



January 29, 2016

## Summary of Consolidated Financial Statements for the Nine Months Ended December 31, 2015 Under Japanese GAAP

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

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

Representative: Hiroshi Motoyama, President

Contact: Akio Arai, General Manager of Accounting Dept. on +81 3-5208-3210

Preparation of supplemental explanatory documents: Yes

Holding of quarterly presentation meeting: No

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2015 (April 1, 2015 to December 31, 2015)

(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 | %    |
| Nine months ended |                    |      |                        |      |                  |      |                 |      |
| December 31, 2015 | 355,815            | 12.5 | 315,052                | 11.1 | 66,604           | 19.1 | 66,196          | 14.9 |
| December 31, 2014 | 316,305            | 12.5 | 283,459                | 14.5 | 55,911           | 54.3 | 57,634          | 52.9 |

(Note) Comprehensive income: December 31, 2015: 49,450 million yen (-2.3%)  
December 31, 2014: 50,630 million yen (-9.8%)

|                   | Net income attributable to owners of parent |       | Net income per share | Net income per share - fully diluted |
|-------------------|---|-------|----------------------|--------------------------------------|
|                   | millions of yen                             | %     | yen                  | yen                                  |
| Nine months ended |   |       |                      |                                      |
| December 31, 2015 | 50,361                                      | 18.1  | 24.99                | —                                    |
| December 31, 2014 | 42,645                                      | (9.7) | 21.16                | —                                    |

#### (2) Consolidated financial positions

|                   | Total assets    | Net assets      | Equity ratio |
|-------------------|-----------------|-----------------|--------------|
|                   | millions of yen | millions of yen | %            |
| December 31, 2015 | 22,628,072      | 737,934         | 3.1          |
| March 31, 2015    | 21,048,338      | 706,160         | 3.2          |

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

December 31, 2015: 712,472 million yen

March 31, 2015: 681,629 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):

|                    |                      |
|--------------------|----------------------|
| December 31, 2015: | 2,015,102,652 shares |
| March 31, 2015:    | 2,015,102,652 shares |

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

|                    |          |
|--------------------|----------|
| December 31, 2015: | - shares |
| March 31, 2015:    | - shares |

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

|                                     |                      |
|-------------------------------------|----------------------|
| Nine months ended December 31, 2015 | 2,015,102,652 shares |
| Nine months ended December 31, 2014 | 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 has applied “Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013) (hereinafter, the “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013) (hereinafter, the “Consolidation Accounting Standard”), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) (hereinafter, the “Business Divestitures Accounting Standard” ) and other standards from the first quarter ended June 30, 2015. Accordingly, the accounting methods have been changed to record the difference arising from changes in equity in subsidiaries which the Company continues to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which incurred. In addition, regarding business combinations occurring on or after April 1, 2015, the accounting method has been changed to retroactively reflect adjustments to the amount allocated to acquisition costs arising from the finalization of the provisional accounting treatment on the consolidated financial statements of the period in which the business combination occurs. Furthermore, presentation of Net Income and others has been changed and presentation of Minority Interests has been changed to Non-controlling Interests. In order to reflect the changes in presentation of financial statements, reclassification was made accordingly in the quarterly consolidated financial statements for the nine months ended December 31, 2014 and the consolidated financial statements for the fiscal year ended March 31, 2015.

The Business Combinations Accounting Standard and other standards have been applied in accordance with the transitional treatment set forth in Article 58-2 (3) of the Business Combinations Accounting Standard, Article 44-5 (3) of the Consolidation Accounting Standard and Article 57-4 (3) of the Business Divestitures Accounting Standard. The cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were added to or deducted from capital surplus and retained earnings as of April 1, 2015.

As a result, Capital Surplus decreased by 1,124 million yen and Retained Earnings increased by 1,124 million yen as of April 1, 2015. In addition, the impact of applying these accounting standards to Net Income for the nine months ended December 31, 2015 is nil.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

