

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

- 1) Changes in accounting policies in accordance with revisions of accounting standards: None
- 2) Changes other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(3) Number of outstanding shares (common stock)

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

March 31, 2017:	2,015,102,652 shares
March 31, 2016:	2,015,102,652 shares

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

March 31, 2017:	- shares
March 31, 2016:	- shares

3) Average number of outstanding shares for the period:

March 31, 2017	2,015,102,652 shares
March 31, 2016	2,015,102,652 shares

* Note on the status of audit procedures

This summary of financial statements is exempt from the audit procedures based on the "Financial Instruments and Exchange Act."

* Other important matters

Not applicable

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I. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and bank deposits	468,021	378,334
Cash segregated as deposits for customers and others	175,926	240,279
Trading assets	7,587,509	5,751,602
Trading securities and others	4,595,554	3,204,715
Derivatives	2,991,955	2,546,887
Receivables – unsettled trades	153,682	74,011
Operating investment securities	39,886	43,021
Operating loans receivable	13,835	9,676
Receivables related to margin transactions	101,224	98,324
Loans receivable under margin transactions	56,392	37,276
Cash collateral for borrowed securities under margin transactions	44,832	61,048
Collateralized short-term financing agreements-receivable	11,144,682	5,967,330
Deposits paid for securities borrowed	3,698,505	3,506,714
Securities purchased under agreements to resell	7,446,177	2,460,615
Advances paid	2,044	809
Securities: fail to deliver	119,202	51,337
Short-term loans receivable	6,058	6,855
Securities	6,831	27
Deferred tax assets	13,045	15,653
Other current assets	586,598	524,051
Less: Allowance for doubtful accounts	(87)	(62)
Total current assets	20,418,463	13,161,255
Noncurrent assets		
Property and equipment	41,564	39,951
Buildings	15,260	14,277
Equipment	9,717	10,092
Land	16,184	15,317
Leased assets	401	263
Intangible assets	93,390	94,446
Software	53,509	61,812
Customer related assets	38,771	31,693
Other	1,110	941
Investments and other assets	106,084	107,577
Investment securities	68,605	67,750
Long-term loans receivable	83	75
Long-term guarantee deposits	13,432	12,917
Net defined benefit asset	16,745	20,772
Deferred tax assets	1,035	857
Other	9,820	8,786
Less: Allowance for doubtful accounts	(3,638)	(3,583)
Total noncurrent assets	241,039	241,974
Total assets	20,659,503	13,403,230

(Millions of yen)

As of March 31, 2016 As of March 31, 2017

Liabilities		
Current liabilities		
Trading liabilities	5,550,897	4,434,285
Trading securities and others	2,630,040	1,804,288
Derivatives	2,920,857	2,629,997
Payables related to margin transactions	42,887	55,689
Borrowings on margin transactions	11,390	8,231
Cash collateral for loaned securities under margin transactions	31,496	47,457
Collateralized short-term financing agreements-payable	11,151,298	5,451,881
Deposits received for securities loaned	1,908,957	1,255,797
Securities sold under agreements to repurchase	9,242,340	4,196,083
Deposits received	164,745	268,646
Guarantee deposits received	525,163	202,072
Securities: fail to receive	17,012	31,682
Short-term borrowings	619,650	811,535
Commercial paper	513,700	111,300
Bonds and notes due within one year	143,009	142,932
Lease obligations	662	376
Income taxes payable	7,126	1,942
Deferred tax liabilities	3	—
Accrued employees' bonuses	32,077	23,812
Provision for variable compensation	790	855
Provision for bonus point redemption	623	596
Other current liabilities	71,361	39,116
Total current liabilities	18,841,010	11,576,726
Noncurrent liabilities		
Bonds and notes	620,666	661,575
Long-term borrowings	409,400	233,500
Lease obligations	858	587
Deferred tax liabilities	22,320	5,507
Provision for directors' retirement benefits	290	212
Provision for executive officers' retirement benefits	186	136
Net defined benefit liability	20,764	21,678
Other noncurrent liabilities	2,335	2,386
Total noncurrent liabilities	1,076,822	925,583
Statutory reserves		
Reserve for financial instruments transaction liabilities	2,024	2,309
Total statutory reserves	2,024	2,309
Total liabilities	19,919,857	12,504,619

