

Financial Results

Second Quarter

Fiscal Year ending March 2019

October 2018

Mizuho Securities

MIZUHO

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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 FY18 Q2 financial results, not for investment purposes or advice regarding securities issued by the Company. The information herein is based on data as of October 30, 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.

1. Financial statements

Looking at FY18 Q2 cumulative results, on a QoQ basis, net operating revenues increased 14.3% to JPY 83.4bn, ordinary income increased 75.8% to JPY 15.4bn, and net income attributable to owners of parent increased 68.2% to JPY 13.4bn. If we include the results of Mizuho Securities USA (MSUSA), ordinary income increased 54.3% QoQ to JPY 17.5bn. In addition, on a YoY basis, net operating revenues increased 4.4% to JPY 156.4bn, ordinary income increased 9.1% to JPY 24.2bn, and net income attributable to owners of parent increased 25.5% to JPY 21.5bn. If we include the results of MSUSA, ordinary income declined 6.4% to JPY 28.9bn YoY.

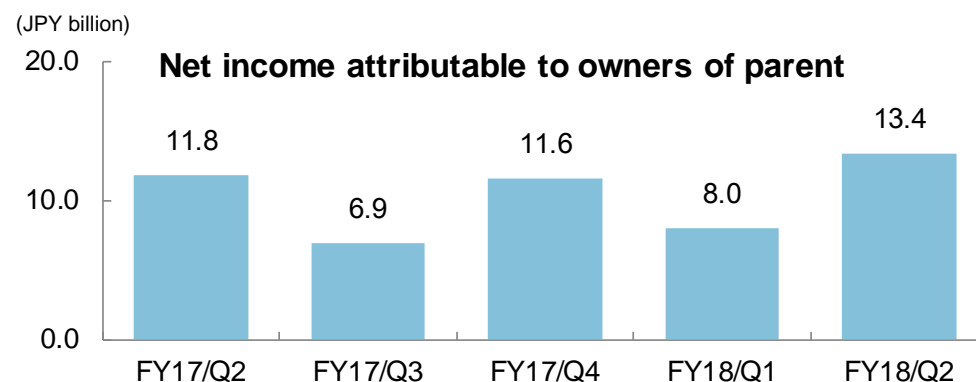
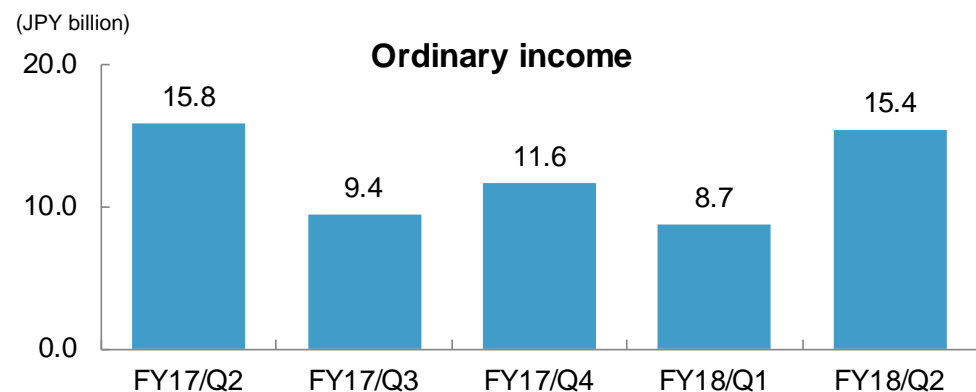
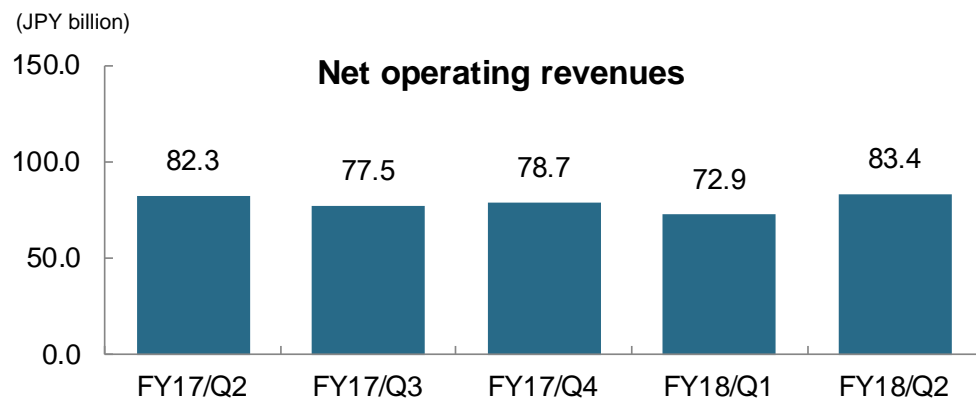
	Quarterly			Yearly		
	2018/6	2018/9	QoQ change	2017/9	2018/9	YoY change
Total assets	14,880.7	16,536.3	1,655.5	16,135.8	16,536.3	400.4
Total net assets	904.0	921.2	17.1	892.8	921.2	28.3
	FY2018 Q1	FY2018 Q2	QoQ %	FY2017 Q2YTD	FY2018 Q2YTD	YoY %
Operating revenues	92.7	109.6	18.2%	185.4	202.4	9.1%
Commissions	38.9	45.4	16.7%	79.7	84.3	5.7%
Net gain on trading	26.1	31.2	19.3%	57.0	57.4	0.7%
Net gain (loss) on operating investment securities	4.2	1.9	(54.5%)	7.3	6.2	(15.5%)
Interest and dividend income	23.3	31.0	32.9%	41.2	54.3	31.8%
Interest expenses	19.7	26.2	32.7%	35.6	45.9	28.9%
Net operating revenues	72.9	83.4	14.3%	149.7	156.4	4.4%
SG & A expenses	64.7	68.5	5.8%	128.0	133.2	4.0%
Operating income	8.2	14.9	81.1%	21.6	23.1	6.8%
Ordinary income(A)	8.7	15.4	75.8%	22.1	24.2	9.1%
Income before tax*	10.5	14.4	36.5%	22.3	25.0	11.9%
Net income attributable to owners of parent	8.0	13.4	68.2%	17.1	21.5	25.5%
Information for reference:						
Mizuho Securities USA ordinary income (B)	2.6	2.1	(18.1%)	8.7	4.7	(45.6%)
Ordinary income calculated on simple aggregate basis (A+B) **	11.3	17.5	54.3%	30.9	28.9	(6.4%)

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

**Figures here represent the simple aggregate of ordinary income (B) of Mizuho Securities USA (MSUSA) (a company not included in our consolidated results) and ordinary income (A) reported on Mizuho Securities Co., Ltd. consolidated financial income statements.

Note that from FY18 Q1, MSUSA's ordinary income includes the ordinary income of Mizuho Capital Markets as a result of this entity having been brought under MSUSA integrated management.