|   | As of March 31, 2015 | As of December 31, 2015 |
|---|----------------------|-------------------------|
| <b>Assets</b>   |                      |                         |
| Current assets  |                      |                         |
| Cash and bank deposits  | 447,202              | 589,133                 |
| Cash segregated as deposits for customers and others              | 159,285              | 168,262                 |
| Trading assets  | 5,858,340            | 7,596,427               |
| Trading securities and others                                     | 4,108,556            | 5,550,130               |
| Derivatives   | 1,749,783            | 2,046,297               |
| Receivables - unsettled trades                                    | 542,175              | —                       |
| Operating investment securities                                   | 55,508               | 43,412                  |
| Operating loans receivable  | 14,303               | 17,769                  |
| Receivables related to margin transactions                        | 77,486               | 100,193                 |
| Loans receivable under margin transactions                        | 53,331               | 61,522                  |
| Cash collateral for borrowed securities under margin transactions | 24,155               | 38,671                  |
| Collateralized short-term financing agreements-receivable         | 13,123,583           | 13,288,980              |
| Deposits paid for securities borrowed                             | 4,047,550            | 3,747,182               |
| Securities purchased under agreements to resell                   | 9,076,033            | 9,541,798               |
| Advances paid   | 2,756                | 2,263                   |
| Securities: fail to deliver                                       | 28,452               | 87,490                  |
| Short-term loans receivable                                       | 6,800                | 6,967                   |
| Securities  | 5,811                | 7,223                   |
| Deferred tax assets   | 24,896               | 11,885                  |
| Other current assets  | 448,064              | 453,316                 |
| Less: Allowance for doubtful accounts                             | (93)                 | (88)                    |
| Total current assets  | 20,794,574           | 22,373,238              |
| Noncurrent assets   |                      |                         |
| Property and equipment  | 39,633               | 41,064                  |
| Intangible assets   | 89,326               | 92,906                  |
| Investments and other assets                                      | 124,803              | 120,862                 |
| Investment securities   | 78,149               | 74,146                  |
| Long-term guarantee deposits                                      | 13,769               | 13,636                  |
| Net defined benefit asset   | 23,342               | 24,521                  |
| Deferred tax assets   | 758                  | 763                     |
| Other   | 13,844               | 11,475                  |
| Less: Allowance for doubtful accounts                             | (5,061)              | (3,681)                 |
| Total noncurrent assets   | 253,763              | 254,833                 |
| <b>Total assets</b>   | <b>21,048,338</b>    | <b>22,628,072</b>       |

(Millions of yen)

As of March 31, 2015 As of December 31, 2015

|   | As of March 31, 2015 | As of December 31, 2015 |
|---|----------------------|-------------------------|
| <b>Liabilities</b>  |                      |                         |
| Current liabilities   |                      |                         |
| Trading liabilities   | 4,858,549            | 5,295,780               |
| Trading securities and others                                   | 3,190,401            | 3,354,339               |
| Derivatives   | 1,668,148            | 1,941,441               |
| Receivables - unsettled trades                                  | —                    | 371,504                 |
| Payables related to margin transactions                         | 34,980               | 40,070                  |
| Borrowings on margin transactions                               | 9,240                | 14,355                  |
| Cash collateral for loaned securities under margin transactions | 25,739               | 25,715                  |
| Collateralized short-term financing agreements-payable          | 11,980,429           | 12,718,985              |
| Deposits received for securities loaned                         | 1,416,402            | 1,667,017               |
| Securities sold under agreements to repurchase                  | 10,564,026           | 11,051,967              |
| Deposits received   | 189,288              | 236,208                 |
| Guarantee deposits received                                     | 529,112              | 507,296                 |
| Securities: fail to receive                                     | 28,627               | 38,960                  |
| Short-term borrowings   | 788,896              | 756,777                 |
| Commercial paper  | 456,500              | 590,000                 |
| Bonds and notes due within one year                             | 179,556              | 133,829                 |
| Lease obligations   | 415                  | 405                     |
| Income taxes payable  | 11,025               | 2,562                   |
| Accrued employees' bonuses                                      | 31,206               | 23,631                  |
| Provision for bonus point redemption                            | 783                  | 564                     |
| Other current liabilities                                       | 72,307               | 65,060                  |
| <b>Total current liabilities</b>                                | <b>19,161,679</b>    | <b>20,781,639</b>       |
| Noncurrent liabilities  |                      |                         |
| Bonds and notes   | 603,908              | 649,662                 |
| Long-term borrowings  | 524,000              | 403,900                 |
| Lease obligations   | 1,353                | 1,024                   |
| Deferred tax liabilities  | 25,497               | 27,426                  |
| Provision for directors' retirement benefits                    | 283                  | 291                     |
| Provision for executive officers' retirement benefits           | 143                  | 168                     |
| Net defined benefit liability                                   | 18,557               | 19,368                  |
| Other noncurrent liabilities                                    | 5,144                | 4,698                   |
| <b>Total noncurrent liabilities</b>                             | <b>1,178,889</b>     | <b>1,106,540</b>        |
| Statutory reserves  |                      |                         |
| Reserve for financial instruments transaction liabilities       | 1,607                | 1,956                   |
| <b>Total statutory reserves</b>                                 | <b>1,607</b>         | <b>1,956</b>            |
| <b>Total liabilities</b>  | <b>20,342,177</b>    | <b>21,890,137</b>       |

