



July 31, 2020

## Summary of Consolidated Financial Statements for the Three Months Ended June 30, 2020 Under Japanese GAAP

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

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Preparation of supplemental explanatory documents: Yes

Holding of quarterly presentation meeting: No

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2020 (April 1, 2020 to June 30, 2020)

(Amounts are rounded down to the nearest millions of yen)

#### (1) Consolidated operating results

(Percentage figures represent year-on-year changes)

	Operating revenues		Net operating revenues		Operating income		Ordinary income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Three months ended								
June 30, 2020	94,762	11.8	80,463	26.9	19,233	742.0	19,694	843.0
June 30, 2019	84,729	(8.7)	63,418	(13.1)	2,284	(72.3)	2,088	(76.2)

(Note) Comprehensive income: June 30, 2020: 18,202 million yen ( — %)

June 30, 2019: (8,535) million yen ( — %)

	Net income attributable to owners of parent		Net income per share	Net income per share - fully diluted
	millions of yen	%	Yen	Yen
Three months ended				
June 30, 2020	14,464	878.2	7.18	—
June 30, 2019	1,478	(81.6)	0.73	—

#### (2) Consolidated financial positions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
June 30, 2020	18,401,529	905,823	4.9
March 31, 2020	17,642,714	895,187	5.1

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

June 30, 2020: 901,536 million yen

March 31, 2020: 890,983 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: None
  - 2) Changes other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None

(4) Number of outstanding shares (common stock)

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

June 30, 2020:	2,015,102,652 shares
March 31, 2020:	2,015,102,652 shares

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

June 30, 2020:	- shares
March 31, 2020:	- shares

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

Three Months Ended June 30, 2020	2,015,102,652 shares
Three Months Ended June 30, 2019	2,015,102,652 shares

\* Other important matters

Not applicable

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## 1. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Assets</b>		
Current assets		
Cash and bank deposits	690,952	513,002
Cash segregated as deposits for customers and others	394,097	412,067
Trading assets	9,237,670	10,272,628
Trading securities and others	3,022,488	4,156,586
Loans receivable	—	1,162
Derivatives	6,215,182	6,114,879
Operating investment securities	71,007	72,857
Operating loans receivable	8,360	6,686
Receivables related to margin transactions	22,055	25,741
Loans receivable under margin transactions	20,172	20,825
Cash collateral for borrowed securities under margin transactions	1,883	4,915
Collateralized short-term financing agreements - receivable	6,271,788	6,250,531
Deposits paid for securities borrowed	2,131,439	2,045,004
Securities purchased under agreements to resell	4,140,349	4,205,527
Advances paid	1,421	745
Securities: fail to deliver	96,388	31,654
Short-term loans receivable	180	408
Securities	106	154
Other current assets	633,598	602,746
Less: Allowance for doubtful accounts	(14)	(17)
Total current assets	17,427,614	18,189,207
Noncurrent assets		
Property and equipment	29,195	28,443
Intangible assets	90,141	86,773
Investments and other assets	95,762	97,105
Investment securities	47,424	54,652
Long-term guarantee deposits	11,690	11,804
Net defined benefit asset	23,299	23,582
Deferred tax assets	6,281	655
Other	10,504	9,839
Less: Allowance for doubtful accounts	(3,436)	(3,429)
Total noncurrent assets	215,099	212,321
<b>Total assets</b>	<b>17,642,714</b>	<b>18,401,529</b>

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
Current liabilities		
Trading liabilities	7,660,089	7,903,972
Trading securities and others	1,712,066	2,154,606
Derivatives	5,948,022	5,749,366
Payables - unsettled trades	27,941	212,945
Payables related to margin transactions	47,395	49,149
Borrowings on margin transactions	7,427	6,514
Cash collateral for loaned securities under margin transactions	39,968	42,634
Collateralized short-term financing agreements - payable	5,410,004	6,195,760
Deposits received for securities loaned	790,145	591,371
Securities sold under agreements to repurchase	4,619,858	5,604,388
Deposits received	350,259	381,692
Guarantee deposits received	413,931	413,589
Securities: fail to receive	82,308	23,026
Short-term borrowings	1,183,544	849,987
Commercial paper	319,000	299,000
Bonds and notes due within one year	202,359	218,525
Income taxes payable	3,143	1,734
Accrued employees' bonuses	22,255	8,375
Provision for variable compensation	816	1,021
Provision for bonus point redemption	487	137
Other current liabilities	147,623	119,026
Total current liabilities	15,871,160	16,677,944
Noncurrent liabilities		
Bonds and notes	710,635	650,272
Long-term borrowings	135,600	137,400
Lease obligations	3,279	3,172
Deferred tax liabilities	26	6
Provision for directors' retirement benefits	65	54
Provision for executive officers' retirement benefits	92	56
Net defined benefit liability	20,631	20,817
Other noncurrent liabilities	3,524	3,474
Total noncurrent liabilities	873,856	815,254
Statutory reserves		
Reserve for financial instruments transaction liabilities	2,509	2,506
Total statutory reserves	2,509	2,506
<b>Total liabilities</b>	<b>16,747,526</b>	<b>17,495,705</b>

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Net assets</b>		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	358,414	358,414
Retained earnings	460,906	467,804
Total shareholders' equity	944,488	951,386
Accumulated other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax, etc.	19,511	24,344
Foreign currency translation adjustments	(72,854)	(74,059)
Remeasurement of defined benefit plans	(161)	(136)
Total accumulated other comprehensive income (loss)	(53,504)	(49,850)
Non-controlling interests	4,203	4,287
<b>Total net assets</b>	895,187	905,823
<b>Total liabilities and net assets</b>	17,642,714	18,401,529

