

[Updated] Correction in "Summary of Consolidated Financial Statements
for the Three Months Ended June 30, 2014 Under Japanese GAAP"

Mizuho Securities Co., Ltd. hereby announces partial corrections in its "Summary of Consolidated Financial Statements for the Three Months Ended June 30, 2014 Under Japanese GAAP".

[Updated]

"Summary of Consolidated Financial Statements for the Three Months Ended June 30, 2014 Under Japanese GAAP"
disclosed on July 31, 2014

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(3) Capital adequacy requirement ratio

1) Consolidated base

(before correction)

(Millions of yen)

		As of March 31, 2014	As of June 30, 2014
Basic items	Total capital (A)	605,916	614,737
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	19,819	19,795
	Reserve for financial instruments transaction liabilities, etc.	1,273	1,360
	Allowance for doubtful accounts	72	67
	Subordinated long-term borrowings	90,000	72,000
	Subordinated short-term borrowings	195,000	203,000
	Total (B)	306,165	296,223
Deducted assets (C)		209,045	213,673
Equity after deduction (A) + (B) - (C) (D)		703,035	697,287
Amount equivalent to risk	Amount equivalent to market risk	<u>158,574</u>	155,199
	Amount equivalent to counterparty risk	<u>55,408</u>	49,575
	Amount equivalent to fundamental risk	71,731	71,125
	Total (E)	<u>285,714</u>	275,900
Capital adequacy requirement ratio (D)/(E) * 100		<u>246.0%</u>	252.7%

(after correction)

(Millions of yen)

		As of March 31, 2014	As of June 30, 2014
Basic items	Total capital (A)	605,916	614,737
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	19,819	19,795
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	Subordinated short-term borrowings	195,000	203,000
	Total (B)	306,165	296,223
Deducted assets	(C)	209,045	213,673
Equity after deduction	(A) + (B) - (C) (D)	703,035	697,287
Amount equivalent to risk	Amount equivalent to market risk	<u>158,799</u>	155,199
	Amount equivalent to counterparty risk	<u>55,011</u>	49,575
	Amount equivalent to fundamental risk	71,731	71,125
	Total (E)	<u>285,541</u>	275,900
Capital adequacy requirement ratio	(D)/(E) * 100	<u>246.2%</u>	252.7%

2) Non-consolidated base

(before correction)

(Millions of yen)

		As of March 31, 2014	As of June 30, 2014
Basic items	Total capital (A)	572,137	579,446
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	(1,081)	(705)
	Reserve for financial instruments transaction liabilities, etc.	1,254	1,341
	Allowance for doubtful accounts	21	18
	Subordinated long-term borrowings	90,000	72,000
	Subordinated short-term borrowings	195,000	203,000
	Total (B)	285,194	275,654
Deducted assets (C)		327,640	329,688
Equity after deduction (A) + (B) - (C) (D)		529,691	525,412
Amount equivalent to risk	Amount equivalent to market risk	<u>95,387</u>	100,039
	Amount equivalent to counterparty risk	<u>26,252</u>	24,708
	Amount equivalent to fundamental risk	53,425	52,405
	Total (E)	<u>175,066</u>	177,153
Capital adequacy requirement ratio (D)/(E) * 100		<u>302.5%</u>	296.5%

(after correction)

(Millions of yen)

		As of March 31, 2014	As of June 30, 2014
Basic items	Total capital (A)	572,137	579,446
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	(1,081)	(705)
	Reserve for financial instruments transaction liabilities, etc.	1,254	1,341
	Allowance for doubtful accounts	21	18
	Subordinated long-term borrowings	90,000	72,000
	Subordinated short-term borrowings	195,000	203,000
	Total (B)	285,194	275,654
Deducted assets (C)		327,640	329,688
Equity after deduction (A) + (B) - (C) (D)		529,691	525,412
Amount equivalent to risk	Amount equivalent to market risk	<u>95,612</u>	100,039
	Amount equivalent to counterparty risk	<u>25,851</u>	24,708
	Amount equivalent to fundamental risk	53,425	52,405
	Total (E)	<u>174,890</u>	177,153
Capital adequacy requirement ratio (D)/(E) * 100		<u>302.8%</u>	296.5%