(Millions of yen)

As of March 31, 2015    As of December 31, 2015

| <b>Net assets</b>   |                   |                   |
|---|-------------------|-------------------|
| Shareholders' equity  |                   |                   |
| Common stock  | 125,167           | 125,167           |
| Capital surplus   | 359,999           | 358,874           |
| Retained earnings   | 227,145           | 261,502           |
| Total shareholders' equity  | <u>712,312</u>    | <u>745,544</u>    |
| Accumulated other comprehensive income (loss)                         |                   |                   |
| Net unrealized gains on (operating) investment securities, net of tax | 24,854            | 23,372            |
| Foreign currency translation adjustments                              | (63,399)          | (63,783)          |
| Remeasurement of defined benefit plans                                | 7,862             | 7,338             |
| Total accumulated other comprehensive income (loss)                   | <u>(30,682)</u>   | <u>(33,072)</u>   |
| Non-controlling interests   | <u>24,531</u>     | <u>25,462</u>     |
| <b>Total net assets</b>   | <u>706,160</u>    | <u>737,934</u>    |
| <b>Total liabilities and net assets</b>                               | <u>21,048,338</u> | <u>22,628,072</u> |

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statements of Income  
For the nine months ended December 31, 2014 and 2015

|   | (Millions of yen)                      |  |
|---|--|--|
|   | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
| Operating revenues  |  |  |
| Commissions   | 161,613                                | 189,769                                |
| Brokerage commissions   | 47,487                                 | 46,910                                 |
| Underwriting and selling fees, and commissions from solicitation to<br>qualifying investors                     | 35,874                                 | 46,474                                 |
| Offering, selling, and other commissions and fees, and commissions from<br>solicitation to qualifying investors | 27,348                                 | 31,593                                 |
| Other commissions and fees  | 50,903                                 | 64,791                                 |
| Net gain on trading   | 91,549                                 | 89,777                                 |
| Net gain on operating investment securities   | 11,996                                 | 17,672                                 |
| Interest and dividend income  | 51,145                                 | 58,595                                 |
| Total operating revenues  | <u>316,305</u>                         | <u>355,815</u>                         |
| Interest expenses   | <u>32,845</u>                          | <u>40,763</u>                          |
| Net operating revenues  | <u>283,459</u>                         | <u>315,052</u>                         |
| Selling, general and administrative expenses  | 227,548                                | 248,448                                |
| Transaction-related expenses  | 46,877                                 | 56,044                                 |
| Personnel expenses  | 105,397                                | 109,859                                |
| Real estate expenses  | 25,371                                 | 25,728                                 |
| Administrative expenses   | 18,464                                 | 23,966                                 |
| Depreciation and amortization   | 16,659                                 | 17,653                                 |
| Taxes and dues  | 3,527                                  | 3,341                                  |
| Provision of allowance for doubtful accounts  | 261                                    | (392)                                  |
| Other   | 10,988                                 | 12,246                                 |
| Operating income  | <u>55,911</u>                          | <u>66,604</u>                          |
| Non-operating income  | 2,527                                  | 2,459                                  |
| Non-operating expenses  | 804                                    | 2,866                                  |
| Ordinary income   | <u>57,634</u>                          | <u>66,196</u>                          |
| Extraordinary gain  | 465                                    | 13,446                                 |
| Gain on sales of noncurrent assets  | 75                                     | 48                                     |
| Gain on sales of investment securities  | 389                                    | 575                                    |
| Indemnity receipt from the erroneous stock order  | —                                      | 12,822                                 |
| Extraordinary loss  | 1,632                                  | 1,837                                  |
| Loss on sales of noncurrent assets  | —                                      | 8                                      |
| Loss on disposal of noncurrent assets   | 385                                    | 126                                    |
| Loss on sales of investment securities  | 74                                     | 77                                     |
| Loss on impairment of investment securities   | 8                                      | 0                                      |
| Loss on impairment of golf club membership  | 0                                      | 0                                      |
| Impairment losses   | 13                                     | 139                                    |
| Head office transfer cost   | 852                                    | 1,000                                  |
| Cost incurred in opening of joint branches  | —                                      | 135                                    |
| Provision of reserve for financial instruments transaction liabilities  | 297                                    | 348                                    |
| Income before income taxes and non-controlling interests  | <u>56,467</u>                          | <u>77,806</u>                          |
| Income taxes - current  | 9,253                                  | 9,910                                  |
| Income taxes - deferred   | 3,786                                  | 15,870                                 |
| Total income taxes  | <u>13,039</u>                          | <u>25,781</u>                          |
| Net income  | <u>43,427</u>                          | <u>52,024</u>                          |
| Net income attributable to non-controlling interests  | 782                                    | 1,663                                  |
| Net income attributable to owners of parent   | <u>42,645</u>                          | <u>50,361</u>                          |



