

April 30, 2020

**Summary of Consolidated Financial Statements  
for the Fiscal Year Ended March 31, 2020  
Under Japanese GAAP**

Company's name: **Mizuho Securities Co., Ltd.**

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Preparation of supplemental explanatory documents: Yes

Holding of presentation meeting: No

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)**

(Amounts are rounded down to the nearest millions of yen)

(1) Consolidated operating results (Percentage figures represent year-on-year changes)

	Operating revenues		Net operating revenues		Operating income		Ordinary income	
Year ended March 31, 2020	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
381,775	0.1		282,085	(0.6)	29,236	37.8	31,258	37.4
Year ended March 31, 2019	381,531	0.0	283,891	(7.2)	21,217	(50.2)	22,754	(47.4)
(Note) Comprehensive income:	March 31, 2020:		7,499 million yen		(-%)			
	March 31, 2019:		-3,733 million yen		(-%)			

	Net income attributable to owners of parent		Net income per share	Net income per share - fully diluted	Return on Equity
Year ended March 31, 2020	millions of yen	%	yen	yen	%
21,428	389.5		10.63	—	2.4
Year ended March 31, 2019	4,377	(87.8)	2.17	—	0.5

Reference: Equity in net earnings of affiliated companies: Year ended March 31, 2020: 260 million yen  
Year ended March 31, 2019: 325 million yen

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
March 31, 2020	millions of yen	millions of yen	%	yen
17,642,714		895,187	5.1	442.15
March 31, 2019	15,642,380	894,460	5.7	441.08

Reference: Equity (i.e. "Shareholders' equity" and "Accumulated other comprehensive income"):

March 31, 2020: 890,983 million yen

March 31, 2019: 888,823 million yen

**2. Notes**

- (1) Changes in significant subsidiaries (changes in specified subsidiaries accompanying changes in the scope of consolidation) during the period: None
- (2) Changes in accounting policies, estimates, and restatements:
  - 1) Changes in accounting policies in accordance with revisions of accounting standards: None
  - 2) Changes other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None

(3) Number of outstanding shares (common stock)

1) Number of shares issued at end of the period (including treasury stock):

March 31, 2020:	2,015,102,652 shares
March 31, 2019:	2,015,102,652 shares

2) Number of treasury stock at end of the period:

March 31, 2020:	- shares
March 31, 2019:	- shares

3) Average number of outstanding shares for the period:

March 31, 2020	2,015,102,652 shares
March 31, 2019	2,015,102,652 shares

\* Note on the status of audit procedures

This summary of financial statements is not subject to certified public accountant's or audit firm's audits.

\* Other important matters

Not applicable

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## I . Consolidated Financial Statements

### 1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and bank deposits	517,824	690,952
Cash segregated as deposits for customers and others	342,521	394,097
Trading assets	7,740,146	9,237,670
Trading securities and others	3,799,556	3,022,488
Derivatives	3,940,589	6,215,182
Operating investment securities	59,880	71,007
Operating loans receivable	11,532	8,360
Receivables related to margin transactions	34,162	22,055
Loans receivable under margin transactions	23,975	20,172
Cash collateral for borrowed securities under margin transactions	10,187	1,883
Collateralized short-term financing agreements - receivable	6,204,646	6,271,788
Deposits paid for securities borrowed	2,353,557	2,131,439
Securities purchased under agreements to resell	3,851,088	4,140,349
Advances paid	970	1,421
Securities: fail to deliver	36,088	96,388
Short-term loans receivable	1,613	180
Securities	85	106
Other current assets	473,851	633,598
Less: Allowance for doubtful accounts	(1,067)	(14)
Total current assets	<u>15,422,257</u>	<u>17,427,614</u>
Noncurrent assets		
Property and equipment	29,065	29,195
Buildings	11,329	9,790
Equipment	9,140	8,689
Land	8,595	7,727
Leased assets	—	2,987
Intangible assets	87,350	90,141
Software	63,211	69,903
Customer related assets	23,503	19,734
Other	635	504
Investments and other assets	103,707	95,762
Investment securities	51,511	47,424
Long-term loans receivable	57	49
Long-term guarantee deposits	12,064	11,690
Net defined benefit asset	24,418	23,299
Deferred tax assets	6,749	6,281
Other	12,394	10,455
Less: Allowance for doubtful accounts	(3,490)	(3,436)
Total noncurrent assets	<u>220,123</u>	<u>215,099</u>
<b>Total assets</b>	<u>15,642,380</u>	<u>17,642,714</u>