2. Earnings summary—consolidated



Summary

✓ Quarterly (FY18/Q2)

➤ Financial results

Net operating revenues: JPY 83.4bn
(+10.4bn QoQ +14.3%)

Ordinary income: JPY 15.4bn
(+6.6bn QoQ +75.8%)

Net income attributable to owners of parent: JPY 13.4bn
(5.4bn QoQ +68.2%)

QoQ results

Ordinary income increased by JPY 6.6bn QoQ to record JPY 15.4bn, thanks to increases in commission revenue as well as in net gains on trading, etc., despite a decrease in income from operating investment securities

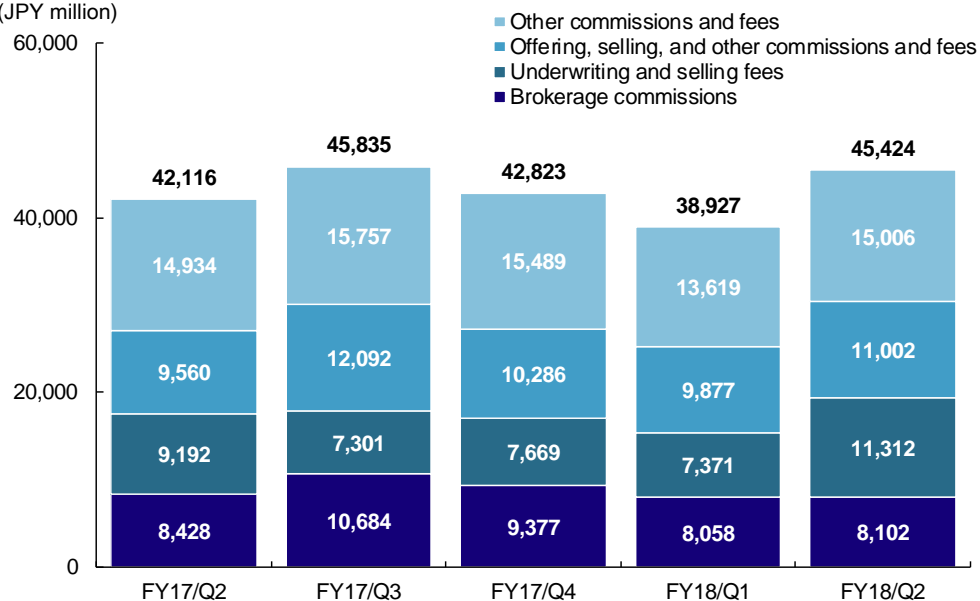
2. Earnings summary—commissions

(JPY million)

	FY2018 Q1	FY2018 Q2	QoQ %	FY2017 Q2YTD	FY2018 Q2YTD	YoY %
Total	38,927	45,424	16.7%	79,769	84,351	5.7%
Brokerage commissions	8,058	8,102	0.5%	17,257	16,161	(6.4%)
Equities	7,812	7,767	(0.6%)	16,585	15,579	(6.1%)
Underwriting and selling fees and commissions	7,371	11,312	53.5%	14,604	18,683	27.9%
Equities	2,649	4,457	68.2%	4,735	7,106	50.1%
Bonds	4,636	6,473	39.6%	9,768	11,109	13.7%
Offering, selling, and other commissions and fees	9,877	11,002	11.4%	19,324	20,880	8.1%
Investment trusts	6,174	7,606	23.2%	13,303	13,780	3.6%
Other commissions and fees	13,619	15,006	10.2%	28,583	28,626	0.1%
Investment trusts	4,503	4,538	0.8%	8,342	9,042	8.4%

Commissions

(JPY million)



✓ Highlights (FY18/Q2)

Commissions : JPY 45.4bn (Q2YTD: JPY 84.3bn)

■ **+6.4bn QoQ +16.7%**

➤ **QoQ increase thanks to increased revenue from underwriting and selling fees and commissions, offering, selling, and other commissions and fees, and M&A related fees, etc.**

■ **+4.5bn YoY +5.7%**

➤ **YoY increase in Q2 (year-to-date basis) thanks to increased revenue from underwriting and selling fees and commissions, as well as M&A related fees, etc.**

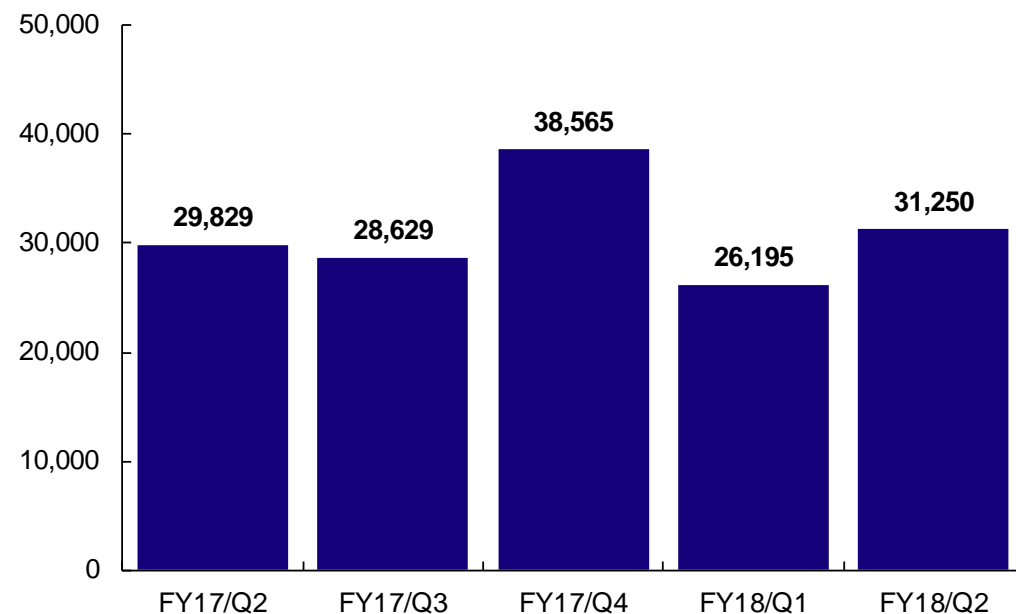
2. Earnings summary—net gain on trading

(JPY million)

	FY2018 Q1	FY2018 Q2	QoQ %	FY2017 Q2YTD	FY2018 Q2YTD	YoY %
Total	26,195	31,250	19.3%	57,030	57,446	0.7%
Equities, etc.	23,626	23,703	0.3%	11,199	47,330	322.6%
Bonds, etc. and others	2,568	7,547	193.9%	45,830	10,115	(77.9%)

Net gain on trading

(JPY million)



✓ Highlights (FY18/Q2)

Net gain on trading : JPY 31.2bn (Q2YTD: JPY 57.4bn)