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	358,874	357,794
Retained earnings	272,310	442,677
Total shareholders' equity	<u>756,352</u>	<u>925,639</u>
Accumulated other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax	21,115	21,529
Foreign currency translation adjustments	(64,240)	(61,703)
Remeasurement of defined benefit plans	1,149	3,346
Total accumulated other comprehensive income (loss)	<u>(41,974)</u>	<u>(36,827)</u>
Non-controlling interests	<u>25,268</u>	<u>9,799</u>
Total net assets	<u>739,645</u>	<u>898,611</u>
Total liabilities and net assets	<u>20,659,503</u>	<u>13,403,230</u>

2. Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Operating revenues		
Commissions	244,155	197,569
Brokerage commissions	60,234	41,600
Underwriting and selling fees, and commissions from solicitation to qualifying investors	59,908	46,901
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	38,636	34,795
Other commissions and fees	85,374	74,271
Net gain on trading	128,133	154,143
Net gain on operating investment securities	16,952	3,869
Interest and dividend income	82,708	70,128
Total operating revenues	<u>471,949</u>	<u>425,710</u>
Interest expenses	<u>56,704</u>	<u>59,718</u>
Net operating revenues	<u>415,245</u>	<u>365,991</u>
Selling, general and administrative expenses	329,632	290,999
Transaction-related expenses	74,943	56,779
Personnel expenses	144,209	128,374
Real estate expenses	34,699	32,611
Administrative expenses	31,679	33,092
Depreciation and amortization	24,129	25,698
Taxes and dues	3,979	3,455
Provision of allowance for doubtful accounts	(432)	(35)
Other	16,424	11,024
Operating income	<u>85,612</u>	<u>74,991</u>
Non-operating income	3,435	3,984
Non-operating expenses	<u>3,619</u>	<u>3,172</u>
Ordinary income	<u>85,429</u>	<u>75,803</u>
Extraordinary gain	13,617	100,876
Gain on sales of noncurrent assets	48	26
Gain on sales of investment securities	746	994
Gain on sales of shares of subsidiaries and affiliates	—	99,855
Indemnity receipt from the erroneous stock order	12,822	—
Extraordinary loss	3,424	3,152
Loss on sales of noncurrent assets	12	3
Loss on disposal of noncurrent assets	298	214
Loss on sales of investment securities	92	28
Loss on sales of shares of subsidiaries and affiliates	—	0
Loss on impairment of investment securities	62	58
Loss on impairment of golf club membership	0	6
Impairment losses	843	1,901
Head office transfer cost	1,508	599
Cost incurred in opening of joint branches	190	54
Provision of reserve for financial instruments transaction liabilities	416	285
Income before income taxes and non-controlling interests	<u>95,621</u>	<u>173,527</u>
Income taxes – current	17,966	7,059
Income taxes – deferred	13,886	(24,517)
Total income taxes	<u>31,853</u>	<u>(17,458)</u>
Net income	<u>63,768</u>	<u>190,985</u>
Net income attributable to non-controlling interests	<u>2,599</u>	<u>2,388</u>
Net income attributable to owners of parent	<u>61,168</u>	<u>188,597</u>

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Net income	63,768	190,985
Other comprehensive income (loss)		
Net unrealized gains (losses) on (operating) investment securities, net of tax	(3,780)	342
Foreign currency translation adjustments	(1,951)	1,485
Remeasurement of defined benefit plans	(6,875)	2,307
Share in other comprehensive income of affiliates accounted for using equity method	0	(1)
Total other comprehensive income (loss)	<u>(12,606)</u>	<u>4,134</u>
Comprehensive income	<u>51,161</u>	<u>195,119</u>
(Breakdown)		
Attributable to:		
Owners of parent	49,876	193,745
Non-controlling interests	1,285	1,374