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Trading liabilities	6,013,716	7,660,089
Trading securities and others	2,264,094	1,712,066
Derivatives	3,749,621	5,948,022
Payables - unsettled trades	39,128	27,941
Payables related to margin transactions	53,591	47,395
Borrowings on margin transactions	10,773	7,427
Cash collateral for loaned securities under margin transactions	42,818	39,968
Collateralized short-term financing agreements - payable	5,470,030	5,410,004
Deposits received for securities loaned	914,017	790,145
Securities sold under agreements to repurchase	4,556,012	4,619,858
Deposits received	315,662	350,259
Guarantee deposits received	359,172	413,931
Securities: fail to receive	30,528	82,308
Short-term borrowings	886,930	1,183,544
Commercial paper	333,200	319,000
Bonds and notes due within one year	135,292	202,359
Lease obligations	174	—
Income taxes payable	2,364	3,143
Accrued employees' bonuses	18,465	22,255
Provision for variable compensation	927	816
Provision for bonus point redemption	686	487
Other current liabilities	107,885	147,623
Total current liabilities	13,767,756	15,871,160
Noncurrent liabilities		
Bonds and notes	779,312	710,635
Long-term borrowings	173,000	135,600
Lease obligations	59	3,279
Deferred tax liabilities	11	26
Provision for directors' retirement benefits	193	65
Provision for executive officers' retirement benefits	152	92
Net defined benefit liability	21,860	20,631
Other noncurrent liabilities	3,099	3,524
Total noncurrent liabilities	977,690	873,856
Statutory reserves		
Reserve for financial instruments transaction liabilities	2,473	2,509
Total statutory reserves	2,473	2,509
<b>Total liabilities</b>	<b>14,747,920</b>	<b>16,747,526</b>

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Net assets</b>		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	358,445	358,414
Retained earnings	444,011	460,906
Total shareholders' equity	<u>927,624</u>	<u>944,488</u>
Accumulated other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax, etc.	22,131	19,511
Foreign currency translation adjustments	(63,401)	(72,854)
Remeasurement of defined benefit plans	2,469	(161)
Total accumulated other comprehensive income (loss)	<u>(38,800)</u>	<u>(53,504)</u>
Non-controlling interests	5,636	4,203
<b>Total net assets</b>	<b>894,460</b>	<b>895,187</b>
<b>Total liabilities and net assets</b>	<b>15,642,380</b>	<b>17,642,714</b>

## 2. Consolidated Statements of Income and Comprehensive Income

### Consolidated Statements of Income

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
Operating revenues		
Commissions	167,998	161,616
Brokerage commissions	29,774	29,813
Underwriting and selling fees, and commissions from solicitation to qualifying investors	41,996	34,153
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	36,942	40,149
Other commissions and fees	59,284	57,501
Net gain on trading	101,382	108,489
Net gain on operating investment securities	7,704	3,273
Interest and dividend income	104,446	108,396
Total operating revenues	<u>381,531</u>	<u>381,775</u>
Interest expenses	97,640	99,690
Net operating revenues	<u>283,891</u>	<u>282,085</u>
Selling, general and administrative expenses	262,673	252,849
Transaction-related expenses	46,982	42,995
Personnel expenses	117,338	114,789
Real estate expenses	31,687	29,847
Administrative expenses	27,222	27,557
Depreciation and amortization	28,488	29,684
Taxes and dues	5,737	4,688
Provision of allowance for doubtful accounts	541	(1,077)
Other	4,675	4,363
Operating income	<u>21,217</u>	<u>29,236</u>
Non-operating income	3,208	4,036
Non-operating expenses	1,671	2,014
Ordinary income	<u>22,754</u>	<u>31,258</u>
Extraordinary gain	2,939	658
Gain on sales of noncurrent assets	1	23
Gain on sales of investment securities	2,937	602
Gain on sales of shares of subsidiaries and affiliates	—	33
Extraordinary loss	14,347	2,736
Loss on sales of noncurrent assets	6	9
Loss on disposal of noncurrent assets	1,583	277
Loss on sales of investment securities	291	109
Loss on impairment of investment securities	163	41
Loss on liquidation of subsidiaries and affiliates	—	46
Loss on impairment of golf club membership	—	4
Impairment losses	9,555	1,262
Extra retirement payments	—	720
Head office transfer cost	—	132
Loss on computer system failure	732	—
Loss on business liquidation of subsidiaries and affiliates	1,901	—
Loss on liquidation of business	—	96
Provision of reserve for financial instruments transaction liabilities	112	36
Income before income taxes and non-controlling interests	<u>11,347</u>	<u>29,180</u>
Income taxes - current	4,024	5,565
Income taxes - refund	(1,364)	(1,333)
Income taxes - deferred	5,412	2,441
Total income taxes	<u>8,072</u>	<u>6,674</u>
Net income	3,275	22,506
Net income (loss) attributable to non-controlling interests	(1,102)	1,077
Net income attributable to owners of parent	<u>4,377</u>	<u>21,428</u>