July 31, 2014

Summary of Consolidated Financial Statements for the Three Months Ended June 30, 2014 Under Japanese GAAP

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

URL: <http://www.mizuho-sc.com/>

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Preparation of supplemental explanatory documents: Yes

Holding of quarterly presentation meeting: No

1. Consolidated Financial Results for the Three Months Ended June 30, 2014 (April 1, 2014 to June 30, 2014)

(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	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Three months ended								
June 30, 2014	90,085	(7.1)	80,841	(4.3)	10,764	(30.0)	10,833	(30.9)
June 30, 2013	96,999	44.6	84,439	59.5	15,382	218.2	15,677	193.4

(Note) Comprehensive income: June 30, 2014: 5,887 million yen (-69.1 %)
June 30, 2013: 19,053 million yen (573.8 %)

	Net income		Net income per share	Net income per share
	millions of yen	%	per share	- fully diluted
Three months ended			yen	yen
June 30, 2014	6,282	(63.8)	3.12	-
June 30, 2013	17,363	219.2	8.62	-

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
June 30, 2014	22,604,329	634,533	2.7
March 31, 2014	22,345,707	651,962	2.8

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

June 30, 2014: 614,002 million yen

March 31, 2014: 631,440 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) Application of specific accounting methods in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, estimates, and restatements:

1) Changes in accounting policies in accordance with revisions of accounting standards: Yes

2) Changes other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(Note) Changes in accounting policies in accordance with revisions of accounting standards are described in "Changes in accounting policies, estimates, and restatements" in "1.Summary Information (Notes)" on page 2.

(4) Number of outstanding shares (common stock)

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

June 30, 2014:	2,015,102,652 shares
March 31, 2014:	2,015,102,652 shares

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

June 30, 2014:	- shares
March 31, 2014:	- shares

3) Average number of outstanding shares for the three months:

Three months ended June 30, 2014	2,015,102,652 shares
Three months ended June 30, 2013	2,015,102,652 shares

* Other important matters

Not applicable

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1. Summary Information (Notes)

Changes in accounting policies, estimates, and restatements

(Changes in accounting policies)

The Company applied the paragraph 35 of "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No.26, May 17, 2012) and the paragraph 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, May 17, 2012) to modify calculation method of retirement benefit obligations and service costs from the first quarter of this fiscal year. As a result, the Company changed the method to allocate expected benefit payments from the straight-line method to the benefit formula method. The Company also changed the discount rate(s) from a single rate corresponding to an approximate average remaining service year of its employees to plural rates corresponding to each period of the expected benefit payments.

At the application of these accounting standards, the Company followed the paragraph 37 of ASBJ Statement No.26 and recognized cumulative effect of the modification of the calculation method of retirement benefit obligations and service costs in Retained earnings at the beginning of this first quarter.

As a result, at the beginning of this first quarter, Net defined benefit asset increased by 4,442million yen, Net defined benefit liability decreased by 87million yen, Retained earnings increased by 2,869million yen and Minority interests increased by 122million yen. In addition, in this first quarter, Operating income, Ordinary income and Income before income taxes and minority interests increased by 93million yen, respectively.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and bank deposits	278,478	267,099
Cash segregated as deposits for customers and others	170,820	150,589
Trading assets	7,036,655	7,812,422
Trading securities and others	5,922,358	6,504,758
Derivatives	1,114,296	1,307,663
Receivables - unsettled trades	67,668	106,756
Operating investment securities	61,040	62,450
Operating loans receivable	9,758	8,677
Receivables related to margin transactions	88,779	87,728
Loans receivable under margin transactions	72,867	59,950
Cash collateral for borrowed securities under margin transactions	15,911	27,777
Collateralized short-term financing agreements-receivable	14,046,930	13,450,031
Deposits paid for securities borrowed	4,774,637	4,148,085
Securities purchased under agreements to resell	9,272,292	9,301,946
Advances paid	4,656	6,458
Securities: fail to deliver	19,567	42,646
Short-term loans receivable	6,390	5,862
Securities	6,250	5,527
Deferred tax assets	25,178	22,002
Other current assets	295,712	346,444
Less: Allowance for doubtful accounts	(78)	(74)
Total current assets	22,117,807	22,374,623
Noncurrent assets		
Property and equipment	40,374	39,708
Intangible assets	83,523	83,786
Investments and other assets	104,002	106,210
Investment securities	63,595	64,813
Long-term guarantee deposits	17,679	14,596
Net defined benefit asset	11,535	16,179
Deferred tax assets	925	854
Other	14,890	14,354
Less: Allowance for doubtful accounts	(4,624)	(4,589)
Total noncurrent assets	227,900	229,705
Total assets	22,345,707	22,604,329