Quarterly Consolidated Statements of Comprehensive Income  
For the nine months ended December 31, 2014 and 2015

(Millions of yen)

|   | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
|---|--|--|
| Net income  | 43,427                                 | 52,024                                 |
| Other comprehensive income (loss)   |  |  |
| Net unrealized gains (losses) on (operating) investment securities, net of tax      | 3,797                                  | (1,558)                                |
| Foreign currency translation adjustments  | 3,590                                  | (482)                                  |
| Remeasurement of defined benefit plans  | (185)                                  | (533)                                  |
| Share in other comprehensive income of affiliates accounted for using equity method | (0)                                    | (0)                                    |
| Total other comprehensive income (loss)   | 7,202                                  | (2,574)                                |
| Comprehensive income  | 50,630                                 | 49,450                                 |
| (Breakdown)   |  |  |
| Attributable to:  |  |  |
| Owners of parent  | 48,050                                 | 47,970                                 |
| Non-controlling interests   | 2,579                                  | 1,479                                  |

**(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)

|  | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 | Increase/(Decrease) |                   |
|--|--|--|---------------------|-------------------|
|  |  |  | Amount              | Percentage<br>(%) |
| Brokerage commissions  | 47,487                                 | 46,910                                 | (576)               | (1.2)             |
| Equities   | 34,784                                 | 33,772                                 | (1,012)             | (2.9)             |
| Bonds  | 12,256                                 | 12,459                                 | 203                 | 1.7               |
| Underwriting and selling fees, and<br>commissions from solicitation to<br>qualifying investors                     | 35,874                                 | 46,474                                 | 10,600              | 29.5              |
| Equities   | 10,181                                 | 15,904                                 | 5,722               | 56.2              |
| Bonds  | 25,661                                 | 30,319                                 | 4,658               | 18.2              |
| Offering, selling, and other commissions<br>and fees, and commissions from<br>solicitation to qualifying investors | 27,348                                 | 31,593                                 | 4,245               | 15.5              |
| Other commissions and fees   | 50,903                                 | 64,791                                 | 13,887              | 27.3              |
| Total  | 161,613                                | 189,769                                | 28,156              | 17.4              |

## 2) Breakdown by instruments

(Millions of yen)

|                          | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 | Increase/(Decrease) |                   |
|--------------------------|--|--|---------------------|-------------------|
|                          |  |  | Amount              | Percentage<br>(%) |
| Equities                 | 46,037                                 | 55,014                                 | 8,977               | 19.5              |
| Bonds                    | 42,260                                 | 51,420                                 | 9,160               | 21.7              |
| Beneficiary certificates | 57,721                                 | 61,625                                 | 3,903               | 6.8               |
| Others                   | 15,594                                 | 21,708                                 | 6,114               | 39.2              |
| Total                    | 161,613                                | 189,769                                | 28,156              | 17.4              |

**(2) Net gain on trading**

(Millions of yen)

|                      | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 | Increase/(Decrease) |                   |
|----------------------|--|--|---------------------|-------------------|
|                      |  |  | Amount              | Percentage<br>(%) |
| Equities, etc.       | 20,480                                 | 24,217                                 | 3,737               | 18.2              |
| Bonds, etc. · Others | 71,068                                 | 65,559                                 | (5,509)             | (7.8)             |
| Bonds, etc.          | 83,946                                 | 42,710                                 | (41,236)            | (49.1)            |
| Others               | (12,877)                               | 22,849                                 | 35,727              | -                 |
| Total                | 91,549                                 | 89,777                                 | (1,771)             | (1.9)             |