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Net income	3,275	22,506
Other comprehensive income (loss)		
Net unrealized gains (losses) on (operating) investment securities, net of tax, etc.	(4,427)	(2,618)
Foreign currency translation adjustments	(1,109)	(9,730)
Remeasurement of defined benefit plans	(1,469)	(2,534)
Share in other comprehensive income of affiliates accounted for using equity method	(1)	(123)
Total other comprehensive income (loss)	(7,008)	(15,006)
Comprehensive income (loss)	(3,733)	7,499
(Breakdown)		
Attributable to:		
Owners of parent	(2,557)	6,724
Non-controlling interests	(1,176)	774

### 3. Consolidated Statements of Changes in Shareholders' Equity

Year ended March 31, 2019

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	125,167	358,276	452,233	935,677
Changes during the period				
Dividends of surplus			(12,594)	(12,594)
Net income attributable to owners of parent			4,377	4,377
Changes in scope of consolidation			(5)	(5)
Changes in treasury shares of parent arising from transactions with non-controlling shareholders		168		168
Net changes of items other than shareholders' equity				
Total changes during the period	—	168	(8,222)	(8,053)
Balance at end of period	125,167	358,445	444,011	927,624

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains on (operating) investment securities, net of tax	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	26,453	(62,237)	3,918	(31,865)	7,027	910,839
Changes during the period						
Dividends of surplus						(12,594)
Net income attributable to owners of parent						4,377
Changes in scope of consolidation						(5)
Changes in treasury shares of parent arising from transactions with non-controlling shareholders						168
Net changes of items other than shareholders' equity	(4,322)	(1,163)	(1,449)	(6,935)	(1,390)	(8,325)
Total changes during the period	(4,322)	(1,163)	(1,449)	(6,935)	(1,390)	(16,378)
Balance at end of period	22,131	(63,401)	2,469	(38,800)	5,636	894,460

Year ended March 31, 2020

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	125,167	358,445	444,011	927,624
Changes during the period				
Dividends of surplus			(4,533)	(4,533)
Net income attributable to owners of parent			21,428	21,428
Changes in treasury shares of parent arising from transactions with non-controlling shareholders		(31)		(31)
Net changes of items other than shareholders' equity				
Total changes during the period	—	(31)	16,895	16,863
Balance at end of period	125,167	358,414	460,906	944,488

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains on (operating) investment securities, net of tax	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	22,131	(63,401)	2,469	(38,800)	5,636	894,460
Changes during the period						
Dividends of surplus						(4,533)
Net income attributable to owners of parent						21,428
Changes in treasury shares of parent arising from transactions with non-controlling shareholders						(31)
Net changes of items other than shareholders' equity	(2,619)	(9,452)	(2,631)	(14,704)	(1,432)	(16,137)
Total changes during the period	(2,619)	(9,452)	(2,631)	(14,704)	(1,432)	726
Balance at end of period	19,511	(72,854)	(161)	(53,504)	4,203	895,187

#### **4. Note on the going-concern assumption**

Not applicable

#### **5. Significant accounting policies in the preparation of consolidated financial statements**

##### **1. Scope of consolidation**

Consolidated subsidiaries (11 subsidiaries)

Mizuho International plc  
Mizuho Securities Europe GmbH  
Mizuho (Switzerland) Ltd.  
Mizuho Securities Asia Limited  
Mizuho Securities (Singapore) Pte. Ltd.  
Mizuho Securities India Private Limited  
Mizuho Securities Principal Investment Co., Ltd.  
Japan Investor Relations and Investor Support, Inc.  
Mizuho Securities Business Services Co., Ltd.  
Mizuho Securities Property Management Co., Ltd.  
Other 1 company

Excluded from the scope of consolidation:

Mizuho Investment Consulting (Shanghai) Co., Ltd..  
Nippon Securities Technology Co., Ltd.

##### **2. Matters concerning the application of equity method**

Equity-method affiliates (6 affiliates)

Nippon Securities Technology Co., Ltd.  
Mobile Internet Capital, Inc.  
Other 4 companies

Newly consolidated:

Nippon Securities Technology Co., Ltd.  
MIC Innovation V Limited Liability Fund  
MIC V Limited Liability Partnership

Excluded from the scope of consolidation:

Neostella Capital Co., Ltd.

##### **3. Matters related to the period of consolidated subsidiaries**

The closing dates of consolidated subsidiaries are as follows:

March 31, 2020                    11 subsidiaries

#### 4. Matters related to the accounting policies

##### (1) Valuation method for significant assets

###### 1) Valuation method for securities classed as trading products (securities held for trading purpose):

Securities and derivative contracts classed as trading products and held by the Mizuho Securities Co., Ltd (hereinafter, the "Company") and its subsidiaries are recorded at fair value.

