

# Financial Results

Third Quarter  
Fiscal Year ending March 2018

Mizuho Securities

**January 2018**

**One MIZUHO**  
Building the future with you

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- “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 in this material.
- Financial statement figures shown have been rounded down to the nearest whole number.

\* The information herein is being provided solely for informational purposes in relation to the Company’s FY17 Q3 financial results, not for investment purposes or advice regarding securities issued by the Company. The information herein is based on data as of January 31, 2018. 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.

# Financial statements—financial accounting base

Looking at FY17 Q3 cumulative results, net operating revenues declined 19.3% YoY to JPY 227.2bn, and ordinary income declined 48% YoY to JPY 31.6bn, due to declined commissions and net gains on trading as well as a decreased number of consolidated companies resulting from group company reorganization carried out during the previous fiscal year. In addition, net income attributable to owners of parent decreased 86.4% YoY to JPY 24bn due to gains on sales of shares of subsidiaries and affiliates, etc. undertaken as a result of company reorganization carried out during the previous fiscal year.

|  | Quarterly    |                 |            | Yearly       |                 |            |
|--|--------------|-----------------|------------|--------------|-----------------|------------|
|  | 2017/9       | 2017/12         | QoQ change | 2016/12      | 2017/12         | YoY change |
| <b>Total assets</b>                                | 16,135.8     | <b>14,368.0</b> | (1,767.8)  | 14,896.7     | <b>14,368.0</b> | (528.7)    |
| <b>Total net assets</b>                            | 892.8        | <b>901.7</b>    | 8.8        | 883.7        | <b>901.7</b>    | 17.9       |
|  | FY2017<br>2Q | FY2017<br>3Q    | QoQ<br>%   | FY2016<br>3Q | FY2017<br>3Q    | YoY<br>%   |
| <b>Operating revenues</b>                          | 103.1        | <b>93.7</b>     | ( 9.1%)    | 326.0        | <b>279.2</b>    | ( 14.4%)   |
| Commissions  | 42.1         | <b>45.8</b>     | 8.8%       | 150.9        | <b>125.6</b>    | ( 16.8%)   |
| Net gain on trading                                | 29.8         | <b>28.6</b>     | ( 4.0%)    | 124.8        | <b>85.6</b>     | ( 31.4%)   |
| Net gain (loss) on operating investment securities | 6.8          | <b>3.0</b>      | ( 55.3%)   | 0.3          | <b>10.4</b>     | 3,365.8%   |
| Interest and dividend income                       | 24.3         | <b>16.2</b>     | ( 33.5%)   | 49.9         | <b>57.4</b>     | 15.0%      |
| Interest expenses                                  | 20.8         | <b>16.2</b>     | ( 22.0%)   | 44.3         | <b>51.9</b>     | 17.0%      |
| <b>Net operating revenues</b>                      | 82.3         | <b>77.5</b>     | ( 5.9%)    | 281.6        | <b>227.2</b>    | ( 19.3%)   |
| <b>SG &amp; A expenses</b>                         | 66.5         | <b>67.7</b>     | 1.9%       | 221.7        | <b>195.8</b>    | ( 11.7%)   |
| <b>Operating income</b>                            | 15.8         | <b>9.7</b>      | ( 38.5%)   | 59.9         | <b>31.4</b>     | ( 47.5%)   |
| <b>Ordinary income(A)</b>                          | 15.8         | <b>9.4</b>      | ( 40.6%)   | 60.7         | <b>31.6</b>     | ( 48.0%)   |
| <b>Income before tax*</b>                          | 14.3         | <b>9.2</b>      | ( 35.3%)   | 159.6        | <b>31.6</b>     | ( 80.2%)   |
| <b>Net income attributable to owners of parent</b> | 11.8         | <b>6.9</b>      | ( 41.7%)   | 176.4        | <b>24.0</b>     | ( 86.4%)   |

From FY16 Q2, Mizuho Securities USA is no longer included in our consolidated results and from FY16, Q3, the same is true of Shinko Asset Management (current "Asset Management One").

Information for reference:

|   |         |                |          |            |                 |          |
|---|---------|----------------|----------|------------|-----------------|----------|
| <b>Mizuho Securities USA ordinary income (B)**</b>                    | 5.9 [—] | <b>4.4 [—]</b> | ( 25.1%) | 15.0 [6.8] | <b>13.2 [—]</b> | ( 12.2%) |
| <b>Ordinary income calculated on simple aggregate basis (A+B) ***</b> | 21.8    | <b>13.8</b>    | ( 36.3%) | 75.8       | <b>44.8</b>     | ( 40.9%) |

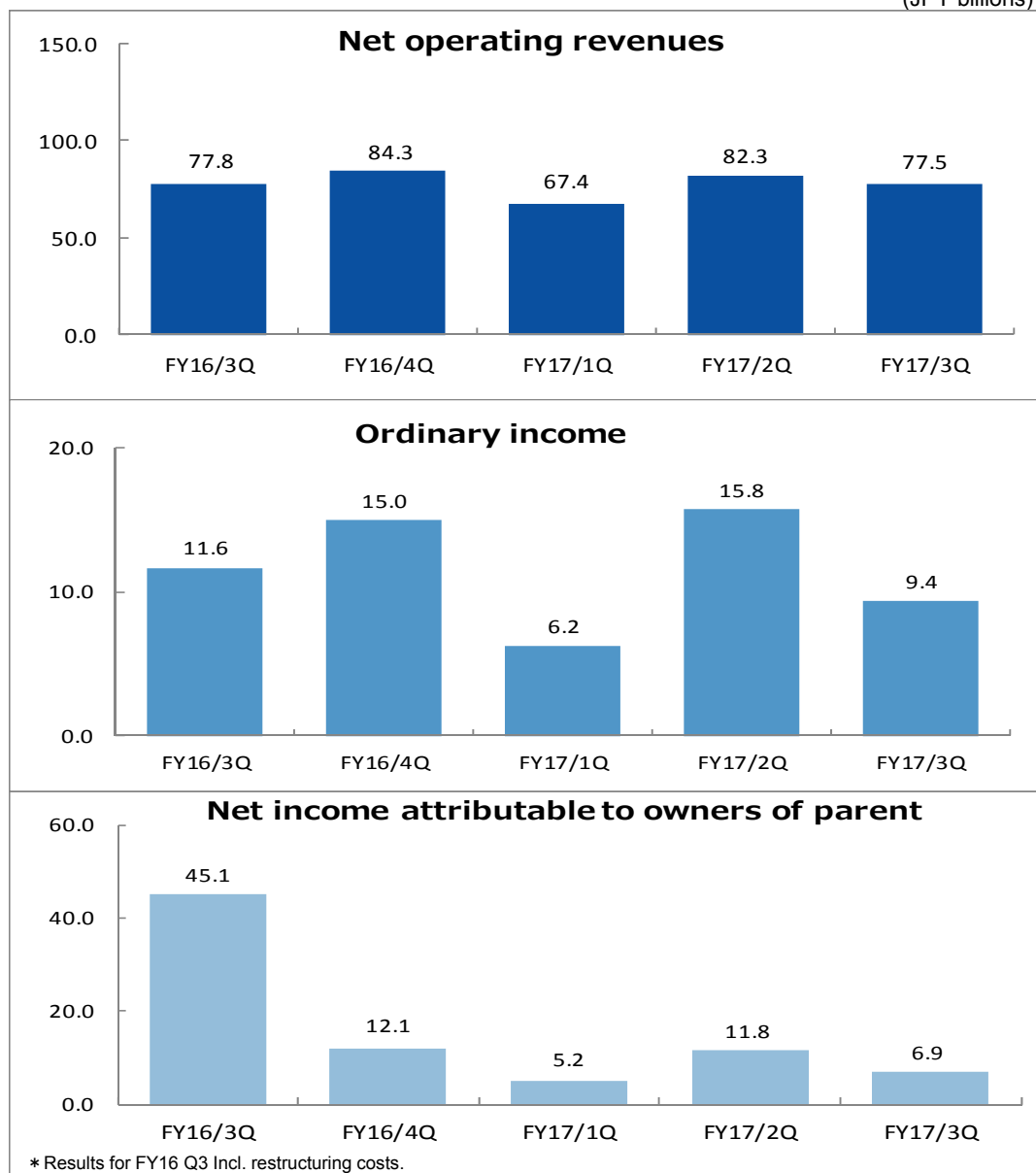
\* Income before tax: Income before income taxes and non-controlling interests

\*\* Figures inside brackets signify the inclusion of Mizuho Securities USA ordinary income to "(A)" above.

