	20,365	22,540	24,078
Bonds		12,502	12,618	12,684	12,374	12,473	12,335
Investment trusts		4,932	4,943	5,327	4,712	5,471	5,954
Net inflow of client assets (R & BB Division)		435	169	489	321	1,142	301

# Number of employees and offices

	19/6	19/9	19/12	20/3	20/6	20/9
Consolidated number of employees	10,318	10,196	9,779	9,662	9,866	9,849
Non-consolidated	7,812	7,684	7,575	7,397	7,592	7,554
Domestic affiliate companies	702	675	338	323	292	265
Overseas subsidiaries	1,804	1,837	1,866	1,942	1,982	2,030
Number of offices	269	269	267	266	264	254
Japan	259	259	258	256	254	244
Overseas (Rep. offices and subsidiaries)	10	10	9	10	10	10

\*Figures for number of employees and number of offices include those of Mizuho Securities USA (996 employees as of the end of Jun. 2019, 1,050 employees as of the end of Sep. 2019, 1,082 employees as of the end of Dec. 2019, 1,132 employees as of the end of Mar. 2020, 1,153 employees as of the end of Jun. 2020 , 1,182 employees as of the end of Sep. 2020).