###### 2) Valuation method for securities not classed as trading products:

The following valuation methods are applied to securities that are not held for trading purposes:

###### Other securities

###### a) Other securities with fair value:

Those are recorded at fair value on the consolidated balance sheets. Differences between the cost, using the moving average method, and fair value are recorded as net unrealized gains (or losses) on investment securities.

###### b) Other securities those are difficult to calculate fair value:

Those are recorded at cost using moving average method.

Moreover, with regard to contributions to investment business limited partnerships and similar partnerships (according to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act, such contributions are regarded as negotiable securities), the Company mainly uses, as the book value, the value of its holdings of partnership assets as designated on the partnership's most recent statement of accounts that the Company is able to obtain as of the day - stipulated in the partnership agreement - on which the latest statement of accounts is reported. With regard to profit and loss obtained from the operations of the partnership, etc., the Company uses a method whereby the Company records the value of its holdings.

##### (2) Depreciation methods used for significant depreciable assets

###### 1) Property and equipment (excluding the leased assets)

Buildings are mainly depreciated using the straight-line method and Equipment is mainly depreciated using declining-balance method.

###### 2) Intangible assets and long-term prepaid expenses

The straight-line method is mainly used.

Moreover, software for own use is depreciated using a straight-line method determined by the duration of its potential internal use (up to 5 years).

###### 3) Leased assets

Depreciation of assets under financing leases other than those for which the ownership of the leased property transfers to the lessee is calculated on declining-balance method over the period equal to lease period with the residual value of nil.

##### (3) Accounting standards for significant reserves and allowances

###### 1) Allowance for doubtful accounts

In preparation for possible loss from bad debt in loans and receivables, etc., allowance for general receivables is provided based on the ratio of past loss experience and also specific receivables such as non-recoverable receivables is provided for the estimated uncollectible amounts after reviewing collectability of receivables individually.

###### 2) Accrued employees' bonuses

To prepare for the payment of bonuses to employees, the Company calculates the estimated value of future payments and charges an appropriate portion of this obligation to the period.

###### 3) Provision for variable compensation

To prepare for the payments of performance payments and stock compensation to be paid as variable compensation within compensation for directors and executive officers, the estimated payment based on the standard amount regarding variable compensation of this consolidated fiscal year has been recorded.

###### 4) Provision for bonus point redemption

To prepare for the cost burden for use of the Mizuho Point Service in the future, the expected required amount is calculated for this period based on the usage rate.

###### 5) Provision for directors' retirement benefits

To prepare for the payment of retirement benefits for directors, the necessary amount for the end of this period is recorded in accordance with the in-house regulations.

###### 6) Provision for executive officers' retirement benefits

To prepare for the payment of retirement benefits for executive officers, the necessary amount for the end of this period is recorded in accordance with the in-house regulations.

###### 7) Reserve for financial instruments transaction liabilities

Reserve for financial instruments transaction liabilities is provided for potential loss from accidents in security transactions in accordance with Article 46, Paragraph 5 of the Financial Instruments and Exchange Act, and Article 175 of "Cabinet Office Ordinance on the Financial Instruments and Exchange Business".

(4) Accounting for retirement benefits

1) Allocation of expected benefit payments

When calculating retirement benefits, the benefit formula method is used to allocate expected benefit payments to the period until this fiscal year end. Under the straight-line method for the retirement benefit payments calculation, the expected benefit divided by the total service years would be deemed as arising in each period.

2) Actuarial differences

Actuarial differences are also charged to expenses from the following fiscal year using the straight-line method based on determined years (10 years) within average remaining service year of the employees when incurred.

(5) Standards for translating significant assets or liabilities denominated in foreign currencies into Japanese yen

Foreign currency denominated claims and obligations are translated into Japanese yen at the spot rate prevailing on the closing day of this period. Currency translation losses or gains are recorded on the statements of operations as such.

The assets, liabilities, revenues, and expenses of foreign subsidiaries are also translated into Japanese yen at the spot rate prevailing on the closing day of this period. Any translation losses or gains are recorded in the net assets under the account "Foreign currency translation adjustments" and "Non-controlling interests".

(6) Method of significant hedge accounting

1) Gains or losses resulting from forward foreign exchange transactions entered to hedge the exchange-rate risk of foreign-currency-dominated equity investments in subsidiaries, to the extent effective, are included in the foreign exchange translation adjustments in net assets.

2) The method of fair value hedge is applied for foreign borrowing exposures in order to minimize the risk of exchange-rate fluctuations for foreign-currency-denominated securities.