■ +5.0bn QoQ +19.3%

➤ QoQ increase (thanks to success in steadily generating revenue in relation to both institutional investors and retail investor flows), despite generally severe market climate (though a few positive signs of movement in stock prices and yen interest rates were visible during Q2)

■ +0.4bn YoY +0.7%

➤ Amid ongoing generally severe market environment, focused on initiatives to boost client flows which supported profit of roughly same level YoY (year-to-date basis)

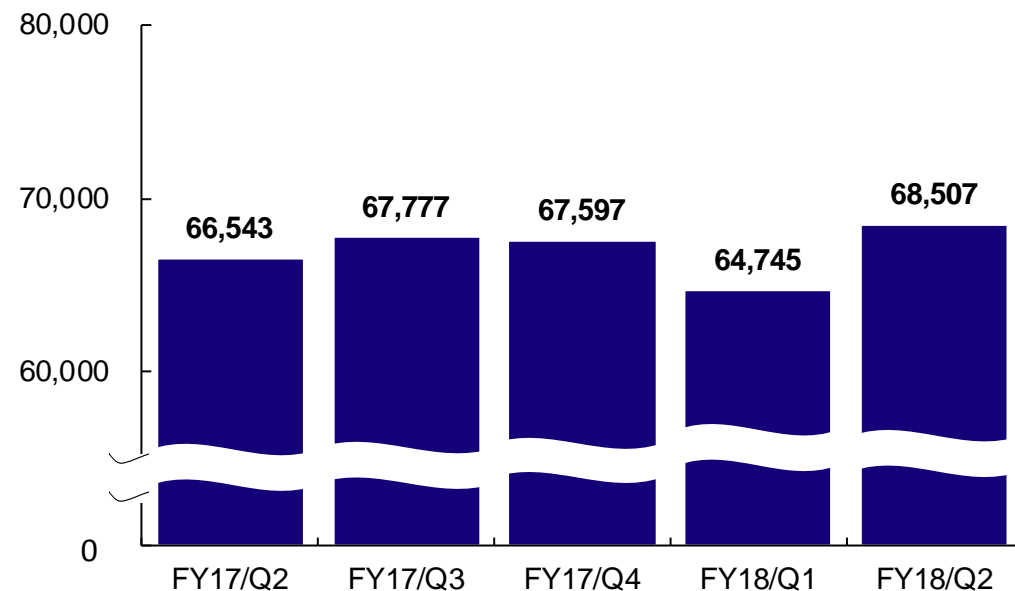
2. Earnings summary—SG&A expenses

(JPY million)

	FY2018 Q1	FY2018 Q2	QoQ %	FY2017 Q2YTD	FY2018 Q2YTD	YoY %
Total	64,745	68,507	5.8%	128,076	133,253	4.0%
Transaction-related	11,148	11,713	5.1%	21,838	22,861	4.7%
Personnel	29,701	32,057	7.9%	57,209	61,759	8.0%
Real estate	7,717	8,256	7.0%	15,471	15,973	3.2%
Administrative	6,584	6,861	4.2%	15,159	13,445	(11.3%)
Depreciation and amortization	6,923	7,175	3.6%	13,119	14,099	7.5%
Taxes and dues	1,429	1,357	(5.1%)	2,537	2,787	9.8%
Other	1,240	1,084	(12.6%)	2,739	2,325	(15.1%)

Consolidated SG&A expenses

(JPY million)



✓ Highlights (FY18/Q2)

SG&A expenses: JPY 68.5bn (Q2YTD: JPY 133.2bn)

■ +3.7bn QoQ +5.8%

➤ SG&A expenses increased QoQ due to increases in transaction-related expenses and personnel costs

■ +5.1bn YoY +4.0%

➤ Despite decreases in administrative expenses, SG&A expenses higher YoY due to increases in transaction-related expenses and personnel costs (year-to-date basis)

3. Business segments

(JPY million)

Net operating revenues*	FY2018 Q1	FY2018 Q2	QoQ %	FY2017 Q2YTD	FY2018 Q2YTD	YoY %
Global Investment Banking	17,075	20,426	19.6%	30,976	37,501	21.1%
Global Markets	39,438	46,224	17.2%	84,756	85,663	1.1%
R & BB**	34,205	36,403	6.4%	70,223	70,608	0.5%

(JPY million)

Ordinary income*	FY2018 Q1	FY2018 Q2	QoQ %	FY2017 Q2YTD	FY2018 Q2YTD	YoY %
Global Investment Banking	4,431	6,671	50.6%	4,458	11,103	149.0%
Global Markets	575	6,832	1,087.1%	13,705	7,407	(45.9%)
R & BB**	3,246	4,742	46.1%	10,634	7,989	(24.9%)

* 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).

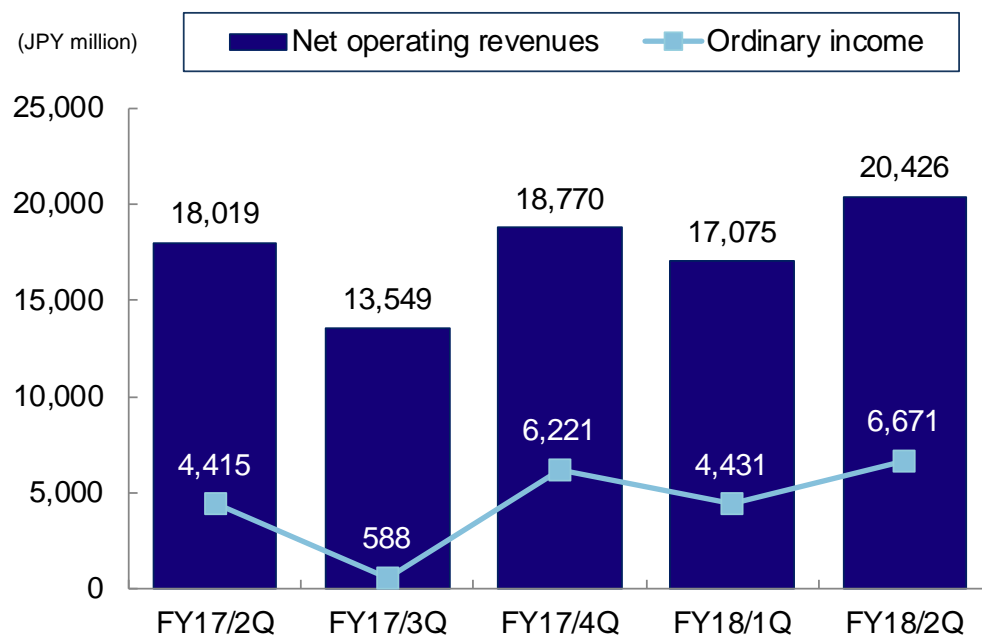
Note that from FY18 Q1, MSUSA's net income and ordinary income include the net income and ordinary income of Mizuho Capital Markets as a result of this entity having been brought under MSUSA integrated management.