3. Consolidated Statements of Changes in Shareholders' Equity

Year ended March 31, 2016

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	125,167	359,999	227,145	712,312
Cumulative effect of changes in accounting policies		(1,124)	1,124	—
Restated balance	125,167	358,874	228,269	712,312
Changes during the period				
Dividends of surplus			(17,128)	(17,128)
Net income attributable to owners of parent			61,168	61,168
Net changes of items other than shareholders' equity				
Total changes during the period	—	—	44,040	44,040
Balance at end of period	125,167	358,874	272,310	756,352

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains on (operating) investment securities, net of tax	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	24,854	(63,399)	7,862	(30,682)	24,531	706,160
Cumulative effect of changes in accounting policies						—
Restated balance	24,854	(63,399)	7,862	(30,682)	24,531	706,160
Changes during the period						
Dividends of surplus						(17,128)
Net income attributable to owners of parent						61,168
Net changes of items other than shareholders' equity	(3,738)	(840)	(6,712)	(11,292)	737	(10,555)
Total changes during the period	(3,738)	(840)	(6,712)	(11,292)	737	33,484
Balance at end of period	21,115	(64,240)	1,149	(41,974)	25,268	739,645

Year ended March 31, 2017

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	125,167	358,874	272,310	756,352
Changes during the period				
Dividends of surplus			(18,135)	(18,135)
Net income attributable to owners of parent			188,597	188,597
Changes in scope of equity method			(94)	(94)
Changes in treasury shares of parent arising from transactions with non-controlling shareholders		(1,080)		(1,080)
Net changes of items other than shareholders' equity				
Total changes during the period	—	(1,080)	170,367	169,286
Balance at end of period	125,167	357,794	442,677	925,639

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains on (operating) investment securities, net of tax	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	21,115	(64,240)	1,149	(41,974)	25,268	739,645
Changes during the period						
Dividends of surplus						(18,135)
Net income attributable to owners of parent						188,597
Changes in scope of equity method						(94)
Changes in treasury shares of parent arising from transactions with non-controlling shareholders						(1,080)
Net changes of items other than shareholders' equity	414	2,536	2,197	5,147	(15,469)	(10,321)
Total changes during the period	414	2,536	2,197	5,147	(15,469)	158,965
Balance at end of period	21,529	(61,703)	3,346	(36,827)	9,799	898,611

4. Note on the going-concern assumption

Not applicable

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

1. Scope of consolidation

Consolidated subsidiaries (15 subsidiaries)

Major subsidiaries

Mizuho International plc
Mizuho Bank (Switzerland) Ltd.
Mizuho Securities Asia Limited
Mizuho Securities (Singapore) Pte. Ltd.
Mizuho Securities India Private Limited
Mizuho Investment Consulting (Shanghai) Co., Ltd.
Mizuho Securities Principal Investment Co., Ltd.
Basic Capital Management Ltd.
Mizuho Securities Research & Consulting Co., Ltd.
Japan Investor Relations and Investor Support, Inc.
Nippon Securities Technology Co., Ltd.
Mizuho Securities Business Services Co., Ltd.
Mizuho Securities Property Management Co., Ltd.
Mitsui Securities Co., Ltd.
Other 1 company

Excluded from the scope of consolidation:

Mizuho Securities USA Inc. (*1)
Structured Credit America Ltd
Shinko Asset Management Co., Ltd
Mizuho Securities UK Holdings Ltd (*2)

(*1) Mizuho Securities USA Inc. was excluded from the scope of consolidation in the period due to transfer of all its shares.

(*2) Mizuho Securities UK Holdings Ltd was excluded from the scope of consolidation in the period due to completion of liquidation.