3) The method of fair value hedge is applied for forward foreign exchange transactions in order to minimize the risk of exchange-rate fluctuations for foreign-currency-denominated investment securities and others.

(7) Accounting for consumption tax

The tax exclusion method is applied.

(8) Application of the consolidated taxation system

The Company and some of its subsidiaries apply the consolidated taxation system.

## 6. Notes to Consolidated Financial Statements

(Consolidated Balance Sheets)

	Year ended March 31, 2019	Year ended March 31, 2020
	(Millions of yen)	
1. Accumulated depreciation deducted from property and equipment	41,389	41,297
2. Obligations under guarantees (potential guarantee obligation)	60	14
3. The balance for affiliate companies is as follows:		
Investment Securities	439	1,627

(Consolidated Statements of Changes in Shareholders' Equity)

Fiscal Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019)

### 1. Matters related to outstanding shares

	(Thousands of shares)			
	Shares at April 1, 2018	Shares increased in this year	Shares decreased in this year	Shares at March 31, 2019
Shares outstanding				
Common stock	2,015,102	—	—	2,015,102
Total	2,015,102	—	—	2,015,102

### 2. Matters related to treasury stock

Not applicable

Fiscal Year Ended March 31, 2020 (April 1, 2019 - March 31, 2020)

### 1. Matters related to outstanding shares

	(Thousands of shares)			
	Shares at April 1, 2019	Shares increased in this year	Shares decreased in this year	Shares at March 31, 2020
Shares outstanding				
Common stock	2,015,102	—	—	2,015,102
Total	2,015,102	—	—	2,015,102

### 2. Matters related to treasury stock

Not applicable

(Per share information)

(Yen)

Year ended March 31, 2019	Year ended March 31, 2020
Net assets per share 441.08	Net assets per share 442.15
Net income per share 2.17	Net income per share 10.63

(Notes)

1. Net income per share (diluted) was not shown due to no potential securities.

2. Net income per share was calculated based on the following:

	Year ended March 31, 2019	Year ended March 31, 2020
Net income attributable to owners of parent (Millions of yen)	4,377	21,428
Amount not attributable to common stock shareholders (Millions of yen)	—	—
Net income attributable to common stock owners of parent (Millions of yen)	4,377	21,428
Average number of common shares outstanding (Thousands of shares)	2,015,102	2,015,102

## II. Supplemental Information (Consolidated)

### 1. Commissions

#### 1) Breakdown by items

	Year ended March 31, 2019	Year ended March 31, 2020	Increase/(Decrease)		(Millions of yen)
			Amount	Percentage (%)	
Brokerage commissions	29,774	29,813	38	0.1	
Equities	28,539	28,299	(240)	(0.8)	
Bonds	822	998	175	21.4	
Underwriting and selling fees, and commissions from solicitation to qualifying investors	41,996	34,153	(7,843)	(18.7)	
Equities	21,837	10,859	(10,977)	(50.3)	
Bonds	19,546	22,619	3,073	15.7	
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	36,942	40,149	3,206	8.7	
Other commissions and fees	59,284	57,501	(1,783)	(3.0)	
<b>Total</b>	<b>167,998</b>	<b>161,616</b>	<b>(6,381)</b>	<b>(3.8)</b>	

#### 2) Breakdown by instruments

	Year ended March 31, 2019	Year ended March 31, 2020	Increase/(Decrease)		(Millions of yen)
			Amount	Percentage (%)	
Equities	55,899	46,766	(9,132)	(16.3)	
Bonds	39,107	40,212	1,104	2.8	
Beneficiary certificates	40,062	44,233	4,170	10.4	
Others	32,928	30,403	(2,524)	(7.7)	
<b>Total</b>	<b>167,998</b>	<b>161,616</b>	<b>(6,381)</b>	<b>(3.8)</b>	

### 2. Net gain on trading

	Year ended March 31, 2019	Year ended March 31, 2020	Increase/(Decrease)		(Millions of yen)
			Amount	Percentage (%)	
Equities, etc.	48,858	40,217	(8,640)	(17.7)	
Bonds, etc. and others	52,523	68,271	15,747	30.0	
<b>Total</b>	<b>101,382</b>	<b>108,489</b>	<b>7,107</b>	<b>7.0</b>	

### 3. Consolidated Capital adequacy requirement ratio

(Millions of yen)

		As of March 31, 2019	As of March 31, 2020
Basic items	(A)	865,313	868,281
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	24,600	19,349
	Reserve for financial instruments transaction liabilities, etc.	2,473	2,509
	Allowance for doubtful accounts	16	11
	Subordinated short-term borrowings	90,000	90,000
Total		117,090	111,871
Deducted assets	(C)	207,585	210,790
Equity after deduction	(A) + (B) - (C)	774,817	769,361
Amount equivalent to risk	Amount equivalent to market risk	119,114	145,058
	Amount equivalent to counterparty risk	49,586	52,173
	Amount equivalent to fundamental risk	70,098	70,595
	Total	238,798	267,827
Consolidated capital adequacy requirement ratio	(D)/(E) * 100	324.4%	287.2%