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Trading liabilities	5,294,062	4,941,503
Trading securities and others	4,277,148	3,730,843
Derivatives	1,016,914	1,210,659
Payables related to margin transactions	23,936	30,291
Borrowings on margin transactions	8,030	9,180
Cash collateral for loaned securities under margin transactions	15,905	21,111
Collateralized short-term financing agreements-payable	13,381,117	13,852,462
Deposits received for securities loaned	2,630,759	3,222,154
Securities sold under agreements to repurchase	10,750,358	10,630,307
Deposits received	165,964	210,644
Guarantee deposits received	385,265	356,291
Securities: fail to receive	26,676	65,208
Short-term borrowings	686,517	750,258
Commercial paper	290,100	355,800
Bonds and notes due within one year	128,898	160,843
Lease obligations	438	418
Income taxes payable	3,183	2,289
Accrued employees' bonuses	24,693	8,565
Provision for bonus point redemption	695	779
Other current liabilities	58,079	60,230
Total current liabilities	20,469,629	20,795,587
Noncurrent liabilities		
Bonds and notes	560,173	584,932
Long-term borrowings	623,979	549,900
Lease obligations	1,734	1,639
Deferred tax liabilities	13,496	13,912
Net defined benefit liability	17,774	17,596
Provision for directors' retirement benefits	265	207
Provision for executive officers' retirement benefits	183	115
Other noncurrent liabilities	5,234	4,544
Total noncurrent liabilities	1,222,842	1,172,848
Statutory reserves		
Reserve for financial instruments transaction liabilities	1,273	1,360
Total statutory reserves	1,273	1,360
Total liabilities	21,693,745	21,969,796

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	359,999	359,999
Retained earnings	191,868	174,823
Total shareholders' equity	<u>677,034</u>	<u>659,989</u>
Accumulated other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax	15,938	15,974
Foreign currency translation adjustments	(65,414)	(65,782)
Remeasurement of defined benefit plans	3,881	3,820
Total accumulated other comprehensive income (loss)	<u>(45,594)</u>	<u>(45,986)</u>
Minority interests	<u>20,522</u>	<u>20,530</u>
Total net assets	<u>651,962</u>	<u>634,533</u>
Total liabilities and net assets	<u>22,345,707</u>	<u>22,604,329</u>

(2) Quarterly Consolidated Statements of Income and Comprehensive IncomeQuarterly Consolidated Statements of Income
For the three months ended June 30, 2013 and 2014

	(Millions of yen)	
	Three months ended June 30, 2013	Three months ended June 30, 2014
Operating revenues		
Commissions	54,707	45,810
Brokerage commissions	21,414	12,829
Underwriting and selling fees, and commissions from solicitation to qualifying investors	8,262	8,554
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	10,522	9,368
Other commissions and fees	14,508	15,058
Net gain on trading	18,375	25,760
Net gain (loss) on operating investment securities	(789)	3,425
Interest and dividend income	24,705	15,088
Total operating revenues	<u>96,999</u>	<u>90,085</u>
Interest expenses	<u>12,559</u>	<u>9,244</u>
Net operating revenues	<u>84,439</u>	<u>80,841</u>
Selling, general and administrative expenses	69,057	70,076
Transaction-related expenses	14,560	13,618
Personnel expenses	31,950	31,979
Real estate expenses	8,114	8,456
Administrative expenses	4,901	5,790
Depreciation and amortization	5,426	5,714
Taxes and dues	1,257	1,141
Provision of allowance for doubtful accounts	56	—
Other	2,790	3,374
Operating income	<u>15,382</u>	<u>10,764</u>
Non-operating income	1,117	851
Non-operating expenses	822	781
Ordinary income	<u>15,677</u>	<u>10,833</u>
Extraordinary gain	1,974	313
Gain on sales of investment securities	1,819	313
Reversal of reserve for financial instruments transaction liabilities	154	—
Extraordinary loss	382	764
Loss on disposal of noncurrent assets	16	287
Loss on sales of investment securities	42	2
Loss on impairment of golf club membership	2	6
Impairment losses	97	—
Merger expenses	223	—
Head office transfer cost	—	381
Provision of reserve for financial instruments transaction liabilities	—	86
Income before income taxes and minority interests	<u>17,268</u>	<u>10,382</u>
Income taxes – current	1,054	1,852
Income taxes – deferred	(720)	2,027
Total income taxes	<u>333</u>	<u>3,879</u>
Income before minority interests	<u>16,934</u>	<u>6,502</u>
Minority interests	(428)	220
Net income	<u>17,363</u>	<u>6,282</u>