2. Matters concerning the application of equity method

Equity-method affiliates (6 affiliates)

Neostella Capital Co., Ltd.
Mobile Internet Capital, Inc.
The Neostella Capital No.1 Investment Business Limited Partnership
Other 3 companies

Excluded from the scope of consolidation:

Industrial Decisions, Inc.
Energy & Environment Investment, Inc.
Energy & Environment First Investment Limited Partnership
EBI Clean Technology Investment Limited Partnership
EBI Smart Energy Investment Limited Partnership

3. Matters related to the period of consolidated subsidiaries

The closing dates of consolidated subsidiaries are as follows:

March 31, 2017	14 subsidiaries
December 31, 2016	1 subsidiary

For a consolidated subsidiary with different closing date to the consolidated closing date, financial statements as of the subsidiary's closing date are used. However, for important transactions that took place between the closing date of the company and the consolidated closing date, adjustments necessary for the consolidation are performed.

4. Matters related to the accounting policies

(1) Valuation method for significant assets

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

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

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

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

Other securities

a) Other securities with fair value:

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

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

Those are recorded at cost using moving average method.

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

(2) Depreciation methods used for significant depreciable assets

1) Property and equipment (excluding the leased assets)

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

2) Intangible assets and long-term prepaid expenses

The straight-line method is mainly used.

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

3) Leased assets

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

(3) Accounting standards for significant reserves and allowances

1) Allowance for doubtful accounts

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

2) Accrued employees' bonuses

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

3) Provision for variable compensation

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

4) Provision for bonus point redemption

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

5) Provision for directors' retirement benefits

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

6) Provision for executive officers' retirement benefits

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

7) Reserve for financial instruments transaction liabilities

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

(4) Accounting for retirement benefits

1) Allocation of expected benefit payments

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

2) Actuarial differences

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

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

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

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

(6) Method of significant hedge accounting

1) Gains or losses resulting from forward foreign exchange transactions entered to hedge the exchange-rate risk of

foreign-currency-dominated equity investments in subsidiaries, to the extent effective, are included in the foreign exchange translation adjustments in net assets.

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

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

4) A special disposition method is applied for interest-rate swap agreements, which are adopted to reduce interest-rate risks of subordinated borrowings, under a condition that these agreements meet the requirements of the method.

(7) Accounting for consumption tax

The tax exclusion method is applied.

6. Additional information

The Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No.26, March 28, 2016) from this consolidated fiscal year.

7. Notes to Consolidated Financial Statements

(Consolidated Balance Sheets)

	Year ended March 31, 2016	Year ended March 31, 2017 (Millions of yen)
1. Accumulated depreciation deducted from property and equipment	55,672	45,431
2. Obligations under guarantees	148	120
(potential guarantee obligation)	(55)	(39)

In accordance with Report No. 61 of the Auditing Committee of the Japanese Institute of Certified Public Accountants, titled "Auditing Procedures Concerning the Accounting for Guarantee Obligations and Quasi-Guarantees," those obligations of the Company deemed to cause the Company to be held liable as a guarantor are to be treated as quasi-guarantees and stated in notes.

3. The balance for affiliate companies is as follows:

	March 31, 2016	March 31, 2017 (Millions of yen)
Investment Securities	521	302

(Consolidated Statements of Changes in Shareholders' Equity)

Fiscal Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)

1. Matters related to outstanding shares

(Thousands of shares)				
\	Shares at April 1, 2015	Shares increased in this year	Shares decreased in this year	Shares at March 31, 2016
Shares outstanding Common stock	2,015,102	—	—	2,015,102
Total	2,015,102	—	—	2,015,102

2. Matters related to treasury stock

Not applicable

Fiscal Year Ended March 31, 2017 (April 1, 2016 - March 31, 2017)

1. Matters related to outstanding shares

(Thousands of shares)				
\	Shares at April 1, 2016	Shares increased in this year	Shares decreased in this year	Shares at March 31, 2017
Shares outstanding Common stock	2,015,102	—	—	2,015,102
Total	2,015,102	—	—	2,015,102

2. Matters related to treasury stock

Not applicable

(Per share information)

(Yen)

Year ended March 31, 2016		Year ended March 31, 2017	
Net assets per share	354.51	Net assets per share	441.08
Net income per share	30.36	Net income per share	93.59

(Notes)