#### 4. Quarterly Consolidated Statements of Income

(Millions of yen)

	Fourth quarter ended March 2019	First quarter ended June 2019	Second quarter ended September 2019	Third quarter ended December 2019	Fourth quarter ended March 2020
	Jan. 1, 2019 - Mar. 31, 2019	Apr. 1, 2019 - Jun. 30, 2019	Jul. 1, 2019 - Sep. 30, 2019	Oct. 1, 2019 - Dec. 31, 2019	Jan. 1, 2020 - Mar. 31, 2020
Operating revenues	88,384	84,729	105,649	98,244	93,151
Commissions	38,447	37,248	41,860	41,182	41,325
Brokerage commissions	6,445	6,385	7,341	7,514	8,572
Equities	6,143	6,043	7,012	7,223	8,019
Bonds	231	238	214	208	337
Underwriting and selling fees, and commissions from solicitation to qualifying investors	6,034	8,820	10,744	8,196	6,390
Equities	2,221	2,556	2,637	2,663	3,001
Bonds	3,684	6,197	8,043	5,428	2,950
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	8,290	9,695	10,035	10,873	9,545
Other commissions and fees	17,678	12,346	13,739	14,598	16,816
Net gain on trading	18,504	21,870	31,786	30,278	24,554
Equities, etc.	2,644	5,381	10,238	13,682	10,914
Bonds, etc. and others	15,860	16,489	21,547	16,595	13,639
Net gain (loss) on operating investment securities	593	1,882	1,373	498	(481)
Interest and dividend income	30,838	23,728	30,629	26,285	27,753
Interest expenses	29,425	21,311	30,628	22,320	25,429
Net operating revenues	58,959	63,418	75,021	75,924	67,722
Selling, general and administrative expenses	65,162	61,133	63,703	65,806	62,204
Transaction-related expenses	11,832	10,439	11,195	11,138	10,220
Personnel expenses	27,588	26,885	30,251	30,001	27,651
Real estate expenses	7,986	7,537	7,158	7,649	7,501
Administrative expenses	6,974	6,621	6,582	6,554	7,799
Depreciation and amortization	7,388	7,043	7,428	8,057	7,154
Taxes and dues	1,526	1,338	1,086	1,347	916
Other	1,866	1,266	(0)	1,057	962
Operating income (loss)	(6,203)	2,284	11,317	10,117	5,517
Non-operating income	779	535	1,039	1,557	903
Non-operating expenses	(56)	731	355	(22)	949
Ordinary income (loss)	(5,367)	2,088	12,001	11,697	5,471
Extraordinary gain	603	181	4	352	120
Extraordinary loss	12,430	34	222	304	2,174
Income (loss) before income taxes and non-controlling interests	(17,194)	2,234	11,783	11,744	3,417
Income taxes - current	(1,595)	337	933	2,412	549
Income taxes - deferred	3,866	636	1,902	(1,184)	1,087
Net income (loss)	(19,465)	1,261	8,946	10,517	1,780
Net income (loss) attributable to non-controlling interests	(109)	(217)	41	666	586
Net income (loss) attributable to owners of parent	(19,356)	1,478	8,905	9,851	1,193

### III. Non-consolidated Financial Statements

#### 1. Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and bank deposits	388,516	533,288
Cash segregated as deposits for customers and others	335,712	387,043
Trading assets	6,061,110	6,461,814
Trading securities and others	3,064,131	2,366,879
Derivatives	2,996,979	4,094,934
Operating investment securities	28,640	33,430
Receivables related to margin transactions	34,162	22,055
Loans receivable under margin transactions	23,975	20,172
Cash collateral for borrowed securities under margin transactions	10,187	1,883
Collateralized short-term financing agreements - receivable	3,871,953	4,296,231
Deposits paid for securities borrowed	2,353,557	2,131,439
Securities purchased under agreements to resell	1,518,395	2,164,792
Advances paid	488	579
Advance payments for customers	454	479
Advance payments for others	34	99
Short-term guarantee deposits	387,042	544,402
Securities: fail to deliver	9,613	12,971
Short-term loans receivable	52,652	37,298
Advance payments	733	275
Prepaid expenses	3,208	3,080
Accounts receivable - other	7,082	10,756
Accrued income	35,006	34,274
Other current assets	1,410	3040
Less: Allowance for doubtful accounts	(3)	(7)
<b>Total current assets</b>	<b>11,217,332</b>	<b>12,380,536</b>
Noncurrent assets		
Property and equipment	12,527	11,196
Buildings	4,673	3,798
Equipment	6,823	7,236
Land	1,030	162
Intangible assets	50,829	61,637
Software	50,233	61,143
House leasehold rights	51	47
Telephone subscription rights	486	447
Other intangible assets	58	—
Investments and other assets	315,137	302,584
Investment securities	45,575	40,470
Investments in subsidiaries and affiliates	199,101	197,202
Long-term loans receivable to subsidiaries and affiliates	14,360	7,985
Long-term guarantee deposits	10,966	10,572
Long-term prepaid expenses	6,947	5,049
Prepaid pension cost	18,616	21,275
Deferred tax assets	19,790	18,739
Other	5,329	5,274
Less: Allowance for doubtful accounts	(3,488)	(3,435)
Less: Allowance for possible losses on securities	(2,062)	(548)
<b>Total noncurrent assets</b>	<b>378,493</b>	<b>375,419</b>
<b>Total assets</b>	<b>11,595,825</b>	<b>12,755,956</b>