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

(Millions of yen)

|   |   | As of March 31, 2015 | As of December 31, 2015 |
|---|---|----------------------|-------------------------|
| Basic items                                     | Total capital (A)   | 656,294              | 707,223                 |
| Supplemental items                              | Net unrealized gains on (operating) investment securities, net of tax, etc. | 32,716               | 30,711                  |
|   | Reserve for financial instruments transaction liabilities, etc.             | 1,607                | 1,956                   |
|   | Allowance for doubtful accounts   | 71                   | 68                      |
|   | Subordinated long-term borrowings   | 74,000               | 55,000                  |
|   | Subordinated short-term borrowings  | 271,000              | 250,000                 |
|   | Total (B)   | 379,396              | 337,736                 |
| Deducted assets                                 | (C)   | 219,570              | 222,309                 |
| Equity after deduction                          | (A) + (B) - (C) (D)   | 816,120              | 822,650                 |
| Amount equivalent to risk                       | Amount equivalent to market risk  | 166,488              | 132,311                 |
|   | Amount equivalent to counterparty risk                                      | 61,967               | 55,504                  |
|   | Amount equivalent to fundamental risk                                       | 75,845               | 84,089                  |
|   | Total (E)   | 304,302              | 271,905                 |
| Consolidated capital adequacy requirement ratio | (D)/(E) * 100   | 268.1%               | 302.5%                  |

**2) Non-consolidated base**

(Millions of yen)

|                                    |  | As of March 31, 2015 | As of December 31, 2015 |
|------------------------------------|--|----------------------|-------------------------|
| Basic items                        | Total capital (A)  | 601,813              | 646,683                 |
| Supplemental items                 | Net unrealized losses on (operating) investment securities, net of tax, etc. | (2,981)              | (3,698)                 |
|                                    | Reserve for financial instruments transaction liabilities, etc.              | 1,589                | 1,938                   |
|                                    | Allowance for doubtful accounts  | 11                   | 12                      |
|                                    | Subordinated long-term borrowings  | 74,000               | 55,000                  |
|                                    | Subordinated short-term borrowings   | 271,000              | 250,000                 |
|                                    | Total (B)  | 343,619              | 303,252                 |
| Deducted assets                    | (C)  | 309,089              | 334,632                 |
| Equity after deduction             | (A) + (B) - (C) (D)  | 636,343              | 615,302                 |
| Amount equivalent to risk          | Amount equivalent to market risk   | 112,205              | 95,410                  |
|                                    | Amount equivalent to counterparty risk                                       | 32,234               | 30,407                  |
|                                    | Amount equivalent to fundamental risk  | 54,480               | 59,763                  |
|                                    | Total (E)  | 198,920              | 185,581                 |
| Capital adequacy requirement ratio | (D)/(E) * 100  | 319.8%               | 331.5%                  |

(4) Quarterly Consolidated Statements of Income

(Millions of yen)