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

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

		Year ended March 31, 2016	Year ended March 31, 2017
Net income attributable to owners of parent	(Millions of yen)	61,168	188,597
Amount not attributable to common stock shareholders	(Millions of yen)	—	—
Net income attributable to common stock owners of parent	(Millions of yen)	61,168	188,597
Average number of common shares outstanding	(Thousands of shares)	2,015,102	2,015,102

II. Supplemental Information (Consolidated)

1. Commissions

1) Breakdown by items

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Increase/(Decrease)	
			Amount	Percentage (%)
Brokerage commissions	60,234	41,600	(18,634)	(30.9)
Equities	43,206	36,047	(7,158)	(16.6)
Bonds	16,103	4,914	(11,189)	(69.5)
Underwriting and selling fees, and commissions from solicitation to qualifying investors	59,908	46,901	(13,007)	(21.7)
Equities	21,409	17,297	(4,111)	(19.2)
Bonds	38,172	29,111	(9,061)	(23.7)
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	38,636	34,795	(3,840)	(9.9)
Other commissions and fees	85,374	74,271	(11,103)	(13.0)
Total	244,155	197,569	(46,585)	(19.1)

2) Breakdown by instruments

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Increase/(Decrease)	
			Amount	Percentage (%)
Equities	70,557	56,915	(13,641)	(19.3)
Bonds	64,924	55,473	(9,450)	(14.6)
Beneficiary certificates	78,419	54,595	(23,824)	(30.4)
Other	30,253	30,584	330	1.1
Total	244,155	197,569	(46,585)	(19.1)

2. Net gain on trading

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Increase/(Decrease)	
			Amount	Percentage (%)
Equities, etc.	27,069	34,266	7,196	26.6
Bonds, etc. • Others	101,063	119,876	18,812	18.6
Bonds, etc.	71,653	82,761	11,107	15.5
Others	29,410	37,115	7,705	26.2
Total	128,133	154,143	26,009	20.3

3. Consolidated Capital Adequacy Requirement Ratio

(Millions of yen)

		As of March 31, 2016	As of March 31, 2017
Basic items	Total capital (A)	699,225	847,516
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	22,265	24,876
	Reserve for financial instruments transaction liabilities, etc.	2,024	2,309
	Allowance for doubtful accounts	68	62
	Subordinated long-term borrowings	49,000	26,000
	Subordinated short-term borrowings	256,000	199,000
	Total (B)	329,357	252,248
Deducted assets	(C)	204,694	204,548
Equity after deduction	(A) + (B) - (C) (D)	823,888	895,216
Amount equivalent to risk	Amount equivalent to market risk	129,846	120,233
	Amount equivalent to counterparty risk	51,713	35,175
	Amount equivalent to fundamental risk	83,293	74,502
	Total (E)	264,853	229,911
Capital adequacy requirement ratio	(D)/(E) * 100	311.0%	389.3%

4. Quarterly Consolidated Statements of Income

(Millions of yen)