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Trading liabilities	4,340,952	5,032,193
Trading securities and others	1,511,888	1,197,319
Derivatives	2,829,063	3,834,873
Payables - unsettled trades	36,888	61,668
Payables related to margin transactions	53,591	47,395
Borrowings on margin transactions	10,773	7,427
Cash collateral for loaned securities under margin transactions	42,818	39,968
Collateralized short-term financing agreements - payable	3,575,497	3,660,235
Deposits received for securities loaned	914,264	790,395
Securities sold under agreements to repurchase	2,661,233	2,869,840
Deposits received	308,251	350,409
Deposits from customers	258,976	317,734
Deposits for others	49,274	32,674
Guarantee deposits received	297,472	370,607
Securities: fail to receive	2,064	2,029
Variation margin received	3,426	12,074
Short-term borrowings	773,484	1,035,215
Commercial paper	333,200	319,000
Bonds and notes due within one year	76,393	137,358
Lease obligations	174	—
Advances received	193	127
Accounts payable - other	1,812	1,789
Accrued expenses	34,869	38,959
Income taxes payable	2,220	3,022
Accrued employees' bonuses	9,359	13,531
Provision for variable compensation	927	816
Provision for bonus point redemption	686	487
Other current liabilities	497	514
Total current liabilities	<u>9,851,965</u>	<u>11,087,436</u>
Noncurrent liabilities		
Bonds and notes	679,688	620,079
Long-term borrowings	173,000	135,600
Provision for retirement benefits	19,799	19,828
Other noncurrent liabilities	2,263	2,111
Total noncurrent liabilities	<u>874,751</u>	<u>777,618</u>
Statutory reserves		
Reserve for financial instruments transaction liabilities	2,473	2,509
Total statutory reserves	<u>2,473</u>	<u>2,509</u>
<b>Total liabilities</b>	<b>10,729,189</b>	<b>11,867,565</b>

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Net assets</b>		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus		
Additional paid-in capital	285,831	285,831
Other capital surplus	95,817	95,817
Total Capital surpluses	<u>381,649</u>	<u>381,649</u>
Retained earnings		
Other retained earnings		
Retained earnings brought forward	346,585	371,261
Total retained earnings	<u>346,585</u>	<u>371,261</u>
Total shareholders' equity	<u>853,401</u>	<u>878,078</u>
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax, etc.	23,023	20,066
Net deferred gains or losses on hedges, net of tax	(9,789)	(9,754)
Total valuation and translation adjustments	<u>13,233</u>	<u>10,312</u>
<b>Total net assets</b>	<b>866,635</b>	<b>888,390</b>
<b>Total liabilities and net assets</b>	<b>11,595,825</b>	<b>12,755,956</b>