\*\*\* Figures here represent the simple aggregate of Mizuho Securities USA ordinary income and the ordinary income reported on Mizuho Securities Co., Ltd. consolidated financial income statements.

# Earnings summary—consolidated

(JPY billions)



## Summary

### ✓ Quarterly (FY17/Q3)

#### ➤ Financial results

**Net operating revenues:** JPY 77.5bn  
(-4.8bn QoQ -5.9%)

**Ordinary income:** JPY 9.4bn  
(-6.4bn QoQ -40.6%)

**Net income attributable to owners of parent:** JPY 6.9bn  
(-4.9bn QoQ -41.7%)

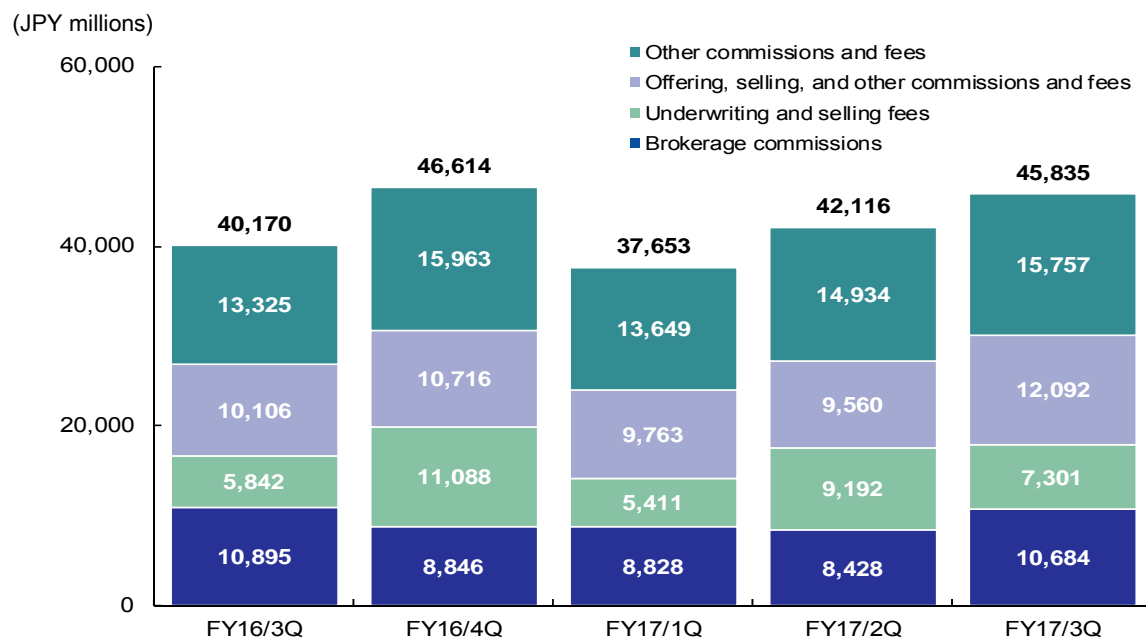
Despite gains in brokerage commissions as well as offering, selling, and other commissions and fees, ordinary income decreased by JPY -6.4bn QoQ to record JPY 9.4bn as a result of decreases in a number of areas including net gains on trading, operating investment securities, and dividends receivable.

# Earnings summary—commissions

(JPY millions)

|  | FY2017<br>2Q | FY2017<br>3Q  | QoQ<br>%       |
|--|--------------|---------------|----------------|
| <b>Total</b>   | 42,116       | <b>45,835</b> | <b>8.8%</b>    |
| <b>Brokerage commissions</b>                             | 8,428        | <b>10,684</b> | <b>26.8%</b>   |
| Equities   | 8,076        | 10,375        | 28.5%          |
| <b>Underwriting and selling fees and commissions</b>     | 9,192        | <b>7,301</b>  | <b>(20.6%)</b> |
| Equities   | 2,874        | 4,206         | 46.3%          |
| Bonds  | 6,268        | 3,012         | (51.9%)        |
| <b>Offering, selling, and other commissions and fees</b> | 9,560        | <b>12,092</b> | <b>26.5%</b>   |
| Investment trusts  | 6,292        | 8,026         | 27.6%          |
| <b>Other commissions and fees</b>                        | 14,934       | <b>15,757</b> | <b>5.5%</b>    |
| Investment trusts  | 4,263        | 4,495         | 5.4%           |

## Commissions



### ✓ Highlights (FY17/Q3)

**Commissions: JPY 45.8bn (+3.7bn QoQ +8.8%)**

- **Increase in brokerage commissions:**
  - QoQ Increase in equities brokerage commissions
- **Decrease in underwriting and selling fees and commissions:**
  - QoQ decrease due to declines in large-scale bond deals despite equities gains
- **Increase in offering, selling and other commissions and fees:**
  - QoQ increase due to gains in investment trust offering commissions, etc.
- **Increase in other commissions and fees:**
  - QoQ increase due to gains in structured finance related fees, investment trust brokerage fees, etc.

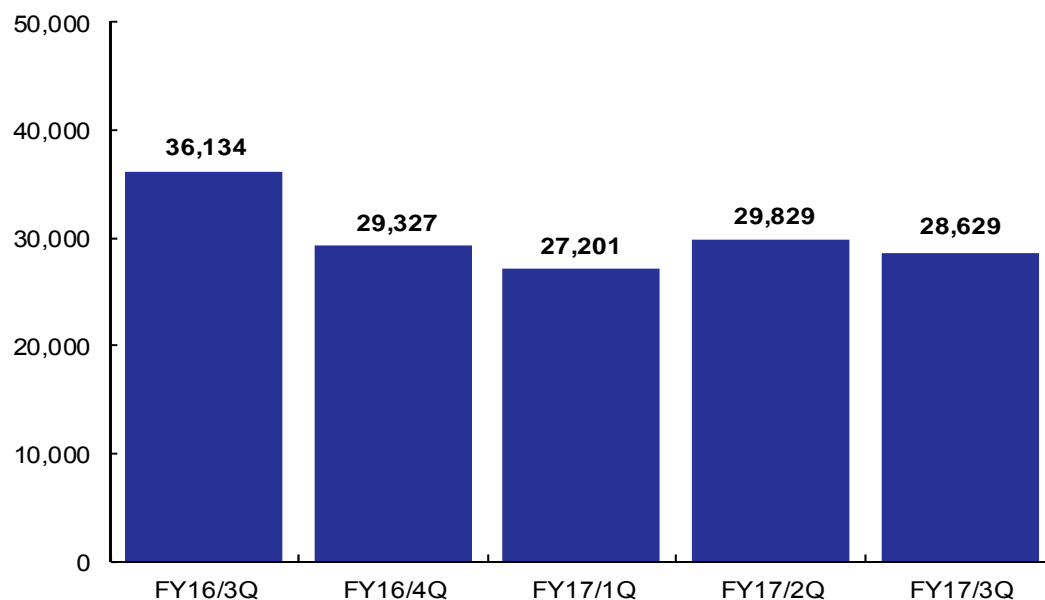
# Earnings summary—net gain on trading

(JPY millions)

|                        | FY2017<br>2Q | FY2017<br>3Q | QoQ<br>% |
|------------------------|--------------|--------------|----------|
| <b>Total</b>           | 29,829       | 28,629       | (4.0%)   |
| Equities, etc.         | 5,714        | 7,612        | 33.2%    |
| Bonds, etc. and others | 24,115       | 21,016       | (12.8%)  |

## Net gain on trading

(JPY millions)



### ✓ Highlights (FY17/Q3)

**Net gain on trading: JPY 28.6bn (-1.1bn QoQ -4.0%)**

- Increase in net gain on trading of equities etc.:
  - QoQ increase achieved by focusing on initiatives to boost client flow in the midst of steady growth thanks to global bull stock market
  
- Decrease in net gain on trading of bonds, etc. and others:
  - QoQ decline (despite achieving certain level of revenue) as Japanese market volatility remained low

# Earnings summary—SG&A expenses

(JPY millions)