	Fourth quarter ended March 2016	First quarter ended June 2016	Second quarter ended September 2016	Third quarter ended December 2016	Fourth quarter ended March 2017
	Jan. 1, 2016 - Mar. 31, 2016	Apr. 1, 2016 - Jun. 30, 2016	Jul. 1, 2016 - Sep. 30, 2016	Oct. 1, 2016 - Dec. 31, 2016	Jan. 1, 2017 - Mar. 31, 2017
Operating revenues	116,133	124,315	109,710	92,021	99,663
Commissions	54,385	54,643	56,140	40,170	46,614
Brokerage commissions	13,324	13,624	8,233	10,895	8,846
Equities	9,433	9,188	7,824	10,387	8,646
Bonds	3,643	4,238	260	310	104
Underwriting and selling fees, and commissions from solicitation to qualifying investors	13,434	14,036	15,934	5,842	11,088
Equities	5,504	4,202	5,340	2,611	5,142
Bonds	7,852	9,756	10,546	3,188	5,619
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	7,043	6,925	7,047	10,106	10,716
Other commissions and fees	20,583	20,056	24,925	13,325	15,963
Net gain on trading	38,356	44,350	44,329	36,134	29,327
Equities, etc.	2,852	(718)	10,261	18,770	5,952
Bonds, etc. • Others	35,504	45,069	34,068	17,364	23,374
Bonds, etc.	28,943	34,823	33,176	(7,854)	22,616
Others	6,560	10,246	891	25,218	758
Net gain (loss) on operating investment securities	(720)	(43)	(3,105)	3,450	3,567
Interest and dividend income	24,112	25,364	12,344	12,265	20,153
Interest expenses	15,940	17,589	12,569	14,215	15,343
Net operating revenues	100,193	106,726	97,140	77,805	84,319
Selling, general and administrative expenses	81,184	81,777	72,938	67,031	69,252
Transaction-related expenses	18,898	17,778	15,224	12,264	11,511
Personnel expenses	34,350	35,550	32,171	30,255	30,396
Real estate expenses	8,970	8,355	7,907	7,877	8,470
Administrative expenses	7,712	7,831	7,711	8,085	9,464
Depreciation and amortization	6,476	6,176	6,227	6,616	6,678
Taxes and dues	638	1,361	384	888	820
Other	4,137	4,723	3,311	1,043	1,910
Operating income	19,008	24,948	24,201	10,774	15,067
Non-operating income	976	1,390	588	755	1,249
Non-operating expenses	752	995	944	(72)	1,305
Ordinary income	19,232	25,343	23,845	11,602	15,011
Extraordinary gain	170	92	45,390	54,594	799
Extraordinary loss	1,587	606	362	265	1,918
Income before income taxes and non-controlling interests	17,815	24,829	68,874	65,931	13,892
Income taxes - current	8,055	4,969	(947)	2,471	565
Income taxes - deferred	(1,983)	9,316	(52,175)	17,436	904
Net income	11,743	10,543	121,996	46,022	12,423
Net income attributable to non-controlling interests	935	1,075	138	910	262
Net income attributable to owners of parent	10,807	9,467	121,858	45,111	12,160

III. Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and bank deposits	283,049	249,691
Cash segregated as deposits for customers and others	170,684	230,214
Trading assets	5,990,021	5,019,291
Trading securities and others	3,115,313	2,638,609
Derivatives	2,874,707	2,380,682
Receivables – unsettled trades	27,923	169,960
Operating investment securities	19,010	21,762
Operating loans receivable	3,100	2,790
Receivables related to margin transactions	98,958	96,255
Loans receivable under margin transactions	54,181	35,251
Cash collateral for borrowed securities under margin transactions	44,776	61,003
Collateralized short-term financing agreements-receivable	3,949,642	3,821,571
Deposits paid for securities borrowed	3,718,958	3,506,714
Securities purchased under agreements to resell	230,684	314,856
Advances paid	107	191
Advance payments for customers	53	161
Advance payments for others	53	30
Short-term guarantee deposits	370,794	496,793
Securities: fail to deliver	11,937	28,695
Variation margin paid	1,020	—
Short-term loans receivable	50,711	22,459
Advance payments	1,075	690
Prepaid expenses	2,647	3,193
Accounts receivable-other	2,520	6,495
Accrued income	23,143	26,456
Deferred tax assets	8,735	15,302
Other current assets	3,112	4,009
Less: Allowance for doubtful accounts	(16)	(6)
Total current assets	11,018,181	10,215,819
Noncurrent assets		
Property and equipment	14,540	15,087
Buildings	5,899	5,957
Equipment	7,054	7,681
Land	1,186	1,186
Leased assets	399	262
Intangible assets	42,370	50,195
Software	41,302	49,295
House leasehold rights	65	64
Telephone subscription rights	488	487
Other intangible assets	514	347
Investments and other assets	308,153	297,330
Investment securities	46,491	47,008
Investments in subsidiaries and affiliates	195,501	199,259
Long-term loans receivable to subsidiaries and affiliates	31,759	14,717
Long-term guarantee deposits	12,216	11,759
Long-term prepaid expenses	4,076	3,406
Prepaid pension cost	15,020	15,761
Deferred tax assets	1,394	3,815
Other	5,328	5,181
Less: Allowance for doubtful accounts	(3,634)	(3,578)
Total noncurrent assets	365,065	362,614
Total assets	11,383,246	10,578,433