|   | Third quarter<br>ended<br>December 2014 | Fourth quarter<br>ended<br>March 2015 | First quarter<br>ended<br>June 2015 | Second quarter<br>ended<br>September 2015 | Third quarter<br>ended<br>December 2015 |
|---|---|---------------------------------------|-------------------------------------|---|---|
|   | Oct. 1, 2014 -<br>Dec. 31, 2014         | Jan. 1, 2015 -<br>Mar. 31, 2015       | Apr. 1, 2015 -<br>Jun. 30, 2015     | Jul. 1, 2015 -<br>Sep. 30, 2015           | Oct. 1, 2015 -<br>Dec. 31, 2015         |
| Operating revenues  | 119,179                                 | 125,026                               | 120,985                             | 116,042                                   | 118,787                                 |
| Commissions   | 60,584                                  | 66,969                                | 65,118                              | 59,870                                    | 64,781                                  |
| Brokerage commissions   | 17,940                                  | 18,284                                | 16,319                              | 14,595                                    | 15,995                                  |
| Equities  | 12,836                                  | 13,369                                | 11,742                              | 10,428                                    | 11,601                                  |
| Bonds   | 4,872                                   | 4,700                                 | 4,405                               | 3,876                                     | 4,178                                   |
| Underwriting and selling fees, and commissions from<br>solicitation to qualifying investors                     | 16,485                                  | 17,117                                | 14,451                              | 15,315                                    | 16,707                                  |
| Equities  | 4,469                                   | 5,186                                 | 4,267                               | 5,092                                     | 6,544                                   |
| Bonds   | 12,000                                  | 11,783                                | 10,129                              | 10,140                                    | 10,049                                  |
| Offering, selling, and other commissions and fees, and<br>commissions from solicitation to qualifying investors | 8,023                                   | 10,720                                | 12,840                              | 10,179                                    | 8,573                                   |
| Other commissions and fees  | 18,136                                  | 20,847                                | 21,506                              | 19,779                                    | 23,504                                  |
| Net gain on trading   | 39,451                                  | 30,551                                | 32,036                              | 29,716                                    | 28,024                                  |
| Equities, etc.  | 14,638                                  | 3,065                                 | 11,779                              | 3,821                                     | 8,615                                   |
| Bonds, etc. · Others  | 24,812                                  | 27,486                                | 20,256                              | 25,894                                    | 19,408                                  |
| Bonds, etc.   | 36,651                                  | 21,539                                | 14,040                              | 23,622                                    | 5,046                                   |
| Others  | (11,839)                                | 5,947                                 | 6,215                               | 2,271                                     | 14,362                                  |
| Net gain on operating investment securities   | 1,613                                   | 6,269                                 | 5,630                               | 8,387                                     | 3,655                                   |
| Interest and dividend income  | 17,530                                  | 21,236                                | 18,200                              | 18,068                                    | 22,326                                  |
| Interest expenses   | 11,908                                  | 12,933                                | 11,677                              | 13,430                                    | 15,655                                  |
| Net operating revenues  | 107,271                                 | 112,093                               | 109,307                             | 102,612                                   | 103,132                                 |
| Selling, general and administrative expenses  | 82,573                                  | 83,620                                | 84,574                              | 81,041                                    | 82,831                                  |
| Transaction-related expenses  | 17,445                                  | 17,508                                | 18,491                              | 18,761                                    | 18,791                                  |
| Personnel expenses  | 38,911                                  | 35,467                                | 37,550                              | 34,874                                    | 37,434                                  |
| Real estate expenses  | 8,703                                   | 9,073                                 | 8,664                               | 8,584                                     | 8,479                                   |
| Administrative expenses   | 6,479                                   | 7,250                                 | 8,075                               | 8,830                                     | 7,060                                   |
| Depreciation and amortization   | 5,762                                   | 6,972                                 | 5,669                               | 5,999                                     | 5,984                                   |
| Taxes and dues  | 1,307                                   | 945                                   | 1,524                               | 782                                       | 1,033                                   |
| Other   | 3,963                                   | 6,402                                 | 4,597                               | 3,208                                     | 4,047                                   |
| Operating income  | 24,698                                  | 28,472                                | 24,732                              | 21,570                                    | 20,300                                  |
| Non-operating income  | 770                                     | 874                                   | 909                                 | 1,638                                     | (88)                                    |
| Non-operating expenses  | (104)                                   | 504                                   | 1,001                               | 497                                       | 1,367                                   |
| Ordinary income   | 25,573                                  | 28,842                                | 24,640                              | 22,711                                    | 18,844                                  |
| Extraordinary gain  | 51                                      | 233                                   | 552                                 | 12,824                                    | 69                                      |
| Extraordinary loss  | 237                                     | 941                                   | 421                                 | 603                                       | 812                                     |
| Income before income taxes and non-controlling interests  | 25,387                                  | 28,134                                | 24,771                              | 34,933                                    | 18,101                                  |
| Income taxes - current  | 2,868                                   | 7,502                                 | 3,990                               | 2,510                                     | 3,409                                   |
| Income taxes - deferred   | 2,904                                   | 2,919                                 | 3,702                               | 9,670                                     | 2,498                                   |
| Net income  | 19,613                                  | 17,713                                | 17,078                              | 22,752                                    | 12,194                                  |
| Net income attributable to non-controlling interests  | 286                                     | 1,706                                 | 633                                 | 473                                       | 556                                     |
| Net income attributable to owners of parent   | 19,326                                  | 16,006                                | 16,445                              | 22,278                                    | 11,637                                  |

#### 4. (Reference) Quarterly Non-consolidated Financial Statements

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

(Millions of yen)