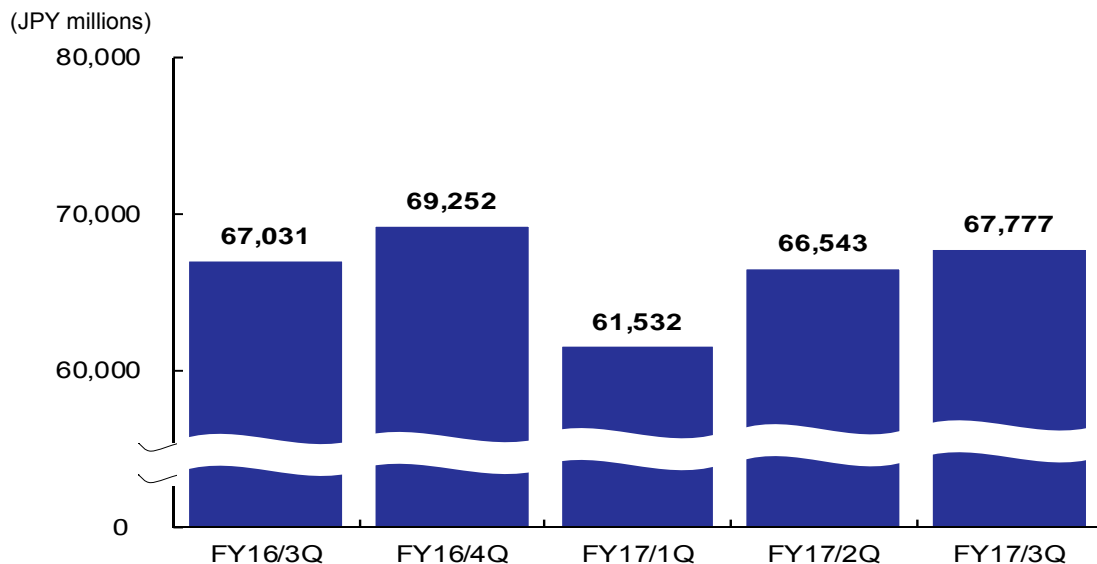
|                               | FY2017<br>2Q | FY2017<br>3Q | QoQ<br>% |
|-------------------------------|--------------|--------------|----------|
| <b>Total</b>                  | 66,543       | 67,777       | 1.9%     |
| Transaction-related           | 11,345       | 12,581       | 10.9%    |
| Personnel                     | 30,046       | 30,420       | 1.2%     |
| Real estate                   | 7,941        | 7,957        | 0.2%     |
| Administrative                | 8,155        | 7,687        | (5.7%)   |
| Depreciation and amortization | 6,600        | 6,785        | 2.8%     |
| Taxes and dues                | 1,136        | 1,283        | 12.9%    |
| Other                         | 1,317        | 1,062        | (19.4%)  |

## ✓ Highlights (FY17/Q3)

**SG&A expenses: JPY 67.7bn (+12.0bn QoQ +1.9%)**

- **QoQ increase (despite declines in administrative expenses) due to various factors including increases in transaction-related expenses**

## Consolidated SG&A expenses



# Business segments

(JPY millions)

| Net operating revenues*   | FY2017<br>2Q | FY2017<br>3Q | QoQ<br>% | FY2016<br>3Q | FY2017<br>3Q | YoY<br>% |
|---------------------------|--------------|--------------|----------|--------------|--------------|----------|
| Global Investment Banking | 18,019       | 13,549       | (24.8%)  | 52,361       | 44,525       | (15.0%)  |
| Global Markets            | 45,121       | 38,851       | (13.9%)  | 166,669      | 123,608      | (25.8%)  |
| R & BB**                  | 36,331       | 40,960       | 12.7%    | 99,021       | 111,183      | 12.3%    |

(JPY millions)

| Ordinary income*          | FY2017<br>2Q | FY2017<br>3Q | QoQ<br>% | FY2016<br>3Q | FY2017<br>3Q | YoY<br>% |
|---------------------------|--------------|--------------|----------|--------------|--------------|----------|
| Global Investment Banking | 4,415        | 588          | (86.7%)  | 14,441       | 5,047        | (65.1%)  |
| Global Markets            | 9,145        | 2,724        | (70.2%)  | 63,286       | 16,429       | (74.0%)  |
| R & BB**                  | 6,039        | 10,240       | 69.6%    | 5,906        | 20,875       | 253.5%   |

\* Net operating revenues and ordinary income calculated on an internal management basis prior to the deduction of internal transactions and includes results of Mizuho Securities USA (which is no longer included in consolidated results)

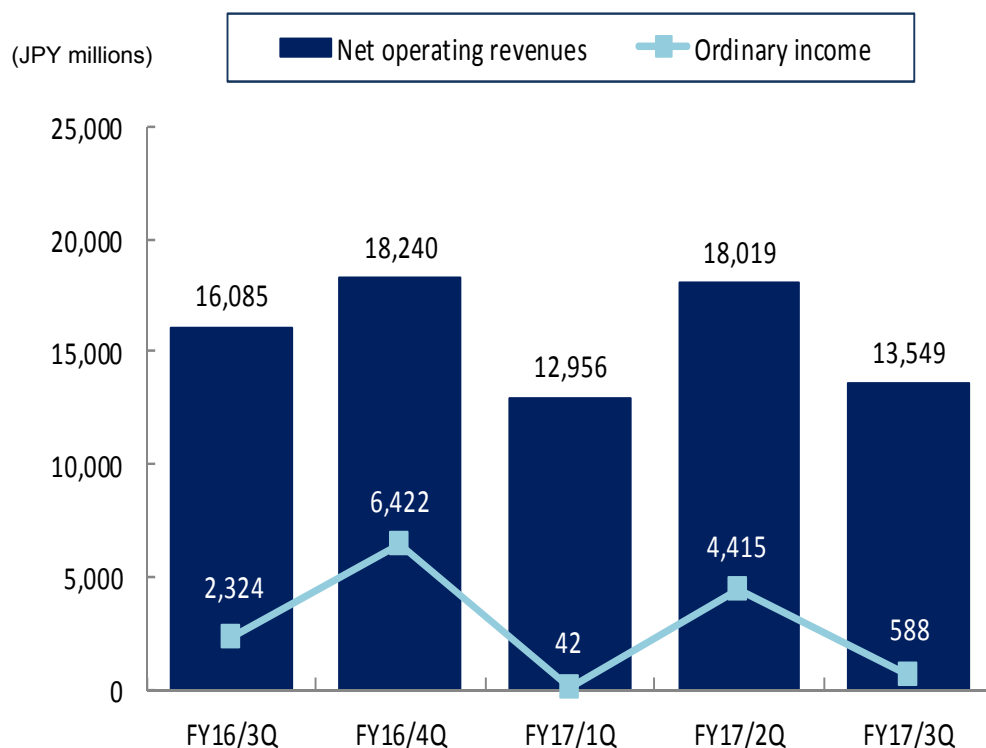
\*\* R&BB: Retail & Business Banking Division



# Business segments—Global Investment Banking

(JPY millions)

| Global Investment Banking | FY2017<br>2Q | FY2017<br>3Q | QoQ<br>% | FY2016<br>3Q | FY2017<br>3Q | YoY<br>% |
|---------------------------|--------------|--------------|----------|--------------|--------------|----------|
| Net operating revenues    | 18,019       | 13,549       | (24.8%)  | 52,361       | 44,525       | (15.0%)  |
| Ordinary income           | 4,415        | 588          | (86.7%)  | 14,441       | 5,047        | (65.1%)  |



## ✓ Global Investment Banking highlights (QoQ)

- While stable revenue was achieved in Japan-based M&As and structured finance, as well as overseas bond underwriting, Japan-based bond underwriting commissions declined. As a result, recorded JPY 500M in ordinary income

Net operating revenues and ordinary income calculated on an internal management basis prior to the deduction of internal transactions.  
Includes results of Mizuho Securities USA (which is no longer included in consolidated results).