(Millions of yen)

As of March 31, 2016 As of March 31, 2017

Liabilities		
Current liabilities		
Trading liabilities	4,445,062	3,771,283
Trading securities and others	1,642,885	1,299,676
Derivatives	2,802,176	2,471,607
Payables related to margin transactions	42,278	55,287
Borrowings on margin transactions	10,835	7,871
Cash collateral for loaned securities under margin transactions	31,443	47,415
Collateralized short-term financing agreements-payable	3,861,722	3,727,318
Deposits received for securities loaned	1,909,797	1,255,986
Securities sold under agreements to repurchase	1,951,925	2,471,331
Deposits received	136,356	234,622
Deposits from customers	115,985	203,251
Deposits for subscription	—	2,581
Deposits for others	20,371	28,789
Guarantee deposits received	154,013	184,821
Securities: fail to receive	4,271	12,844
Variation margin received	—	1,640
Short-term borrowings	479,403	716,603
Commercial paper	513,700	111,300
Bonds and notes due within one year	55,602	55,323
Lease obligations	377	375
Advances received	1,144	230
Accounts payable-other	717	840
Accrued expenses	26,266	25,243
Income taxes payable	4,400	—
Accrued employees' bonuses	13,217	13,432
Provision for variable compensation	790	855
Provision for bonus point redemption	623	596
Other current liabilities	3,293	559
	Total current liabilities	9,743,240
Noncurrent liabilities		
Bonds and notes	548,766	554,903
Long-term borrowings	409,400	233,500
Lease obligations	857	494
Provision for retirement benefits	18,034	19,536
Other noncurrent liabilities	1,885	1,647
	Total noncurrent liabilities	978,944
Statutory reserves		
Reserve for financial instruments transaction liabilities	2,005	2,291
	Total statutory reserves	2,005
Total liabilities	10,724,190	9,725,551

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus		
Additional paid - in capital	285,831	285,831
Other capital surplus	95,817	95,817
Total capital surpluses	381,649	381,649
Retained earnings		
Other retained earnings		
Retained earnings brought forward	149,594	332,177
Total retained earnings	149,594	332,177
Total shareholders' equity	656,411	838,993
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax	21,626	22,719
Net deferred gains or losses on hedges, net of tax	(18,982)	(8,831)
Total valuation and translation adjustments	2,644	13,887
Total net assets	659,056	852,881
Total liabilities and net assets	11,383,246	10,578,433

2. Non-consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Operating revenues		
Commissions	155,617	149,144
Brokerage commissions	30,728	26,284
Underwriting and selling fees, and commissions from solicitation to qualifying investors	27,693	34,848
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	31,397	25,539
Other commissions and fees	65,798	62,442
Net gain on trading	130,230	143,956
Net gain on operating investment securities	4,604	2,299
Interest and dividend income	29,402	45,756
Total operating revenues	<u>319,855</u>	<u>341,126</u>
Interest expenses	<u>27,552</u>	<u>37,915</u>
Net operating revenues	<u>292,303</u>	<u>303,211</u>
Selling, general and administrative expenses	231,895	239,455
Transaction-related expenses	51,176	51,513
Personnel expenses	85,135	87,966
Real estate expenses	26,042	27,237
Administrative expenses	47,955	49,355
Depreciation and amortization	14,929	17,143
Taxes and dues	3,386	2,801
Provision of allowance for doubtful accounts	(426)	(40)
Other	3,695	3,477
Operating income	<u>60,407</u>	<u>63,755</u>
Non-operating income	8,055	7,920
Non-operating expenses	1,357	1,487
Ordinary income	<u>67,105</u>	<u>70,189</u>
Extraordinary gain	13,436	119,276
Gain on sales of noncurrent assets	48	24
Gain on sales of investment securities	565	977
Gain on sales of shares of subsidiaries and affiliates	—	118,274
Indemnity receipt from the erroneous stock order	12,822	—
Extraordinary loss	2,464	2,554
Loss on sales of noncurrent assets	8	—
Loss on disposal of noncurrent assets	254	194
Loss on sales of investment securities	26	40
Loss on impairment of investment securities	0	—
Loss on impairment of investments in subsidiaries and affiliates	146	—
Loss on liquidation of subsidiaries and affiliates	—	1,129
Loss on impairment of golf club membership	0	6
Impairment losses	843	841
Head office transfer cost	577	—
Cost incurred in opening of joint branches	192	55
Provision of reserve for financial instruments transaction liabilities	416	285
Income before income taxes	<u>78,077</u>	<u>186,911</u>
Income taxes - current	6,915	161
Income taxes - deferred	16,563	(13,968)
Total income taxes	<u>23,479</u>	<u>(13,806)</u>
Net income	<u>54,598</u>	<u>200,718</u>