Quarterly Consolidated Statements of Comprehensive Income
For the three months ended June 30, 2013 and 2014

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	16,934	6,502
Other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax	711	67
Foreign currency translation adjustments	1,406	(620)
Remeasurement of defined benefit plans	—	(63)
Share in other comprehensive income of affiliates accounted for using equity method	0	1
Total other comprehensive income (loss)	<u>2,118</u>	<u>(615)</u>
Comprehensive income	<u>19,053</u>	<u>5,887</u>
(Breakdown)		
Attributable to:		
Owners of the parent	18,571	5,889
Minority interests	482	(2)

(3) Note on the going-concern assumption

Not applicable

(4) Note on material changes in shareholders' equity

Not applicable

3. Supplemental Information**(1) Commissions**

1) Breakdown by items

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Increase/(Decrease)	
			Amount	Percentage (%)
Brokerage commissions	21,414	12,829	(8,584)	(40.1)
Equities	17,524	9,142	(8,382)	(47.8)
Bonds	3,755	3,581	(173)	(4.6)
Underwriting and selling fees, and commissions from solicitation to qualifying investors	8,262	8,554	292	3.5
Equities	2,573	2,177	(395)	(15.4)
Bonds	5,377	6,376	999	18.6
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	10,522	9,368	(1,154)	(11.0)
Other commissions and fees	14,508	15,058	549	3.8
Total	54,707	45,810	(8,896)	(16.3)

2) Breakdown by instruments

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Increase/(Decrease)	
			Amount	Percentage (%)
Equities	20,287	11,516	(8,770)	(43.2)
Bonds	11,298	11,297	(1)	(0.0)
Beneficiary certificates	18,963	18,765	(197)	(1.0)
Others	4,158	4,230	71	1.7
Total	54,707	45,810	(8,896)	(16.3)

(2) Net gain on trading

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Increase/(Decrease)	
			Amount	Percentage (%)
Equities, etc.	13,570	2,313	(11,256)	(83.0)
Bonds, etc. · Others	4,804	23,446	18,641	388.0
Bonds, etc.	7,379	20,167	12,788	173.3
Others	(2,574)	3,278	5,852	—
Total	18,375	25,760	7,384	40.2

(3) Capital adequacy requirement ratio**1) Consolidated base**

(Millions of yen)

		As of March 31, 2014	As of June 30, 2014
Basic items	Total capital (A)	605,916	614,737
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	19,819	19,795
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2) Non-consolidated base

(Millions of yen)

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	Reserve for financial instruments transaction liabilities, etc.	1,254	1,341
	Allowance for doubtful accounts	21	18
	Subordinated long-term borrowings	90,000	72,000
	Subordinated short-term borrowings	195,000	203,000
	Total (B)	285,194	275,654
Deducted assets	(C)	327,640	329,688
Equity after deduction	(A) + (B) - (C) (D)	529,691	525,412
Amount equivalent to risk	Amount equivalent to market risk	95,612	100,039
	Amount equivalent to counterparty risk	25,851	24,708
	Amount equivalent to fundamental risk	53,425	52,405
	Total (E)	174,890	177,153
Capital adequacy requirement ratio	(D)/(E) * 100	302.8%	296.5%

(4) Quarterly Consolidated Statements of Income

(Millions of yen)