# Business segments—Global Investment Banking league tables

## Major league tables

### Total equity underwriting worldwide (2017/4/1-2017/12/31)

| Rank | Company Name                    | Amount<br>(JPY bn) | Share<br>(%) |
|------|---------------------------------|--------------------|--------------|
| 1    | Nomura Sec.                     | 925.0              | 24.7         |
| 2    | Daiwa Securities Group          | 804.3              | 21.5         |
| 3    | Sumitomo Mitsui Financial Group | 473.1              | 12.7         |
| 4    | Morgan Stanley                  | 460.8              | 12.3         |
| 5    | <b>Mizuho Financial Group</b>   | <b>413.3</b>       | <b>11.1</b>  |

Based on underwriting amount and pricing date basis  
Deals including initial public offerings, public offerings, convertible bonds and REITs  
Source: Prepared by Mizuho Securities based on data from THOMSON REUTERS



### Total Japan publicly offered bonds (2017/4/1-2017/12/31)

| Rank | Company Name                       | Amount<br>(JPY bn) | Share<br>(%) |
|------|------------------------------------|--------------------|--------------|
| 1    | Nomura Sec.                        | 2,536.1            | 20.8         |
| 2    | <b>Mizuho Sec.</b>                 | <b>2,305.9</b>     | <b>18.9</b>  |
| 3    | Mitsubishi UFJ Morgan Stanley Sec. | 2,224.7            | 18.3         |
| 4    | Daiwa Sec.                         | 2,146.3            | 17.6         |
| 5    | SMBC Nikko Sec.                    | 2,114.0            | 17.4         |

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 I-N Information Systems

### M&A Advisory for announced deals (2017/4/1-2017/12/31)

| Rank | Company Name                    | No. of transactions | Amount<br>(JPY bn) |
|------|---------------------------------|---------------------|--------------------|
| 1    | <b>Mizuho Financial Group</b>   | <b>151</b>          | <b>822.9</b>       |
| 2    | Sumitomo Mitsui Financial Group | 149                 | 1,111.3            |
| 3    | Nomura Sec.                     | 76                  | 3,912.6            |
| 4    | KPMG                            | 41                  | 234.8              |
| 5    | Kaede Group                     | 40                  | 2.1                |

Based on number of deals  
Any Japanese related deals (excluding real estate deals)  
Source: Prepared by Mizuho Securities based on data from THOMSON REUTERS



### ABS lead manager (2017/4/1-2017/12/31)

| Rank | Company Name                    | No. of transactions | Amount<br>(JPY bn) |
|------|---------------------------------|---------------------|--------------------|
| 1    | <b>Mizuho Financial Group</b>   | <b>110</b>          | <b>1,224.9</b>     |
| 2    | Sumitomo Mitsui Financial Group | 19                  | 513.1              |
| 3    | Morgan Stanley                  | 13                  | 459.0              |
| 4    | Sumitomo Mitsui Trust Holdings  | 9                   | 370.3              |
| 5    | Daiwa Securities Group          | 7                   | 284.1              |

Based on deal amounts and settlement date basis  
Source: Prepared by Mizuho Securities based on data from THOMSON REUTERS



## Major deals (FY17/Q3)

### ECM

- Entrust
- DAIFUKU
- NIHON PLAST
- ARUHI
- KATITAS
- HANATOUR JAPAN
- Chugoku Electric Power
- Invincible Investment
- Hulic Reit, Inc.
- Canadian Solar Infrastructure
- Chailease Holding
- Nissin Foods

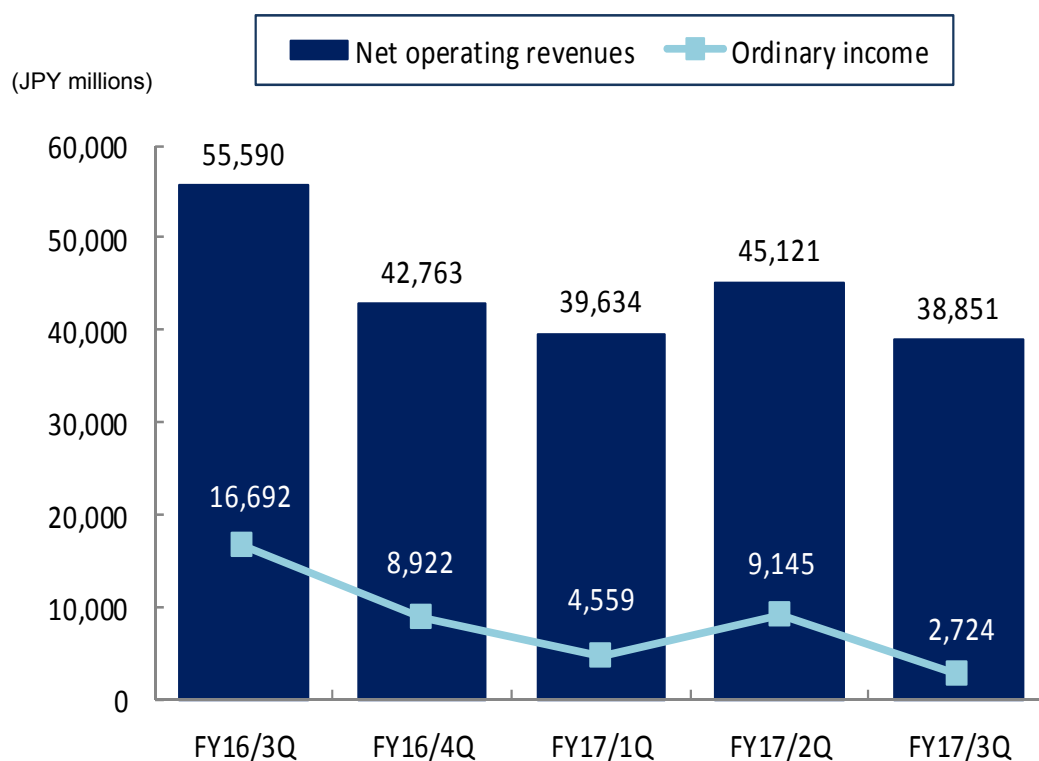
### DCM

- Japan
  - Tokyo Century
  - TOYOTA FINANCE
  - Tokyu Fudosan Holdings
  - NIPPON TOCHI-TATEMONO
  - Mitsui Mining and Smelting
  - Keikyu
  - SEIBU HOLDINGS
  - Tokyo Metro
  - NSK
  - HONDA FINANCE
  - TEPCO Power Grid
  - Kyushu Electric Power
  - Hokuriku Electric Power
  - East Nippon Expressway
  - JR TT
  - BFCM
  - Banco Santander, S.A.
  - Kyoto City
  - City of Nagoya
- Global
  - AerCap Ireland Capital dac
  - Andeavor Logistics LP
  - Ausgrid Finance Pty Ltd
  - BPCE
  - Broadcom Corp
  - China CITIC Bank Corp Ltd
  - Continental Resources Inc
  - Energy Transfer Equity LP
  - Export-Import Bank of China
  - Nissan Master Owner Trust Receivables (ABS)
  - Northrop Grumman Corp
  - Sempra Energy
  - Synchrony Financial
  - United Parcel Service Inc
  - Verizon Communications Inc

# Business segments—Global Markets

(JPY millions)

| Global Markets         | FY2017<br>2Q | FY2017<br>3Q | QoQ<br>% | FY2016<br>3Q | FY2017<br>3Q | YoY<br>% |
|------------------------|--------------|--------------|----------|--------------|--------------|----------|
| Net operating revenues | 45,121       | 38,851       | (13.9%)  | 166,669      | 123,608      | (25.8%)  |
| Ordinary income        | 9,145        | 2,724        | (70.2%)  | 63,286       | 16,429       | (74.0%)  |



## ✓ Global Markets highlights (QoQ)

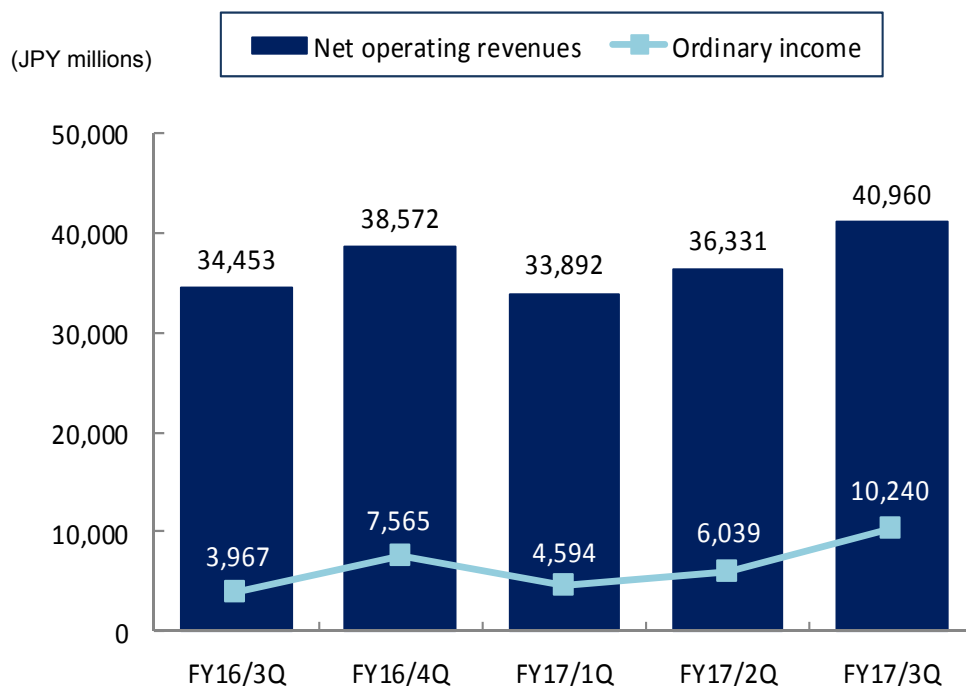
- Despite increase in client flow, recorded QoQ decrease in ordinary income to record JPY 2.7bn due to ongoing low volatility across both stock and bond markets despite global bull stock market

Net operating revenues and ordinary income calculated on an internal management basis prior to the deduction of internal transactions.  
Includes results of Mizuho Securities USA (which is no longer included in consolidated results).