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

Year ended March 31, 2016

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus			Retained earnings	Total Shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	
Retained earnings brought forward						
Balance at beginning of period	125,167	285,831	95,817	381,649	112,125	618,941
Changes during the period						
Dividends of surplus					(17,128)	(17,128)
Net income					54,598	54,598
Net changes of items other than shareholders' equity						
Total changes during the period	—	—	—	—	37,469	37,469
Balance at end of period	125,167	285,831	95,817	381,649	149,594	656,411

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Net unrealized gains on (operating) investment securities, net of tax	Net deferred hedge gain (loss), net of tax	Total valuation and translation adjustments	
Balance at beginning of period	24,524	(27,505)	(2,981)	615,960
Changes during the period				
Dividends of surplus				(17,128)
Net income				54,598
Net changes of items other than shareholders' equity	(2,897)	8,523	5,626	5,626
Total changes during the period	(2,897)	8,523	5,626	43,095
Balance at end of period	21,626	(18,982)	2,644	659,056

Year ended March 31, 2017

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus			Retained earnings	Total Shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	
Retained earnings brought forward						
Balance at beginning of period	125,167	285,831	95,817	381,649	149,594	656,411
Changes during the period						
Dividends of surplus					(18,135)	(18,135)
Net income					200,718	200,718
Net changes of items other than shareholders' equity						
Total changes during the period	—	—	—	—	182,582	182,582
Balance at end of period	125,167	285,831	95,817	381,649	332,177	838,993

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Net unrealized gains on (operating) investment securities, net of tax	Net deferred hedge gain (loss), net of tax	Total valuation and translation adjustments	
Balance at beginning of period	21,626	(18,982)	2,644	659,056
Changes during the period				
Dividends of surplus				(18,135)
Net income				200,718
Net changes of items other than shareholders' equity	1,092	10,150	11,243	11,243
Total changes during the period	1,092	10,150	11,243	193,825
Balance at end of period	22,719	(8,831)	13,887	852,881

4. Note on the going-concern assumption

Not applicable

IV. Supplemental Information (Non-consolidated)

Capital adequacy requirement ratio

(Millions of yen)

		As of March 31, 2016	As of March 31, 2017
Basic items	Total capital (A)	638,275	812,797
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	2,644	13,887
	Reserve for financial instruments transaction liabilities, etc.	2,005	2,291
	Allowance for doubtful accounts	13	6
	Subordinated long-term borrowings	49,000	26,000
	Subordinated short-term borrowings	256,000	199,000
	Total (B)	309,663	241,185
Deducted assets	(C)	331,633	330,260
Equity after deduction	(A) + (B) - (C) (D)	616,305	723,721
Amount equivalent to risk	Amount equivalent to market risk	92,356	95,380
	Amount equivalent to counterparty risk	29,077	25,080
	Amount equivalent to fundamental risk	59,682	60,753
	Total (E)	181,116	181,215
Capital adequacy requirement ratio	(D)/(E) * 100	340.2%	399.3%