As of March 31, 2015 As of December 31, 2015

|   | As of March 31, 2015 | As of December 31, 2015 |
|---|----------------------|-------------------------|
| <b>Assets</b>   |                      |                         |
| Current assets  |                      |                         |
| Cash and bank deposits  | 320,613              | 421,168                 |
| Cash segregated as deposits for customers and others              | 151,401              | 159,765                 |
| Trading assets  | 4,184,018            | 5,504,335               |
| Trading securities and others                                     | 2,494,775            | 3,511,432               |
| Derivatives   | 1,689,243            | 1,992,903               |
| Receivables - unsettled trades                                    | 580,287              | —                       |
| Operating investment securities                                   | 17,516               | 20,296                  |
| Operating loans receivable  | 3,240                | 3,130                   |
| Receivables related to margin transactions                        | 74,794               | 97,522                  |
| Loans receivable under margin transactions                        | 50,849               | 58,994                  |
| Cash collateral for borrowed securities under margin transactions | 23,945               | 38,528                  |
| Collateralized short-term financing agreements-receivable         | 4,109,246            | 3,809,096               |
| Deposits paid for securities borrowed                             | 4,060,231            | 3,753,219               |
| Securities purchased under agreements to resell                   | 49,014               | 55,877                  |
| Advances paid   | 189                  | 99                      |
| Securities: fail to deliver                                       | 25,582               | 13,614                  |
| Short-term loans receivable                                       | 46,084               | 50,704                  |
| Deferred tax assets   | 21,160               | 8,181                   |
| Other current assets  | 251,154              | 294,684                 |
| Less: Allowance for doubtful accounts                             | (12)                 | (13)                    |
| Total current assets  | 9,785,276            | 10,382,587              |
| Noncurrent assets   |                      |                         |
| Property and equipment  | 15,678               | 15,164                  |
| Intangible assets   | 34,344               | 39,311                  |
| Investments and other assets                                      | 297,869              | 315,796                 |
| Investment securities   | 241,190              | 246,399                 |
| Long-term guarantee deposits                                      | 12,670               | 12,315                  |
| Prepaid pension cost  | 12,746               | 14,462                  |
| Deferred tax assets   | 8,297                | 4,987                   |
| Other   | 28,018               | 41,308                  |
| Less: Allowance for doubtful accounts                             | (5,055)              | (3,677)                 |
| Total noncurrent assets   | 347,891              | 370,272                 |
| <b>Total assets</b>   | <b>10,133,168</b>    | <b>10,752,860</b>       |

(Millions of yen)

As of March 31, 2015 As of December 31, 2015

| <b>Liabilities</b>  |                   |                   |
|---|-------------------|-------------------|
| <b>Current liabilities</b>  |                   |                   |
| Trading liabilities   | 3,909,239         | 3,826,962         |
| Trading securities and others   | 2,294,228         | 1,937,178         |
| Derivatives   | 1,615,010         | 1,889,784         |
| Receivables - unsettled trades  | —                 | 334,965           |
| Payables related to margin transactions                               | 33,922            | 39,465            |
| Borrowings on margin transactions                                     | 8,383             | 13,888            |
| Cash collateral for loaned securities under margin transactions       | 25,539            | 25,576            |
| Collateralized short-term financing agreements-payable                | 3,052,857         | 3,324,993         |
| Deposits received for securities loaned                               | 1,417,601         | 1,667,947         |
| Securities sold under agreements to repurchase                        | 1,635,255         | 1,657,046         |
| Deposits received   | 160,613           | 205,291           |
| Guarantee deposits received   | 110,135           | 113,834           |
| Securities: fail to receive   | 8,685             | 2,775             |
| Short-term borrowings   | 626,792           | 599,179           |
| Commercial paper  | 456,500           | 590,000           |
| Bonds and notes due within one year                                   | 67,220            | 60,402            |
| Lease obligations   | 414               | 404               |
| Income taxes payable  | 2,549             | 880               |
| Accrued employees' bonuses  | 14,757            | 8,618             |
| Provision for bonus point redemption                                  | 783               | 564               |
| Other current liabilities   | 30,410            | 23,600            |
| <b>Total current liabilities</b>                                      | <b>8,474,880</b>  | <b>9,131,939</b>  |
| <b>Noncurrent liabilities</b>   |                   |                   |
| Bonds and notes   | 496,002           | 551,337           |
| Long-term borrowings  | 524,000           | 403,900           |
| Lease obligations   | 1,351             | 1,023             |
| Provision for retirement benefits                                     | 16,952            | 17,739            |
| Other noncurrent liabilities  | 2,431             | 1,997             |
| <b>Total noncurrent liabilities</b>                                   | <b>1,040,738</b>  | <b>975,998</b>    |
| <b>Statutory reserves</b>   |                   |                   |
| Reserve for financial instruments transaction liabilities             | 1,589             | 1,938             |
| <b>Total statutory reserves</b>                                       | <b>1,589</b>      | <b>1,938</b>      |
| <b>Total liabilities</b>  | <b>9,517,208</b>  | <b>10,109,875</b> |
| <b>Net assets</b>   |                   |                   |
| <b>Shareholders' equity</b>   |                   |                   |
| Common stock  | 125,167           | 125,167           |
| Capital surplus   | 381,649           | 381,649           |
| Retained earnings   | 112,125           | 139,866           |
| <b>Total shareholders' equity</b>                                     | <b>618,941</b>    | <b>646,683</b>    |
| <b>Valuation and translation adjustments</b>                          |                   |                   |
| Net unrealized gains on (operating) investment securities, net of tax | 24,524            | 23,976            |
| Net deferred gains or losses on hedges, net of tax                    | (27,505)          | (27,674)          |
| <b>Total valuation and translation adjustments</b>                    | <b>(2,981)</b>    | <b>(3,698)</b>    |
| <b>Total net assets</b>   | <b>615,960</b>    | <b>642,984</b>    |
| <b>Total liabilities and net assets</b>                               | <b>10,133,168</b> | <b>10,752,860</b> |