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

(JPY millions)

| R & BB                 | FY2017<br>2Q | FY2017<br>3Q | QoQ<br>% | FY2016<br>3Q | FY2017<br>3Q | YoY<br>% |
|------------------------|--------------|--------------|----------|--------------|--------------|----------|
| Net operating revenues | 36,331       | 40,960       | 12.7%    | 99,021       | 111,183      | 12.3%    |
| Ordinary income        | 6,039        | 10,240       | 69.6%    | 5,906        | 20,875       | 253.5%   |

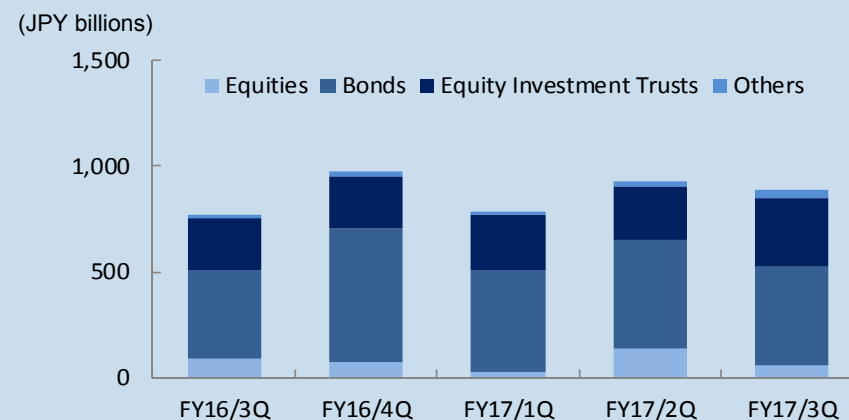


Net operating revenues and ordinary income calculated on an internal management basis prior to the deduction of internal transactions.

## ✓ R&BB highlights (QoQ)

➤ Recorded JPY10.2bn in ordinary income thanks to sales expansion in equity investment trusts and steady growth in equities brokerage commissions

### Shift in product sales figures



| (JPY Billions)           | FY2016  |         | FY2017  |         |         |
|--------------------------|---------|---------|---------|---------|---------|
|                          | FY16/3Q | FY16/4Q | FY17/1Q | FY17/2Q | FY17/3Q |
| Equities *1              | 89      | 75      | 29      | 133     | 60      |
| Bonds *2                 | 416     | 628     | 476     | 517     | 464     |
| Equity Investment Trusts | 250     | 248     | 263     | 256     | 324     |
| Others                   | 13      | 27      | 16      | 24      | 37      |

\*1 Equity underwriting and sales

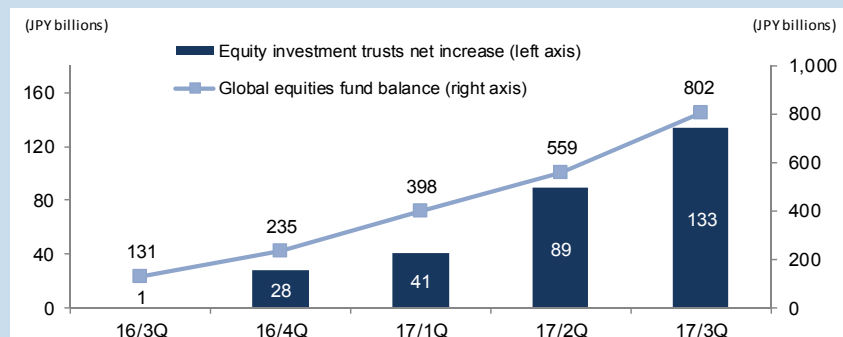
\*2 Total for Japan bond offering & sales and foreign bond sales

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

## ✓ FY17 Q3 topics

### --- Globally-diversified investment strategy update ---

- Launched new fund: “emerging market high-quality growth equities fund” (aka: future world (emerging markets)). (Initially set at JPY 97.7bn) (Q3 sales figure: JPY 143.7bn)  
“Global equities fund”<sup>\*1</sup> has topped the JPY 800bn mark
- Equity investment trusts achieved 13<sup>th</sup> consecutive monthly net increase since Dec. 2016



### --- Customer service enhancement ---

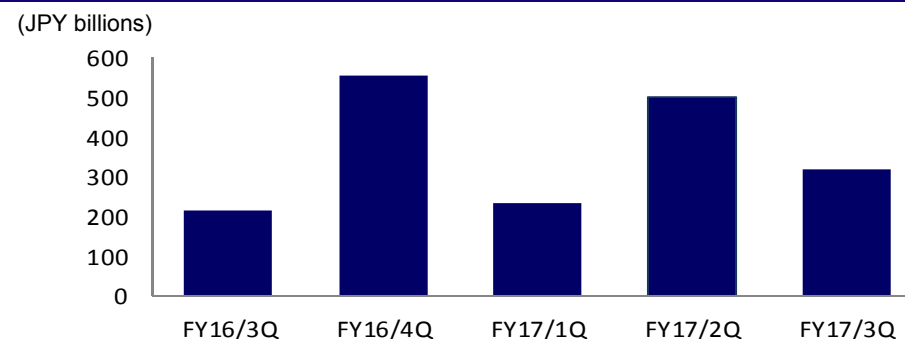
- Client-centric behavior management initiative received high marks—awarded the “2017 CRM Best Practice Award”<sup>\*2</sup> by the CRM Association Japan
- Granted “COPC® CSP Standard”<sup>\*3</sup> certification which certifies the achievement of an international standard of customer operations performance and was granted in recognition of initiatives to enhance the quality of service provided by our contact center

\*1 Six funds investing in global equities and global emerging markets

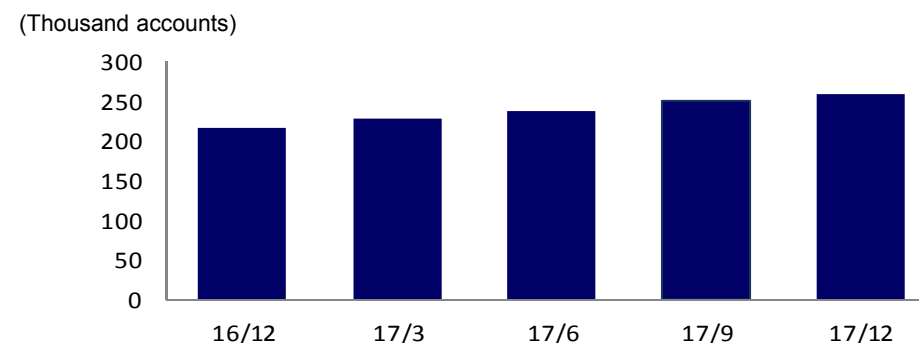
\*2 Awarded to those corporations, government/public offices, and organizations which have successfully construct strategies, operations, organizations which achieve sound customer-centric relationship management

\*3 Certification to the COPC CSP Standard has been adopted by more than 1,600 companies representing 75 countries. It is awarded only to those which have achieved extraordinarily-high levels of contact center customer satisfaction and have implemented operational structures able to support such levels of satisfaction