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

3. Business segments—Global Investment Banking

(JPY million)

Global Investment Banking	FY2018 Q1	FY2018 Q2	QoQ %	FY2017 Q2YTD	FY2018 Q2YTD	YoY %
Net operating revenues	17,075	20,426	19.6%	30,976	37,501	21.1%
Ordinary income	4,431	6,671	50.6%	4,458	11,103	149.0%



- ✓ **Global Investment Banking highlights (QoQ)**
 - Recorded JPY 6.6bn in ordinary income (an increase of JPY 2.2bn QoQ) thanks to steady growth in both Japan-based and overseas-based bond and stock underwriting revenue as well as major increase for M&A advisory and structured finance fees and commissions
- ✓ **Global Investment Banking highlights (YoY)**
 - Recorded JPY 11.1bn in ordinary income (representing YoY increase of JPY 6.6bn (year-to-date basis)) thanks not only to major increases in both Japan M&A advisory and structured finance revenue, but also Japan and US underwriting activities which generated solid revenue

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).

3. Business segments—Global Investment Banking league tables

Major league tables

Total Japan publicly offered bonds (2018/4/1-2018/9/30)

Rank	Company Name	Amount (JPY bn)	Share (%)
1	Mizuho Sec.	2,001.3	20.5
2	SMBC Nikko Sec.	1,917.5	19.6
3	Nomura Sec.	1,908.0	19.5
4	Daiwa Sec.	1,779.1	18.2
5	Mitsubishi UFJ Morgan Stanley Sec.	1,417.1	14.5

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

Total equity underwriting worldwide (2018/4/1-2018/9/30)

Rank	Company Name	Amount (JPY bn)	Share (%)
1	JPMorgan	322.9	15.3
2	Nomura Sec.	318.3	15.1
3	Sumitomo Mitsui Financial Group	293.8	13.9
4	Daiwa Sec.	280.1	13.2
7	Mizuho Financial Group	179.0	8.5

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



M&A Advisory for announced deals (2018/4/1-2018/9/30)

Rank	Company Name	No. of transactions	Amount (JPY bn)
1	Sumitomo Mitsui Financial Group	81	6,858.4
2	Mizuho Financial Group	74	8,803.2
3	Nomura Sec.	51	9,937.2
4	Mitsubishi UFJ Morgan Stanley Sec.	33	17,565.4
5	Plutus Consulting	30	152.0

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 (Prelim. figures) (2018/4/1-2018/9/30)

Rank	Company Name	No. of transactions	Amount (JPY bn)
1	Mizuho Financial Group	74	708.4
2	Sumitomo Mitsui Financial Group	15	377.4
3	Sumitomo Mitsui Trust Holdings	7	341.8
4	Nomura Holdings	7	262.5
5	Morgan Stanley	6	205.8

Based on deal amounts and settlement date basis
Source: Prepared by Mizuho Securities based on data from THOMSON REUTERS as of 9:00, October 15, 2018
(Preliminary figures prior to release)



Major deals (FY18/Q2)

DCM

Japan	Global
<ul style="list-style-type: none"> – MITSUI & CO. – SUMITOMO CORPORATION – Suntory Beverage & Food – Tokyu Fudosan Holdings – Keisei Electric Railway – JAPAN TOBACCO – East Japan Railway – TEPCO Power Grid – Hokkaido Electric Power – Mizuho Financial Group – Development Bank of Japan – JR TT – Republic of the Philippines – HSBC Holdings plc – Aichi Prefecture – City of Yokohama 	<ul style="list-style-type: none"> – Agricultural Development Bank of China – Air Lease Corp – American Express Co – AT&T Inc – BP Capital Markets America Inc – BPCE – China Construction Bank – DXC Technology Co – ENEL Finance International NV – McDonald's Corp – Prudential Financial Inc – Sinopec Group Overseas – Suzano Austria GmbH – Thunderbolt II Aircraft Lease Ltd – Unilever N.V.

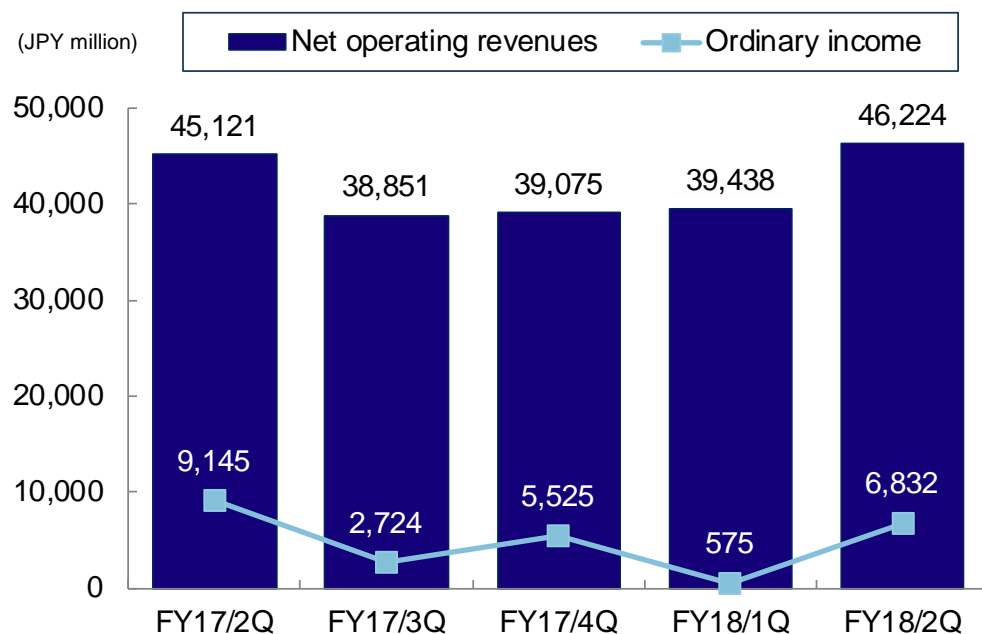
ECM

<ul style="list-style-type: none"> – Mori Hills REIT Investment Corporation – Invincible Investment Corporation – GLP J-REIT – One REIT – JAPAN MEAT – Daido Metal – Bank of The Ryukyus – Yamami – Solasia Pharma 	<ul style="list-style-type: none"> – Takara Leben Real Estate Investment Corporation – Prored Partners – SBI Insurance Group – WORLD – LINE – Assembly Biosciences Inc – Digital Realty Trust Inc – Evolus Inc – First Data Corp
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3. Business segments—Global Markets

(JPY million)

Global Markets	FY2018 Q1	FY2018 Q2	QoQ %	FY2017 Q2YTD	FY2018 Q2YTD	YoY %
Net operating revenues	39,438	46,224	17.2%	84,756	85,663	1.1%
Ordinary income	575	6,832	1,087.1%	13,705	7,407	(45.9%)



✓ Global Markets highlights (QoQ)