## 2. Non-consolidated Statements of Income

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
Operating revenues		
Commissions	151,810	149,514
Brokerage commissions	23,947	23,881
Underwriting and selling fees, and commissions from solicitation to qualifying investors	36,912	30,166
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	27,772	31,525
Other commissions and fees	63,177	63,940
Net gain on trading	93,568	111,981
Net gain on operating investment securities	5,287	2,621
Interest and dividend income	90,465	90,075
Total operating revenues	<u>341,131</u>	<u>354,192</u>
Interest expenses	77,794	82,590
Net operating revenues	<u>263,337</u>	<u>271,602</u>
Selling, general and administrative expenses	236,229	237,737
Transaction-related expenses	53,157	57,929
Personnel expenses	86,662	86,215
Real estate expenses	25,585	24,151
Administrative expenses	43,374	42,322
Depreciation and amortization	18,931	19,702
Taxes and dues	5,452	4,436
Provision of allowance for doubtful accounts	2	(20)
Other	3,064	3,000
Operating income	<u>27,107</u>	<u>33,864</u>
Non-operating income	9,044	4,744
Non-operating expenses	196	179
Ordinary income	<u>35,955</u>	<u>38,429</u>
Extraordinary gain	2,512	1,110
Gain on sales of noncurrent assets	1	23
Gain on sales of investment securities	2,511	607
Gain on sales of shares of subsidiaries and affiliates	—	480
Extraordinary loss	16,467	2,860
Loss on sales of noncurrent assets	—	8
Loss on disposal of noncurrent assets	1,463	253
Loss on sales of investment securities	338	17
Loss on impairment of investment securities	163	41
Loss on liquidation of subsidiaries and affiliates	—	151
Loss on impairment of golf club membership	—	4
Impairment losses	8,763	1,262
Extra retirement payments	—	720
Head office transfer cost	—	132
Loss on computer system failure	410	—
Loss on liquidation of business	—	96
Provision of allowance for possible losses on securities	5,215	134
Provision of reserve for financial instruments transaction liabilities	112	36
Income before income taxes	<u>22,000</u>	<u>36,679</u>
Income taxes - current	3,006	5,158
Income taxes - deferred	6,600	2,310
Total income taxes	<u>9,607</u>	<u>7,468</u>
Net income	<u>12,393</u>	<u>29,210</u>

### 3. Non-consolidated Statements of Changes in Shareholders' Equity

Year ended March 31, 2019

(Millions of yen)

	Shareholders' equity					Total Shareholders' equity
	Common stock	Capital surplus			Retained earnings	
		Additional paid -in capital	Other capital surplus	Total capital surplus	Other retained earnings	
Balance at beginning of period	125,167	285,831	95,817	381,649	346,786	853,602
Changes during the period						
Dividends of surplus					(12,594)	(12,594)
Net income					12,393	12,393
Net changes of items other than shareholders' equity						
Total changes during the period	—	—	—	—	(200)	(200)
Balance at end of period	125,167	285,831	95,817	381,649	346,585	853,401

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Net unrealized gains on (operating) investment securities, net of tax	Net deferred hedge gain (loss), net of tax	Total valuation and translation adjustments	
Balance at beginning of period	27,497	(11,969)	15,527	869,130
Changes during the period				
Dividends of surplus				(12,594)
Net income				12,393
Net changes of items other than shareholders' equity	(4,474)	2,180	(2,293)	(2,293)
Total changes during the period	(4,474)	2,180	(2,293)	(2,494)
Balance at end of period	23,023	(9,789)	13,233	866,635

Year ended March 31, 2020

(Millions of yen)

	Common stock	Shareholders' equity				Total Shareholders' equity
		Capital surplus			Retained earnings	
		Additional paid -in capital	Other capital surplus	Total capital surplus	Other retained earnings	
Balance at beginning of period	125,167	285,831	95,817	381,649	346,585	853,401
Changes during the period						
Dividends of surplus					(4,533)	(4,533)
Net income					29,210	29,210
Net changes of items other than shareholders' equity						
Total changes during the period	—	—	—	—	24,676	24,676
Balance at end of period	125,167	285,831	95,817	381,649	371,261	878,078

	Valuation and translation adjustments			Total net assets
	Net unrealized gains on (operating) investment securities, net of tax	Net deferred hedge gain (loss), net of tax	Total valuation and translation adjustments	
Balance at beginning of period	23,023	(9,789)	13,233	866,635
Changes during the period				
Dividends of surplus				(4,533)
Net income				29,210
Net changes of items other than shareholders' equity	(2,956)	35	(2,921)	(2,921)
Total changes during the period	(2,956)	35	(2,921)	21,754
Balance at end of period	20,066	(9,754)	10,312	888,390

#### 4. Note on the going-concern assumption

Not applicable

#### IV. Supplemental Information (Non-consolidated)

##### Capital adequacy requirement ratio

(Millions of yen)

		As of March 31, 2019	As of March 31, 2020
Basic items	(A)	848,867	870,521
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	13,233	10,312
	Reserve for financial instruments transaction liabilities, etc.	2,473	2,509
	Allowance for doubtful accounts	3	5
	Subordinated short-term borrowings	90,000	90,000
Total		105,710	102,827
Deducted assets	(C)	356,513	358,404
Equity after deduction	(A) + (B) - (C)	598,065	614,943
Amount equivalent to risk	Amount equivalent to market risk	86,849	99,942
	Amount equivalent to counterparty risk	36,241	40,628
	Amount equivalent to fundamental risk	65,700	66,966
	Total	188,791	207,537
Capital adequacy requirement ratio	(D)/(E) * 100	316.7%	296.3%