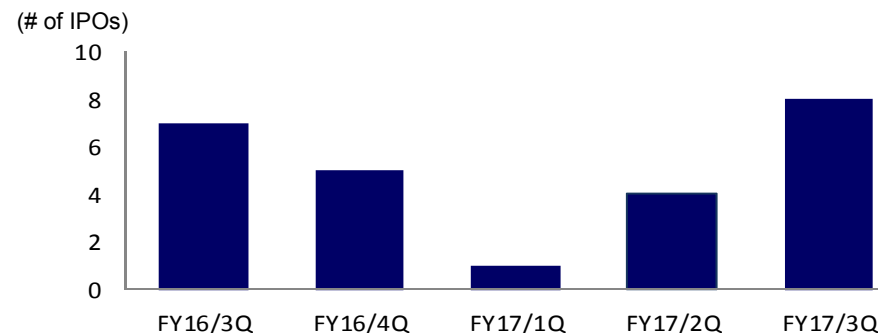
## Asset inflow



## # of accounts introduced by Mizuho Bank



## # of IPOs serving as lead manager

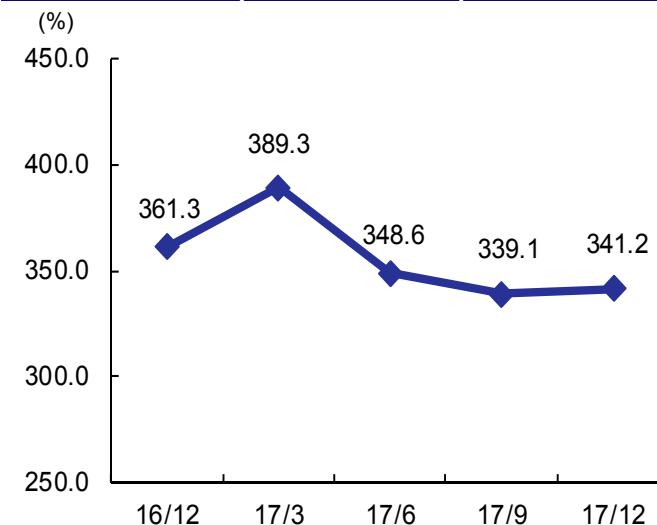


# B/S Summary

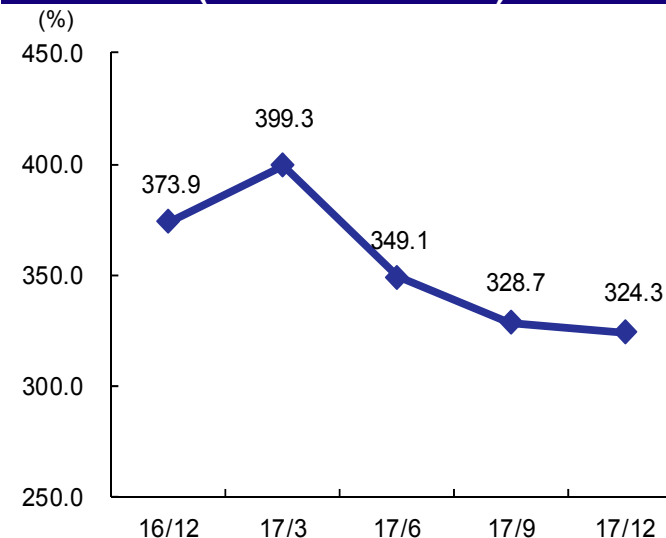
## Balance sheets (consolidated)

|   | 2017           |        | 2017  |               |
|---|----------------|--------|---|---------------|
|   | Sep.           | Dec.   | Sep.  | Dec.          |
|   | (JPY billions) |        |   |               |
| <b>Assets</b>   |                |        | <b>Liabilities</b>  |               |
| <b>Total current assets</b>                               | 15,891         | 14,120 | <b>Total current liabilities</b>                          | 14,318 12,511 |
| Cash and bank deposits                                    | 501            | 534    | Trading liabilities                                       | 4,725 4,423   |
| Trading assets  | 7,562          | 6,917  | Collateralized short-term financing agreements-receivable | 6,972 6,175   |
| Operating investment securities                           | 51             | 48     | Short-term borrowings                                     | 791 847       |
| Collateralized short-term financing agreements-receivable | 6,789          | 5,705  | Commercial paper  | 97 236        |
| <b>Total noncurrent assets</b>                            | 243            | 247    | <b>Total noncurrent liabilities</b>                       | 922 952       |
| Property and equipment                                    | 32             | 33     | Bonds and notes   | 603 635       |
| Intangible assets   | 94             | 95     | Long-term borrowings                                      | 286 283       |
| Investments and other assets                              | 116            | 118    | <b>Total liabilities</b>                                  | 15,242 13,466 |
| Investment securities                                     | 76             | 78     | <b>Net assets</b>   |               |
|   |                |        | Total shareholders' equity                                | 916 923       |
|   |                |        | Accumulated other comprehensive income                    | (31) (29)     |
|   |                |        | Non-controlling interests                                 | 7 7           |
|   |                |        | <b>Total net assets</b>                                   | 892 901       |
| <b>Total assets</b>                                       | 16,135         | 14,368 | <b>Total liabilities and net assets</b>                   | 16,135 14,368 |

## Capital adequacy ratio (consolidated)



## Capital adequacy ratio (non-consolidated)



# Key initiatives and topics

## Promoting digital innovation

### Update on initiatives

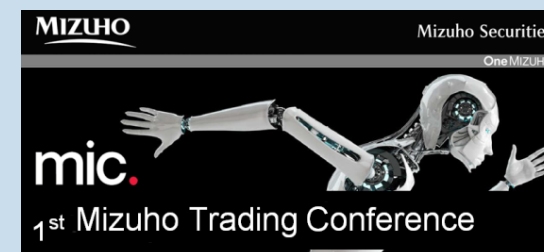
- We continue to strive to provide clients with convenient services and develop concrete initiatives to improve operational efficiency via the use of speech recognition technology, AI, RPA<sup>\*1</sup>, etc.

### Implementation highlights

|   |   |
|---|---|
| Robo advisor<br>×<br>Asset-building support | <ul style="list-style-type: none"> <li>• Launched asset-building support tools via our internet site (Dec. 2017)               <ul style="list-style-type: none"> <li>➢ Lifetime income/expenditure balance calculator “Lifetime income simulator—future money”</li> <li>➢ Features which propose optimal portfolio “Asset management advisor—stable future”</li> </ul> </li> </ul> |
| AI<br>×<br>Call center                      | <ul style="list-style-type: none"> <li>• Launched an AI-based automated call center in collaboration with asset management startup Robotfund (Dec. 2017)</li> </ul>   |
| AI<br>×<br>Voice recognition                | <ul style="list-style-type: none"> <li>• In seeking to further enhance sales and marketing, introduced call monitoring system based on AI and voice recognition technology (Nov. 2017)</li> </ul>   |

### Mizuho trading conference “Mizuho’s AI revolution”

- Hosted first AI-trading-themed conference for institutional investors (Nov. 2017)
- Hosted discussion on how Mizuho-developed AI algorithm trading system “MATRIX” and other AI platforms are changing the future



### Innovation Field 2017

- For second time, hosted conference in collaboration with KPMG Azsa attended by approximately 700 individuals representing major corporations, ventures, and academic institutions
- Hosted keynote lectures, panel discussions, etc. in efforts to realize innovation ecosystems<sup>\*2</sup> and strengthen relations with industry, government, and academia (also contributed to peer network building)

## Enhancing global business

### Improving global network

- Improving network to further expand our global business
  - Began undertaking preparations in Germany in response to Brexit (Jul. 2017)
  - MHS<sup>\*3</sup> and Mizuho Bank HK began sharing office (Jul. 2017)
  - MHS<sup>\*3</sup> established Seoul Branch (Oct. 2017)
  - MHI<sup>\*4</sup> established branch in Dubai (Jan. 2018)

### Global Mizuho Investor Conference (MIC) NY 2017

- Hosted the 2nd Global MIC in NY which spanned two days from Dec. 4 and featured keynote speeches, panel discussions, etc.
- Attended by 711 institutional investors representing 187 corporations, and we arranged 921 one-on-one meetings. This MIC became Mizuho's largest global conference to date

\*1 Robotics Process Automation

\*2 The flow of technology, talent, and capital among venture operations, major corporations, VC, etc. necessary to take corporates through all phases: start-up, early/late growth, and regeneration

\*3 MHS (Mizuho Securities Asia Limited) is a Hong Kong-based subsidiary of Mizuho Securities