	First quarter ended June 2013	Second quarter ended September 2013	Third quarter ended December 2013	Fourth quarter ended March 2014	First quarter ended June 2014
	Apr. 1, 2013 - Jun. 30, 2013	Jul. 1, 2013 - Sep. 30, 2013	Oct. 1, 2013 - Dec. 31, 2013	Jan. 1, 2014 - Mar. 31, 2014	Apr. 1, 2014 - Jun. 30, 2014
Operating revenues	96,999	96,996	87,214	86,492	90,085
Commissions	54,707	50,048	54,072	50,880	45,810
Brokerage commissions	21,414	14,522	18,112	14,174	12,829
Equities	17,524	11,523	14,555	10,129	9,142
Bonds	3,755	2,905	3,454	3,937	3,581
Underwriting and selling fees, and commissions from solicitation to qualifying investors	8,262	8,090	11,214	10,075	8,554
Equities	2,573	2,365	4,221	4,808	2,177
Bonds	5,377	5,687	6,921	4,905	6,376
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	10,522	10,208	10,660	9,652	9,368
Other commissions and fees	14,508	17,226	14,085	16,978	15,058
Net gain on trading	18,375	18,177	14,656	18,640	25,760
Equities, etc.	13,570	3,440	9,401	(348)	2,313
Bonds, etc. · Others	4,804	14,737	5,254	18,989	23,446
Bonds, etc.	7,379	12,453	11,202	14,183	20,167
Others	(2,574)	2,283	(5,947)	4,806	3,278
Net gain (loss) on operating investment securities	(789)	2,314	2,321	(9)	3,425
Interest and dividend income	24,705	26,456	16,164	16,980	15,088
Interest expenses	12,559	13,851	7,280	10,813	9,244
Net operating revenues	84,439	83,145	79,933	75,678	80,841
Selling, general and administrative expenses	69,057	69,898	72,317	71,371	70,076
Transaction-related expenses	14,560	13,325	13,956	15,471	13,618
Personnel expenses	31,950	32,518	32,543	32,526	31,979
Real estate expenses	8,114	8,109	8,502	8,975	8,456
Administrative expenses	4,901	5,571	6,446	4,354	5,790
Depreciation and amortization	5,426	5,810	6,463	5,708	5,714
Taxes and dues	1,257	1,085	1,284	672	1,141
Other	2,847	3,476	3,120	3,662	3,374
Operating income	15,382	13,247	7,615	4,307	10,764
Non-operating income	1,117	901	889	1,313	851
Non-operating expenses	822	731	(87)	154	781
Ordinary income	15,677	13,417	8,592	5,466	10,833
Extraordinary gain	1,974	1,248	564	471	313
Extraordinary loss	382	1,354	1,621	1,867	764
Income before income taxes and minority interests	17,268	13,311	7,535	4,070	10,382
Income taxes - current	1,054	1,614	1,978	(1,120)	1,852
Income taxes - deferred	(720)	(8,814)	(3,666)	1,038	2,027
Income before minority interests	16,934	20,511	9,222	4,151	6,502
Minority interests	(428)	(197)	94	105	220
Net income	17,363	20,709	9,128	4,046	6,282

4. (Reference) Quarterly Non-consolidated Financial Statements

(1) (Reference) Quarterly Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and bank deposits	153,502	172,214
Cash segregated as deposits for customers and others	164,937	142,737
Trading assets	5,262,651	6,467,172
Trading securities and others	4,174,833	5,190,597
Derivatives	1,087,818	1,276,575
Receivables - unsettled trades	82,267	160,550
Operating investment securities	18,483	18,270
Operating loans receivable	3,598	3,500
Receivables related to margin transactions	85,274	84,928
Loans receivable under margin transactions	69,407	57,184
Cash collateral for borrowed securities under margin transactions	15,867	27,744
Collateralized short-term financing agreements-receivable	4,926,123	4,238,055
Deposits paid for securities borrowed	4,789,303	4,158,995
Securities purchased under agreements to resell	136,820	79,059
Advances paid	662	1,183
Securities: fail to deliver	3,843	9,631
Short-term loans receivable	59,677	50,188
Deferred tax assets	21,842	18,999
Other current assets	135,708	169,438
Less: Allowance for doubtful accounts	(21)	(18)
Total current assets	10,918,552	11,536,851
Noncurrent assets		
Property and equipment	17,284	16,748
Intangible assets	30,210	31,697
Investments and other assets	308,211	306,339
Investment securities	230,933	231,061
Long-term guarantee deposits	16,843	13,793
Prepaid pension cost	7,138	11,852
Deferred tax assets	18,986	17,922
Other	38,929	36,294
Less: Allowance for doubtful accounts	(4,619)	(4,584)
Total noncurrent assets	355,706	354,785
Total assets	11,274,259	11,891,637