- Ordinary income increased significantly QoQ to record JPY 6.8bn thanks to success in steadily generating revenue in relation to both institutional investors and retail investor flows, despite generally severe market climate (though a few positive signs of movement in stock prices and yen interest rates were visible during Q2)

✓ Global Markets highlights (YoY)

- Recorded ordinary income of JPY 7.4bn, YoY decline (year-to-date basis) despite focus on initiatives to boost client flows amid ongoing generally severe market environment

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

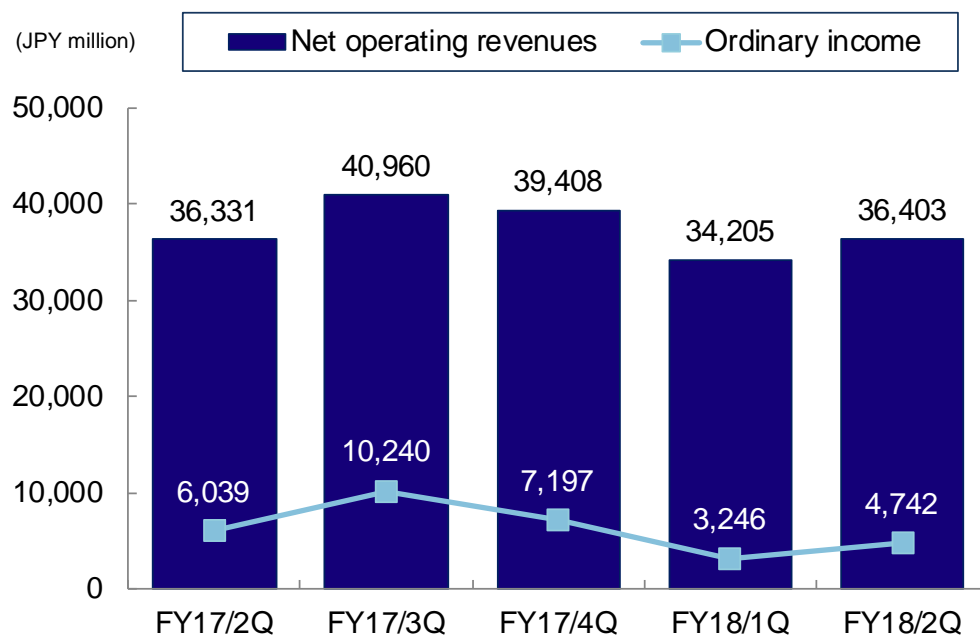
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3. Business segments—Retail & Business Banking (R&BB)

(JPY million)

R & BB	FY2018 Q1	FY2018 Q2	QoQ %	FY2017 Q2YTD	FY2018 Q2YTD	YoY %
Net operating revenues	34,205	36,403	6.4%	70,223	70,608	0.5%
Ordinary income	3,246	4,742	46.1%	10,634	7,989	(24.9%)



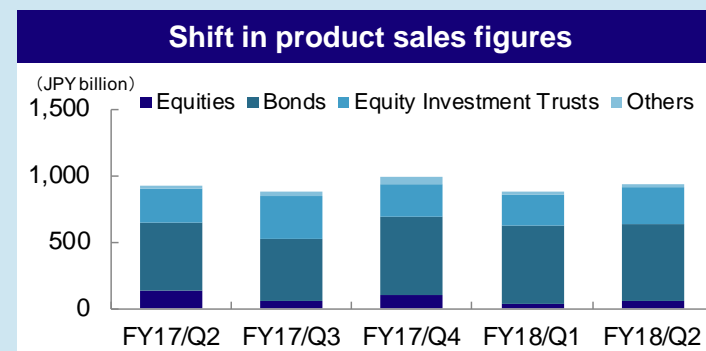
Net operating revenues and ordinary income calculated on an internal management basis prior to the deduction of internal transactions.

✓ R&BB highlights (QoQ)

- Recorded JPY 4.7bn in ordinary income thanks to steady equity investment trust sales and strong sales of foreign equities

✓ R&BB highlights (YoY)

- Recorded JPY 7.9bn in ordinary income thanks to stable sales of equity investment trusts as well as steady bond sales (primarily Japan-based bonds and structured bonds)



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

✓ FY18/Q2 topics

Overall results for Retail & Business Banking

- Net asset inflows for 1H: JPY 1.558 trillion (highest since merger^{*1})
- Sales of retail-targeted government bonds: for 1H JPY 523.8bn (highest since merger)

Globally-diversified investment strategy achievements

- Our consulting business strategy initiated in FY16 2H (and primarily focused on the three themes of long-term, diversified and global investment) continues to achieve solid progress
 - Equity investment trusts recorded 22nd consecutive monthly net increase since Dec. 2016
 - Global equities fund^{*2} topped JPY 1 trillion mark
 - “Global High-quality Growth Fund (biannual with no FX hedge)” was ranked #1 among newly-established (open-end) funds for FY18 (set at JPY 64.1bn)

Number of lead-managed IPOs

- Maintained #1 rank for number of lead-managed IPOs for FY18 1H (9 lead-managed IPOs for FY18 Q2 (Incl. co-lead managed deals))

Customer service enhancement

- Won “CRM Best Practice Award”^{*3} for second year in a row. Selected for award by CRM Association Japan in recognition of efforts to conduct ourselves appropriately from client-centric viewpoint in line with our fiduciary duty
- Awarded “three stars”^{*4} by HDI Japan in recognition of the quality of our call centers and internet channels.
 - Call centers: 3rd consecutive year to be awarded three stars
 - Web support: 2nd consecutive year to be awarded three stars

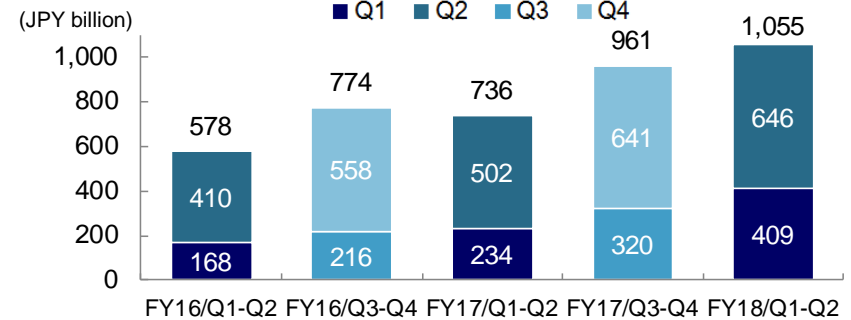
*1 Since the merger of the former Mizuho Securities and former Mizuho Investors Securities

*2 Eight investment funds investing in global equities and global emerging markets