\*4 MHI (Mizuho International plc) is a London-based subsidiary of Mizuho Securities

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# Reference Data



# P/L—Consolidated results

(JPY millions)

|  | FY16/1Q-4Q |         |         |         | FY17/1Q | FY17/2Q | FY17/3Q |        |
|--|------------|---------|---------|---------|---------|---------|---------|--------|
|  | FY16/1Q    | FY16/2Q | FY16/3Q | FY16/4Q |         |         |         |        |
| Operating revenues                                 | 425,710    | 124,315 | 109,710 | 92,021  | 99,663  | 82,272  | 103,189 | 93,751 |
| Commissions  | 197,569    | 54,643  | 56,140  | 40,170  | 46,614  | 37,653  | 42,116  | 45,835 |
| Brokerage commissions                              | 41,600     | 13,624  | 8,233   | 10,895  | 8,846   | 8,828   | 8,428   | 10,684 |
| Equities   | 36,047     | 9,188   | 7,824   | 10,387  | 8,646   | 8,508   | 8,076   | 10,375 |
| Bonds  | 4,914      | 4,238   | 260     | 310     | 104     | 192     | 264     | 200    |
| Underwriting and selling fees and commissions      | 46,901     | 14,036  | 15,934  | 5,842   | 11,088  | 5,411   | 9,192   | 7,301  |
| Equities   | 17,297     | 4,202   | 5,340   | 2,611   | 5,142   | 1,860   | 2,874   | 4,206  |
| Bonds  | 29,111     | 9,756   | 10,546  | 3,188   | 5,619   | 3,499   | 6,268   | 3,012  |
| Offering, selling, and other commissions and fees  | 34,795     | 6,925   | 7,047   | 10,106  | 10,716  | 9,763   | 9,560   | 12,092 |
| Beneficiary certificates                           | 22,245     | 4,514   | 4,333   | 6,734   | 6,662   | 7,010   | 6,292   | 8,026  |
| Other commissions and fees                         | 74,271     | 20,056  | 24,925  | 13,325  | 15,963  | 13,649  | 14,934  | 15,757 |
| Beneficiary certificates                           | 31,711     | 11,764  | 11,991  | 3,904   | 4,050   | 4,078   | 4,263   | 4,495  |
| Other (excl. equities and bonds)                   | 29,738     | 6,974   | 10,747  | 4,428   | 7,587   | 5,156   | 5,481   | 5,668  |
| Net gain on trading                                | 154,143    | 44,350  | 44,329  | 36,134  | 29,327  | 27,201  | 29,829  | 28,629 |
| Equities, etc.                                     | 34,266     | (718)   | 10,261  | 18,770  | 5,952   | 5,485   | 5,714   | 7,612  |
| Bonds, etc. and Others                             | 119,876    | 45,069  | 34,068  | 17,364  | 23,374  | 21,715  | 24,115  | 21,016 |
| Net gain (loss) on operating investment securities | 3,869      | (43)    | (3,105) | 3,450   | 3,567   | 511     | 6,872   | 3,072  |
| Interest and dividend income                       | 70,128     | 25,364  | 12,344  | 12,265  | 20,153  | 16,906  | 24,372  | 16,213 |
| Interest expenses                                  | 59,718     | 17,589  | 12,569  | 14,215  | 15,343  | 14,858  | 20,828  | 16,240 |
| Net operating revenues                             | 365,991    | 106,726 | 97,140  | 77,805  | 84,319  | 67,414  | 82,360  | 77,511 |
| SG&A expenses                                      | 290,999    | 81,777  | 72,938  | 67,031  | 69,252  | 61,532  | 66,543  | 67,777 |
| Operating income                                   | 74,991     | 24,948  | 24,201  | 10,774  | 15,067  | 5,881   | 15,817  | 9,733  |
| Non-operating income                               | 3,984      | 1,390   | 588     | 755     | 1,249   | 888     | 499     | 730    |
| Non-operating expenses                             | 3,172      | 995     | 944     | (72)    | 1,305   | 470     | 431     | 1,020  |
| Ordinary income                                    | 75,803     | 25,343  | 23,845  | 11,602  | 15,011  | 6,298   | 15,885  | 9,442  |
| Extraordinary gains                                | 100,876    | 92      | 45,390  | 54,594  | 799     | 1,907   | 86      | 323    |
| Extraordinary losses                               | 3,152      | 606     | 362     | 265     | 1,918   | 133     | 1,664   | 507    |
| Net income attributable to owners of parent        | 188,597    | 9,467   | 121,858 | 45,111  | 12,160  | 5,269   | 11,868  | 6,921  |

\*Results do not include figures from Mizuho Securities USA nor from Shinko Asset Management due to the fact that neither company is included in our consolidated results as of FY16 Q2 and FY16 Q3 respectively.

# P/L—Non-consolidated results

(JPY millions)

|  | FY16/1Q-4Q |         |         |         | FY17/1Q | FY17/2Q | FY17/3Q |        |
|--|------------|---------|---------|---------|---------|---------|---------|--------|
|  | FY16/1Q    | FY16/2Q | FY16/3Q | FY16/4Q |         |         |         |        |
| Operating revenues                                 | 341,126    | 78,985  | 97,723  | 77,791  | 86,625  | 68,413  | 84,132  | 79,174 |
| Commissions  | 149,114    | 30,463  | 45,443  | 32,910  | 40,295  | 31,026  | 34,578  | 37,682 |
| Brokerage commissions                              | 26,284     | 6,152   | 5,726   | 7,672   | 6,732   | 7,143   | 6,666   | 9,015  |
| Equities   | 25,449     | 5,923   | 5,503   | 7,424   | 6,597   | 6,973   | 6,531   | 8,866  |
| Bonds  | 219        | 40      | 81      | 56      | 40      | 44      | 47      | 41     |
| Underwriting and selling fees and commissions      | 34,848     | 5,353   | 15,115  | 5,057   | 9,321   | 4,731   | 7,524   | 6,203  |
| Equities   | 14,567     | 2,099   | 5,051   | 2,340   | 5,075   | 1,444   | 2,494   | 3,816  |
| Bonds  | 19,787     | 3,176   | 10,016  | 2,674   | 3,918   | 3,235   | 4,980   | 2,304  |
| Offering, selling, and other commissions and fees  | 25,539     | 5,138   | 5,267   | 7,540   | 7,593   | 7,619   | 7,191   | 9,084  |
| Beneficiary certificates                           | 22,086     | 4,471   | 4,298   | 6,701   | 6,614   | 6,962   | 6,292   | 8,026  |
| Other commissions and fees                         | 62,442     | 13,819  | 19,334  | 12,639  | 16,649  | 11,531  | 13,195  | 13,379 |
| Beneficiary certificates                           | 15,576     | 3,864   | 3,809   | 3,880   | 4,022   | 4,052   | 4,263   | 4,495  |
| Other (excl. equities and bonds)                   | 27,209     | 6,342   | 10,260  | 3,886   | 6,719   | 4,081   | 4,628   | 4,725  |
| Net gain on trading                                | 143,956    | 40,358  | 41,488  | 34,968  | 27,141  | 23,904  | 26,025  | 27,462 |
| Equities, etc.                                     | 34,380     | (707)   | 10,057  | 18,825  | 6,204   | 5,534   | 5,691   | 7,602  |
| Bonds, etc. and Others                             | 109,576    | 41,065  | 31,430  | 16,143  | 20,936  | 18,370  | 20,334  | 19,859 |
| Net gain (loss) on operating investment securities | 2,299      | (162)   | 228     | 446     | 1,786   | 35      | 1,935   | 402    |
| Interest and dividend income                       | 45,756     | 8,325   | 10,563  | 9,465   | 17,401  | 13,446  | 21,592  | 13,627 |
| Interest expenses                                  | 37,915     | 7,392   | 9,777   | 9,406   | 11,338  | 10,237  | 15,952  | 11,430 |
| Net operating revenues                             | 303,211    | 71,593  | 87,946  | 68,385  | 75,286  | 58,175  | 68,179  | 67,743 |
| SG&A expenses                                      | 239,455    | 55,731  | 62,478  | 58,825  | 62,419  | 54,277  | 59,092  | 60,353 |
| Operating income                                   | 63,755     | 15,861  | 25,467  | 9,559   | 12,866  | 3,898   | 9,086   | 7,390  |
| Non-operating income                               | 7,920      | 2,983   | 3,945   | 257     | 734     | 5,527   | 530     | 243    |
| Non-operating expenses                             | 1,487      | 411     | 250     | 251     | 573     | 311     | 244     | 415    |
| Ordinary income                                    | 70,189     | 18,434  | 29,162  | 9,564   | 13,027  | 9,114   | 9,373   | 7,218  |
| Extraordinary gains                                | 119,276    | 184     | 67,650  | 50,643  | 798     | 1,342   | 84      | 408    |
| Extraordinary losses                               | 2,554      | 309     | 1,210   | 166     | 867     | 44      | 1,686   | 410    |
| Net income   | 200,718    | 13,709  | 133,518 | 42,342  | 11,148  | 7,859   | 6,560   | 6,016  |