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

For the nine months ended December 31, 2014 and 2015

(Millions of yen)

|  | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
|--|--|--|
| Operating revenues   |  |  |
| Commissions  | 107,465                                | 120,214                                |
| Net gain on trading  | 89,251                                 | 92,710                                 |
| Net gain on operating investment securities                            | 1,817                                  | 4,950                                  |
| Interest and dividend income   | 23,445                                 | 18,318                                 |
| Total operating revenues   | 221,979                                | 236,194                                |
| Interest expenses  | 18,530                                 | 18,808                                 |
| Net operating revenues   | 203,448                                | 217,385                                |
| Selling, general and administrative expenses                           | 158,301                                | 172,935                                |
| Transaction-related expenses   | 31,530                                 | 38,670                                 |
| Personnel expenses   | 64,772                                 | 63,723                                 |
| Real estate expenses   | 18,874                                 | 18,895                                 |
| Administrative expenses  | 28,011                                 | 35,791                                 |
| Depreciation and amortization  | 10,288                                 | 10,711                                 |
| Taxes and dues   | 2,224                                  | 2,835                                  |
| Provision of allowance for doubtful accounts                           | 245                                    | (387)                                  |
| Other  | 2,353                                  | 2,694                                  |
| Operating income   | 45,146                                 | 44,450                                 |
| Non-operating income   | 3,929                                  | 7,343                                  |
| Non-operating expenses   | 348                                    | 891                                    |
| Ordinary income  | 48,726                                 | 50,901                                 |
| Extraordinary gain   | 394                                    | 13,222                                 |
| Gain on sales of noncurrent assets                                     | 75                                     | 48                                     |
| Gain on sales of investment securities                                 | 318                                    | 351                                    |
| Indemnity receipt from the erroneous stock order                       | —                                      | 12,822                                 |
| Extraordinary loss   | 1,556                                  | 1,382                                  |
| Loss on sales of noncurrent assets                                     | —                                      | 8                                      |
| Loss on disposal of noncurrent assets                                  | 373                                    | 114                                    |
| Loss on sales of investment securities                                 | 19                                     | 2                                      |
| Loss on impairment of investment securities                            | —                                      | 0                                      |
| Loss on impairment of investments in subsidiaries and affiliates       | —                                      | 133                                    |
| Loss on impairment of golf club membership                             | 0                                      | 0                                      |
| Impairment losses  | 13                                     | 139                                    |
| Head office transfer cost  | 852                                    | 498                                    |
| Cost incurred in opening of joint branches                             | —                                      | 135                                    |
| Provision of reserve for financial instruments transaction liabilities | 297                                    | 348                                    |
| Income before income taxes   | 47,564                                 | 62,741                                 |
| Income taxes – current   | 3,306                                  | 1,292                                  |
| Income taxes – deferred  | 5,030                                  | 16,578                                 |
| Total income taxes   | 8,336                                  | 17,871                                 |
| Net income   | 39,227                                 | 44,870                                 |