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Trading liabilities	4,209,557	3,920,132
Trading securities and others	3,216,324	2,734,931
Derivatives	993,232	1,185,200
Payables related to margin transactions	22,643	29,243
Borrowings on margin transactions	6,782	8,164
Cash collateral for loaned securities under margin transactions	15,861	21,078
Collateralized short-term financing agreements-payable	4,251,865	5,046,611
Deposits received for securities loaned	2,630,804	3,223,046
Securities sold under agreements to repurchase	1,621,061	1,823,564
Deposits received	131,547	178,166
Guarantee deposits received	70,936	76,826
Securities: fail to receive	5,352	2,271
Short-term borrowings	509,698	560,055
Commercial paper	290,100	355,800
Bonds and notes due within one year	48,353	70,069
Lease obligations	432	413
Income taxes payable	1,112	801
Accrued employees' bonuses	12,627	3,310
Provision for bonus point redemption	695	779
Other current liabilities	28,160	23,668
Total current liabilities	<u>9,583,084</u>	<u>10,268,149</u>
Noncurrent liabilities		
Bonds and notes	455,877	473,742
Long-term borrowings	616,900	549,900
Lease obligations	1,730	1,636
Provision for retirement benefits	16,094	16,178
Other noncurrent liabilities	2,065	1,946
Total noncurrent liabilities	<u>1,092,668</u>	<u>1,043,404</u>
Statutory reserves		
Reserve for financial instruments transaction liabilities	1,254	1,341
Total statutory reserves	<u>1,254</u>	<u>1,341</u>
Total liabilities	<u>10,677,007</u>	<u>11,312,895</u>
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	381,649	381,649
Retained earnings	91,516	72,629
Total shareholders' equity	<u>598,333</u>	<u>579,446</u>
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax	16,865	17,062
Net deferred gains or losses on hedges, net of tax	(17,946)	(17,767)
Total valuation and translation adjustments	<u>(1,081)</u>	<u>(705)</u>
Total net assets	<u>597,251</u>	<u>578,741</u>
Total liabilities and net assets	<u>11,274,259</u>	<u>11,891,637</u>

(2) (Reference) Quarterly Non-consolidated Statements of Income

For the three months ended June 30, 2013 and 2014

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Operating revenues		
Commissions	40,073	30,427
Net gain on trading	28,693	24,798
Net gain (loss) on operating investment securities	(41)	69
Interest and dividend income	7,867	6,146
Total operating revenues	76,593	61,442
Interest expenses	5,845	5,082
Net operating revenues	70,748	56,359
Selling, general and administrative expenses	49,763	49,846
Transaction-related expenses	9,903	9,598
Personnel expenses	21,378	20,018
Real estate expenses	6,619	6,584
Administrative expenses	6,635	8,432
Depreciation and amortization	3,368	3,689
Taxes and dues	807	721
Provision of allowance for doubtful accounts	58	—
Other	991	801
Operating income	20,985	6,512
Non-operating income	1,279	1,102
Non-operating expenses	74	192
Ordinary income	22,190	7,422
Extraordinary gain	2,032	311
Gain on sales of investment securities	1,878	311
Reversal of reserve for financial instruments transaction liabilities	154	—
Extraordinary loss	706	763
Loss on disposal of noncurrent assets	16	286
Loss on sales of investment securities	0	2
Loss on sales of investments in subsidiaries and affiliates	24	—
Loss on impairment of investments in subsidiaries and affiliates	344	—
Loss on impairment of golf club membership	2	6
Impairment losses	97	—
Merger expenses	221	—
Head office transfer cost	—	381
Provision of reserve for financial instruments transaction liabilities	—	86
Income before income taxes	23,517	6,970
Income taxes – current	1,486	163
Income taxes – deferred	440	2,229
Total income taxes	1,927	2,392
Net income	21,590	4,578