# Market share, assets under management—non-consolidated

(JPY billions)

|                       |                   | FY16/1Q | FY16/2Q | FY16/3Q | FY16/4Q | FY17/1Q | FY17/2Q | FY17/3Q |
|-----------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|
| Equity trading volume | Total             | 10,758  | 11,294  | 12,815  | 11,612  | 11,058  | 10,867  | 12,828  |
|                       | Dealing           | 4,836   | 5,240   | 6,159   | 5,563   | 5,107   | 4,957   | 5,846   |
|                       | Brokerage         | 5,921   | 6,053   | 6,655   | 6,049   | 5,951   | 5,910   | 6,981   |
| Share in TSE          |                   | 3.05%   | 3.22%   | 3.38%   | 3.22%   | 2.80%   | 2.85%   | 2.78%   |
| Underwriting          | Equities          | 45      | 70      | 112     | 93      | 37      | 133     | 76      |
|                       | Bonds             | 1,696   | 2,640   | 1,508   | 1,753   | 1,761   | 2,123   | 1,826   |
| Distribution          | Equities          | 75      | 104     | 131     | 169     | 42      | 147     | 112     |
|                       | Bonds             | 1,045   | 1,912   | 953     | 1,201   | 1,073   | 1,487   | 969     |
|                       | Investment Trusts | 1,290   | 1,492   | 1,898   | 1,677   | 1,616   | 1,737   | 1,965   |

(JPY billions)

|   |                   | 16/6   | 16/9   | 16/12  | 17/3   | 17/6   | 17/9   | 17/12  |
|---|-------------------|--------|--------|--------|--------|--------|--------|--------|
| AUM   |                   | 34,911 | 35,892 | 38,393 | 38,690 | 40,595 | 42,341 | 45,053 |
|   | Equities          | 18,123 | 18,945 | 20,639 | 20,898 | 22,674 | 23,903 | 26,272 |
|   | Bonds             | 11,549 | 11,764 | 11,976 | 12,172 | 12,267 | 12,579 | 12,606 |
|   | Investment trusts | 4,929  | 4,838  | 5,377  | 5,235  | 5,248  | 5,436  | 5,752  |
|   | Others            | 308    | 345    | 400    | 384    | 405    | 422    | 421    |
| R & BB* AUM                                   |                   | 25,655 | 26,572 | 28,257 | 28,869 | 30,127 | 31,539 | 33,163 |
|   | Equities          | 11,779 | 12,410 | 13,484 | 13,836 | 14,878 | 15,799 | 16,971 |
|   | Bonds             | 9,925  | 10,189 | 10,356 | 10,597 | 10,787 | 11,094 | 11,183 |
|   | Investment trusts | 3,922  | 3,958  | 4,348  | 4,315  | 4,405  | 4,563  | 4,937  |
| Net inflow of client assets (R & BB Division) |                   | 168    | 410    | 216    | 558    | 234    | 502    | 320    |

\* R & BB Division: Retail & Business Banking Division

# Number of accounts and product sales—non-consolidated

(Thousand accounts)

|   | 16/6  | 16/9  | 16/12 | 17/3  | 17/6  | 17/9  | 17/12 |
|---|-------|-------|-------|-------|-------|-------|-------|
| Cash management accounts                        | 1,672 | 1,683 | 1,689 | 1,699 | 1,706 | 1,717 | 1,725 |
| Online trading accounts                         | 1,064 | 1,080 | 1,095 | 1,111 | 1,125 | 1,141 | 1,154 |
| Number of new client accounts (R & BB Division) | 19    | 22    | 21    | 24    | 21    | 23    | 21    |
| New NISA accounts                               | 352   | 353   | 353   | 353   | 352   | 351   | 351   |

|   | FY16/1Q | FY16/2Q | FY16/3Q | FY16/4Q | FY17/1Q | FY17/2Q | FY17/3Q |
|---|---------|---------|---------|---------|---------|---------|---------|
| % of # of transactions traded online (equities) | 50.2%   | 50.1%   | 50.7%   | 51.4%   | 52.0%   | 53.8%   | 53.7%   |
| % of transaction value traded online (equities) | 19.5%   | 15.9%   | 23.4%   | 24.2%   | 23.7%   | 26.9%   | 28.3%   |

(JPY billions)

|                                | FY16/1Q | FY16/2Q | FY16/3Q | FY16/4Q | FY17/1Q | FY17/2Q | FY17/3Q |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Foreign bond sales*            | 231.4   | 254.9   | 252.9   | 297.6   | 254.7   | 315.7   | 293.8   |
| Japan domestic bond sales*     | 236.0   | 377.8   | 163.8   | 331.0   | 222.0   | 201.8   | 170.3   |
| Equity investment trust sales* | 167.6   | 163.4   | 250.5   | 248.9   | 263.6   | 256.6   | 324.3   |

\*R & BB Division figures

# Capital adequacy ratio

(JPY billions)

| Consolidated              | 16/6   | 16/9   | 16/12  | 17/3   | 17/6   | 17/9   | 17/12  |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| Basic items               | 705    | 816    | 860    | 847    | 850    | 862    | 869    |
| Supplemental items        | 314    | 317    | 250    | 252    | 121    | 123    | 124    |
| Deducted assets           | 211    | 201    | 201    | 204    | 201    | 211    | 209    |
| Equity after deductions   | 808    | 931    | 909    | 895    | 769    | 774    | 784    |
| Amount equivalent to risk | 261    | 240    | 251    | 229    | 220    | 228    | 229    |
| Capital adequacy ratio    | 308.9% | 387.8% | 361.3% | 389.3% | 348.6% | 339.1% | 341.2% |

(JPY billions)

| Non-consolidated          | 16/6   | 16/9   | 16/12  | 17/3   | 17/6   | 17/9   | 17/12  |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| Basic items               | 651    | 785    | 827    | 812    | 820    | 827    | 833    |
| Supplemental items        | 307    | 314    | 238    | 241    | 106    | 105    | 107    |
| Deducted assets           | 344    | 317    | 311    | 330    | 324    | 336    | 335    |
| Equity after deductions   | 614    | 782    | 755    | 723    | 603    | 596    | 604    |
| Amount equivalent to risk | 180    | 185    | 202    | 181    | 172    | 181    | 186    |
| Capital adequacy ratio    | 340.7% | 421.1% | 373.9% | 399.3% | 349.1% | 328.7% | 324.3% |

# Number of employees and offices

|  | 16/6  | 16/9  | 16/12 | 17/3  | 17/6  | 17/9  | 17/12 |
|--|-------|-------|-------|-------|-------|-------|-------|
| Consolidated number of employees         | 9,634 | 9,670 | 9,473 | 9,448 | 9,827 | 9,832 | 9,840 |
| Non-consolidated                         | 7,384 | 7,353 | 7,328 | 7,285 | 7,651 | 7,643 | 7,599 |
| Domestic affiliate companies             | 968   | 970   | 781   | 773   | 755   | 742   | 734   |
| Overseas subsidiaries                    | 1,282 | 1,347 | 1,364 | 1,390 | 1,421 | 1,447 | 1,507 |
| Number of offices                        | 283   | 283   | 282   | 282   | 283   | 283   | 284   |
| Japan                                    | 274   | 274   | 273   | 273   | 274   | 274   | 275   |
| Overseas (Rep. offices and subsidiaries) | 9     | 9     | 9     | 9     | 9     | 9     | 9     |

\*Figures for number of employees and number of offices include those of Mizuho Securities USA (581 employees as of the end of Sep. 2016, 599 employees as of the end of Dec. 2016, 604 employees as of the end of Mar. 2017, 610 employees as of the end of Jun. 2017, 627 employees as of the end of Sep. 2017 and 690 employees as of the end of Dec. 2017).