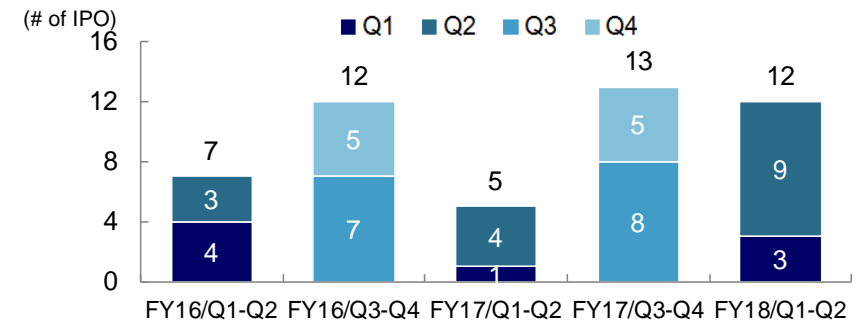
*3 Award recognizes companies, governmental entities, and organizations that have built relationships with clients in terms of strategy, operations, and organization with the aim of realizing client-centric operations and have achieved results

*4 Evaluation of call centers and websites of each company is based on “HDI International Standards” and conducted by an auditor with HDI international certification

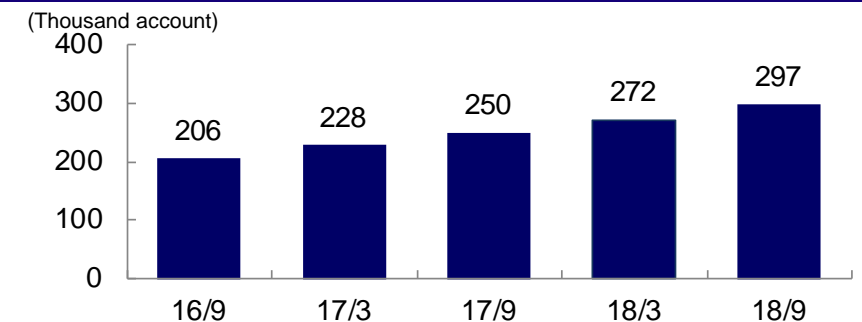
Asset inflow



of lead-managed IPOs



of accounts introduced by Mizuho Bank

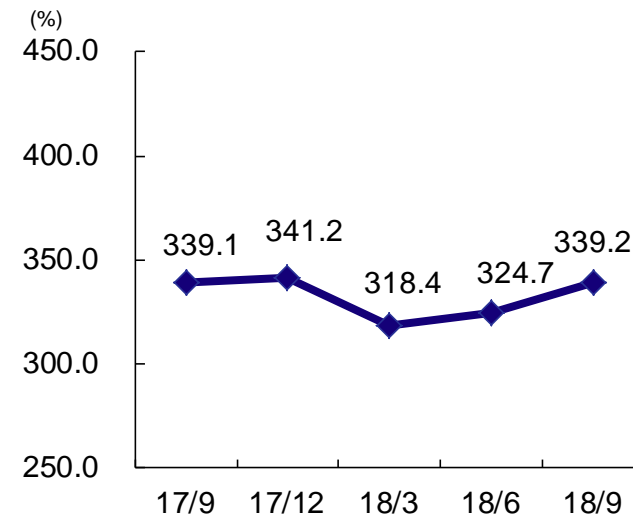


4. Balance sheet summary

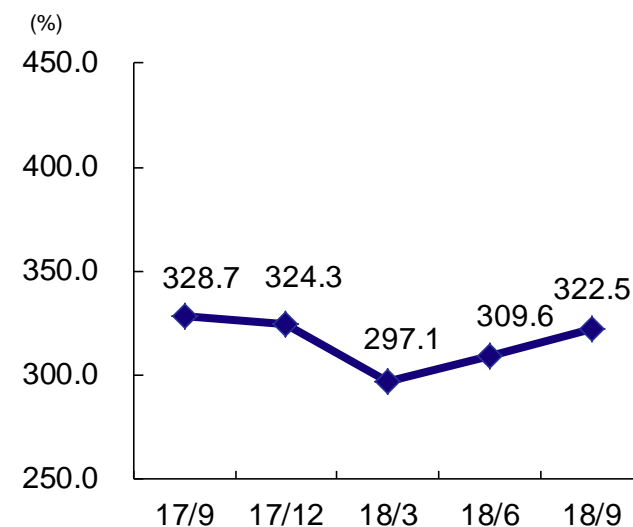
Balance sheets (consolidated)

	2018		2018	
	Jun.	Sep.	Jun.	Sep.
	(JPY billion)			
Assets			Liabilities	
Total current assets	14,632	16,288	Total current liabilities	12,986 14,613
Cash and bank deposits	451	473	Trading liabilities	5,229 5,477
Trading assets	7,543	7,721	Collateralized short-term financing agreements-receivable	5,053 6,132
Operating investment securities	50	52	Short-term borrowings	1,272 1,401
Collateralized short-term financing agreements-receivable	5,673	7,057	Commercial paper	300 272
Total noncurrent assets	247	247	Total noncurrent liabilities	987 998
Property and equipment	31	31	Bonds and notes	716 765
Intangible assets	93	93	Long-term borrowings	247 209
Investments and other assets	122	123	Total liabilities	13,976 15,615
Investment securities	73	74	Net assets	
			Total shareholders' equity	931 944
			Accumulated other comprehensive income	(33) (29)
			Non-controlling interests	6 6
			Total net assets	904 921
Total assets	14,880	16,536	Total liabilities and net assets	14,880 16,536

Capital adequacy ratio (consolidated)



Capital adequacy ratio (non-consolidated)



5. Key initiatives and topics

Key initiatives

Recap

- Mizuho Securities promoted various initiatives, primarily focused on our “4 Enhancement Strategies” to address challenges

4 Enhancement Strategies	Key initiatives
Further expand retail base	<ul style="list-style-type: none"> Solid client base expansion achieved in FY18 1H, surpassing JPY 1 trillion in asset inflows by leveraging BK-TB-SC collaboration
Strengthen equity business	<ul style="list-style-type: none"> Expanded sales via introduction of new foreign equities scheme^{*1} Ranked #1 for number of IPOs serving as lead manager
Enhance global business	<ul style="list-style-type: none"> Promoted shared derivatives platform for BK and SC throughout the Americas, Europe, and Tokyo/Asia Maintained Mizuho's visibility in US IG bond underwriting business
Upgrade corporate functions	<ul style="list-style-type: none"> Expanded introduction and widespread use of RPA^{*2} (automation of high volume routine tasks)

Efforts to enable Mizuho to serve as “one-stop” comprehensive financial services provider

- Enhancing efficiency and optimization while ensuring our branch networks provide incomparable convenience to offer tailored solutions satisfying wide range of client financial needs
- Expanded number of joint BK-SC branches from 37 to 39 while establishing/abolishing Planet Booths^{*3}

	Targeted branches	# (as of Sep. 30, 2018)
Joint branches	Toranomon and Fuchu	39
Planet Booths	Estab.: Meguro, Kawaguchi, and Fukagawa Abolish.: 15 branches Incl. Toranomon and Fuchu	154

Topics

Cooperation agreement signed with Lombard Odier (Singapore)

- Our Singapore subsidiary, Mizuho Securities Singapore, signed cooperation agreement with Lombard Odier (Singapore) Ltd.^{*4} regarding wealth management services
- Through this alliance, strive to provide high-net-worth clients, across Japan and the rest of Asia, with more highly-advanced wealth management services than ever

Cooperation agreement signed with Peking University

- On Sep. 3, signed agreement with Peking University to strengthen stock algorithm trading services based on AI (artificial intelligence)
- Promoting development of innovative AI algorithms in collaboration with laboratory of Associate Professor SUN Xu of Peking University, known for world's most sophisticated technology and human resources in field of AI research

Supporting ESG (environment, society and governance) efforts of clients

- As an ESG support organization, in addition to establishing Sustainable Finance Desk, signed partnership agreement with “Climate Bonds Initiative”^{*5}
- Contributing to societal endeavors of clients and development of sustainable society by supporting client efforts to issue ESG bonds

2018 Mizuho Investment Conference Tokyo

- Approx. 1,000 institutional investors (Incl. Approx. 450 overseas investors) and Approx. 350 Japan-based and overseas companies participated in what was Japan's largest conference
- Arranged more than 3,100 (up from last year) one-on-one meetings between companies and investors

^{*1} Japan over-the-counter-based transactions conducted after determining demand from clients in advance and procuring equities in local market based on said demand ^{*2} Robotic Process Automation

^{*3} Primarily involves establishment of Planet Booths in same building as existing Mizuho Securities branches

^{*4} Singapore subsidiary of renowned Swiss private bank "Lombard Odier Group" featuring sophisticated wealth management and investment services

^{*5} London-based international organization dedicated to leveraging USD 100 trillion bond market to combat climate change and promote investment in projects and assets necessary for rapid shift to low-carbon, climate-friendly economy

Response to online system disruption

Online system disruption and background

- In connection with a hardware upgrade project ongoing since last year, a transmission failure occurred between the operations management server and other servers. This led to suspension of Mizuho Securities Net Club and Mizuho Securities Card services. Work to resume normal operations was conducted from June 26 (Tue.).
- Normal operations for both services resumed during the afternoon of June 28 (Thur.) following recovery operations. During the disruption, our sales branches and call centers undertook measures to handle client orders, etc.

Causes and core issues/prevention measures

- Management undertook an analysis of direct causes and underlying core issues while developing and executing measures to prevent recurrence

Direct causes	Measures to prevent recurrence
<ul style="list-style-type: none"> ■ Server transmission failure <ul style="list-style-type: none"> ➤ Error was made in transmission setting 	<ul style="list-style-type: none"> • Effective team organization and division of roles • Work procedure upgrade
<ul style="list-style-type: none"> ■ Failure response <ul style="list-style-type: none"> ➤ Insufficient investigation and analysis systems and methods for determining root causes ➤ Insufficient failure response preparation 	<ul style="list-style-type: none"> • Reviewed failure response processes/rules • Enhanced response capabilities via training and by increasing system contingency plan scenarios

Underlying core issues	Enhancement of systems management frameworks including those of systems subsidiary	
Enhancement measures	Reinforce our preparedness	<ul style="list-style-type: none"> • Review and clarify internal division of roles within our company and between our company and systems subsidiary • Enhance employee training
	Reinforce preparedness of systems subsidiary and enhance MHSC involvement	<ul style="list-style-type: none"> • Enhance management via employee exchanges between our company and said subsidiary • Establish frameworks to ensure abilities and expertise are internally handed down
	Enhance collaboration with our systems subsidiary	<ul style="list-style-type: none"> • Strengthen communication by jointly holding project confirmation meetings, etc.

Reference Data

6. Profit and Loss Statement—Consolidated results

(JPY million)

	FY17/Q1-Q4				FY18/Q1	FY18/Q2	
	FY17/Q1	FY17/Q2	FY17/Q3	FY17/Q4			
Operating revenues	381,474	82,272	103,189	93,751	102,260	92,756	109,661
Commissions	168,429	37,653	42,116	45,835	42,823	38,927	45,424
Brokerage commissions	37,319	8,828	8,428	10,684	9,377	8,058	8,102
Equities	35,949	8,508	8,076	10,375	8,989	7,812	7,767
Bonds	856	192	264	200	199	162	235
Underwriting and selling fees and commissions	29,574	5,411	9,192	7,301	7,669	7,371	11,312
Equities	14,460	1,860	2,874	4,206	5,518	2,649	4,457
Bonds	14,913	3,499	6,268	3,012	2,133	4,636	6,473
Offering, selling, and other commissions and fees	41,704	9,763	9,560	12,092	10,286	9,877	11,002
Beneficiary certificates	27,594	7,010	6,292	8,026	6,264	6,174	7,606
Other commissions and fees	59,831	13,649	14,934	15,757	15,489	13,619	15,006
Beneficiary certificates	17,333	4,078	4,263	4,495	4,495	4,503	4,538
Other (excl. equities and bonds)	24,441	5,156	5,481	5,668	8,135	5,779	8,366
Net gain on trading	124,225	27,201	29,829	28,629	38,565	26,195	31,250
Equities, etc.	18,366	5,485	5,714	7,612	(446)	23,626	23,703
Bonds, etc. and Others	105,859	21,715	24,115	21,016	39,011	2,568	7,547
Net gain (loss) on operating investment securities	10,069	511	6,872	3,072	(387)	4,284	1,951
Interest and dividend income	78,750	16,906	24,372	16,213	21,258	23,350	31,034
Interest expenses	75,401	14,858	20,828	16,240	23,474	19,766	26,226
Net operating revenues	306,072	67,414	82,360	77,511	78,785	72,990	83,435
SG&A expenses	263,451	61,532	66,543	67,777	67,597	64,745	68,507
Operating income	42,620	5,881	15,817	9,733	11,188	8,244	14,927
Non-operating income	3,284	888	499	730	1,166	1,161	846
Non-operating expenses	2,644	470	431	1,020	721	629	343
Ordinary income	43,260	6,298	15,885	9,442	11,632	8,775	15,430
Extraordinary gains	4,572	1,907	86	323	2,254	1,848	418
Extraordinary losses	5,319	133	1,664	507	3,013	33	1,397
Net income attributable to owners of parent	35,751	5,269	11,868	6,921	11,692	8,019	13,488

7. Profit and Loss Statement—Non-consolidated results

(JPY million)

	FY17/Q1-Q4	FY17/Q1-Q4				FY18/Q1	FY18/Q2
		FY17/Q1	FY17/Q2	FY17/Q3	FY17/Q4		
Operating revenues	326,755	68,413	84,132	79,174	95,035	82,950	97,708
Commissions	142,534	31,026	34,578	37,682	39,247	34,277	41,244
Brokerage commissions	30,818	7,143	6,666	9,015	7,993	6,512	6,491
Equities	30,142	6,973	6,531	8,866	7,771	6,388	6,332
Bonds	166	44	47	41	32	40	59
Underwriting and selling fees and commissions	24,966	4,731	7,524	6,203	6,507	6,139	9,830
Equities	12,601	1,444	2,494	3,816	4,846	2,218	4,059
Bonds	12,165	3,235	4,980	2,304	1,644	3,836	5,389
Offering, selling, and other commissions and fees	31,378	7,619	7,191	9,084	7,483	7,475	9,062
Beneficiary certificates	27,546	6,962	6,292	8,026	6,264	6,174	7,606
Other commissions and fees	55,370	11,531	13,195	13,379	17,264	14,150	15,859
Beneficiary certificates	17,308	4,052	4,263	4,495	4,495	4,503	4,538
Other (excl. equities and bonds)	20,808	4,081	4,628	4,725	7,373	4,890	7,457
Net gain on trading	114,858	23,904	26,025	27,462	37,466	25,150	27,529
Equities, etc.	18,369	5,534	5,691	7,602	(458)	23,618	23,657
Bonds, etc. and Others	96,488	18,370	20,334	19,859	37,924	1,532	3,872
Net gain (loss) on operating investment securities	2,300	35	1,935	402	(73)	3,642	739
Interest and dividend income	67,061	13,446	21,592	13,627	18,394	19,879	28,194
Interest expenses	57,147	10,237	15,952	11,430	19,526	15,278	21,226
Net operating revenues	269,607	58,175	68,179	67,743	75,508	67,672	76,481
SG&A expenses	236,574	54,277	59,092	60,353	62,851	59,572	60,527
Operating income	33,032	3,898	9,086	7,390	12,657	8,099	15,954
Non-operating income	6,947	5,527	530	243	646	6,970	973
Non-operating expenses	1,400	311	244	415	429	116	15
Ordinary income	38,580	9,114	9,373	7,218	12,874	14,953	16,913
Extraordinary gains	4,286	1,342	84	408	2,449	1,931	418
Extraordinary losses	5,015	44	1,686	410	2,873	31	502
Net income	32,161	7,859	6,560	6,016	11,725	14,099	14,883

7. Market share, assets under management—non-consolidated

(JPY billion)

		FY17/Q1	FY17/Q2	FY17/Q3	FY17/Q4	FY18/Q1	FY18/Q2
Equity trading volume	Total	11,058	10,867	12,828	12,864	13,204	12,610
	Dealing	5,107	4,957	5,846	6,036	6,396	5,334
	Brokerage	5,951	5,910	6,981	6,827	6,807	7,275
Share in TSE		2.80%	2.85%	2.78%	2.73%	3.17%	3.19%
Underwriting	Equities	37	133	76	116	45	77
	Bonds	1,761	2,123	1,826	1,415	1,924	2,126
Distribution	Equities	42	147	112	164	60	103
	Bonds	1,073	1,487	969	749	1,319	1,581
	Investment Trusts	1,616	1,737	1,965	1,766	1,509	1,543

(JPY billion)

		17/6	17/9	17/12	18/3	18/6	18/9
AUM		40,595	42,341	45,053	44,396	44,243	45,943
Equities		22,674	23,903	26,272	25,927	25,635	26,676
Bonds		12,267	12,579	12,606	12,647	12,726	13,131
Investment trusts		5,248	5,436	5,752	5,381	5,402	5,538
Others		405	422	421	439	479	596
R & BB* AUM		30,127	31,539	33,163	32,829	33,150	34,293
Equities		14,878	15,799	16,971	16,604	16,844	17,511
Bonds		10,787	11,094	11,183	11,274	11,284	11,594
Investment trusts		4,405	4,563	4,937	4,872	4,949	5,137
Net inflow of client assets (R & BB Division)		234	502	320	641	409	646

* R & BB Division: Retail & Business Banking Division

7. Number of accounts and product sales—non-consolidated

(Thousand account)

	17/6	17/9	17/12	18/3	18/6	18/9
Cash management accounts	1,706	1,717	1,725	1,740	1,752	1,763
Online trading accounts	1,125	1,141	1,154	1,174	1,192	1,213
Number of new client accounts (R & BB Division)	21	23	21	26	25	28
New NISA accounts	352	351	351	352	353	353

	FY17/Q1	FY17/Q2	FY17/Q3	FY17/Q4	FY18/Q1	FY18/Q2
% of # of transactions traded online (equities)	52.0%	53.8%	53.7%	55.8%	52.4%	54.9%
% of transaction value traded online (equities)	23.7%	26.9%	28.3%	26.2%	24.4%	19.2%

(JPY billion)

	FY17/Q1	FY17/Q2	FY17/Q3	FY17/Q4	FY18/Q1	FY18/Q2
Foreign bond sales*	254.7	315.7	293.8	344.8	254.5	303.3
Japan domestic bond sales*	222.0	201.8	170.3	251.8	335.1	272.8
Equity investment trust sales*	263.6	256.6	324.3	245.0	225.0	277.9

8. Capital adequacy ratio

(JPY billion)

Consolidated	17/6	17/9	17/12	18/3	18/6	18/9
Basic items	850	862	869	867	874	891
Supplemental items	121	123	124	122	122	122
Deducted assets	201	211	209	207	214	212
Equity after deductions	769	774	784	782	782	800
Amount equivalent to risk	220	228	229	245	240	236
Capital adequacy ratio	348.6%	339.1%	341.2%	318.4%	324.7%	339.2%

(JPY billion)

Non-consolidated	17/6	17/9	17/12	18/3	18/6	18/9
Basic items	820	827	833	832	855	869
Supplemental items	106	105	107	107	107	107
Deducted assets	324	336	335	334	363	359
Equity after deductions	603	596	604	605	599	617
Amount equivalent to risk	172	181	186	203	193	191
Capital adequacy ratio	349.1%	328.7%	324.3%	297.1%	309.6%	322.5%

9. Number of employees and offices

	17/6	17/9	17/12	18/3	18/6	18/9
Consolidated number of employees	9,827	9,832	9,840	9,867	10,201	10,091
Non-consolidated	7,651	7,643	7,599	7,554	7,846	7,747
Domestic affiliate companies	755	742	734	725	743	718
Overseas subsidiaries	1,421	1,447	1,507	1,588	1,612	1,626
Number of offices	283	283	284	284	271	272
Japan	274	274	275	275	262	263
Overseas (Rep. offices and subsidiaries)	9	9	9	9	9	9

*Figures for number of employees and number of offices include those of Mizuho Securities USA (610 employees as of the end of Jun. 2017, 627 employees as of the end of Sep. 2017, 690 employees as of the end of Dec. 2017, 776 employees as of the end of Mar. 2018, 788 employees as of the end of Jun. 2018 and 801 employees as of the end of Sep. 2018).