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statements of Income  
For the three months ended June 30, 2019 and 2020

	(Millions of yen)	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Operating revenues		
Commissions	37,248	42,432
Brokerage commissions	6,385	8,336
Underwriting and selling fees, and commissions from solicitation to qualifying investors	8,820	4,908
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	9,695	12,626
Other commissions and fees	12,346	16,560
Net gain on trading	21,870	32,639
Net gain on operating investment securities	1,882	1,358
Interest and dividend income	23,728	18,332
Total operating revenues	84,729	94,762
Interest expenses	21,311	14,299
Net operating revenues	63,418	80,463
Selling, general and administrative expenses	61,133	61,230
Transaction-related expenses	10,439	9,322
Personnel expenses	26,885	28,645
Real estate expenses	7,537	6,558
Administrative expenses	6,621	7,423
Depreciation and amortization	7,043	7,064
Taxes and dues	1,338	1,260
Provision of allowance for doubtful accounts	(21)	(4)
Other	1,288	958
Operating income	2,284	19,233
Non-operating income	535	931
Non-operating expenses	731	471
Ordinary income	2,088	19,694
Extraordinary gain	181	5
Gain on sales of noncurrent assets	18	—
Gain on sales of investment securities	161	1
Reversal of reserve for financial instruments transaction liabilities	0	3
Extraordinary loss	34	733
Loss on sales of noncurrent assets	—	4
Loss on disposal of noncurrent assets	8	6
Loss on impairment of investment securities	26	—
Loss on impairment of golf club membership	—	4
Impairment losses	—	630
Head office transfer cost	—	18
Loss related to novel coronavirus disease	—	69
Income before income taxes and non-controlling interests	2,234	18,966
Income taxes - current	358	897
Income taxes - refund	(21)	—
Income taxes - deferred	636	3,504
Total income taxes	973	4,401
Net income	1,261	14,565
Net income (loss) attributable to non-controlling interests	(217)	100
Net income attributable to owners of parent	1,478	14,464

Quarterly Consolidated Statements of Comprehensive Income  
For the three months ended June 30, 2019 and 2020

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net income	1,261	14,565
Other comprehensive income (loss)		
Net unrealized gains (losses) on (operating) investment securities, net of tax, etc.	(1,914)	4,833
Foreign currency translation adjustments	(7,736)	(1,222)
Remeasurement of defined benefit plans	(146)	(38)
Share in other comprehensive income of affiliates accounted for using equity method	—	64
Total other comprehensive income (loss)	(9,797)	3,637
Comprehensive income (loss)	(8,535)	18,202
(Breakdown)		
Attributable to:		
Owners of parent	(8,245)	18,118
Non-controlling interests	(289)	83



**(3) Note on the going-concern assumption**

Not applicable

**(4) Note on material changes in shareholders' equity**

Not applicable

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

## 1) Breakdown by items

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020	Increase/(Decrease)	
			Amount	Percentage (%)
Brokerage commissions	6,385	8,336	1,951	30.6
Equities	6,043	7,877	1,834	30.3
Bonds	238	244	6	2.5
Underwriting and selling fees, and commissions from solicitation to qualifying investors	8,820	4,908	(3,912)	(44.4)
Equities	2,556	414	(2,142)	(83.8)
Bonds	6,197	4,471	(1,726)	(27.9)
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	9,695	12,626	2,931	30.2
Other commissions and fees	12,346	16,560	4,213	34.1
Total	37,248	42,432	5,184	13.9

## 2) Breakdown by instruments

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020	Increase/(Decrease)	
			Amount	Percentage (%)
Equities	9,441	10,680	1,238	13.1
Bonds	10,413	8,788	(1,625)	(15.6)
Beneficiary certificates	11,495	14,381	2,885	25.1
Others	5,897	8,582	2,684	45.5
Total	37,248	42,432	5,184	13.9

**(2) Net gain on trading**

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020	Increase/(Decrease)	
			Amount	Percentage (%)
Equities, etc.	5,381	12,111	6,729	125.1
Bonds, etc. and others	16,489	20,528	4,038	24.5
Total	21,870	32,639	10,768	49.2

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

(Millions of yen)

		As of March 31, 2020	As of June 30, 2020
Basic items (A)		868,281	881,614
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	19,349	24,208
	Reserve for financial instruments transaction liabilities, etc.	2,509	2,506
	Allowance for doubtful accounts	11	13
	Subordinated short-term borrowings	90,000	90,000
Total (B)		111,871	116,728
Deducted assets (C)		210,790	204,912
Equity after deduction (A) + (B) - (C) (D)		769,361	793,431
Amount equivalent to risk	Amount equivalent to market risk	145,058	127,260
	Amount equivalent to counterparty risk	52,173	64,477
	Amount equivalent to fundamental risk	70,595	69,333
	Total (E)	267,827	261,071
Consolidated capital adequacy requirement ratio (D)/(E) * 100		287.2%	303.9%

**2) Non-consolidated base**

(Millions of yen)

		As of March 31, 2020	As of June 30, 2020
Basic items (A)		870,521	888,108
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	10,312	15,063
	Reserve for financial instruments transaction liabilities, etc.	2,509	2,506
	Allowance for doubtful accounts	5	7
	Subordinated short-term borrowings	90,000	90,000
Total (B)		102,827	107,576
Deducted assets (C)		358,404	368,243
Equity after deduction (A) + (B) - (C) (D)		614,943	627,442
Amount equivalent to risk	Amount equivalent to market risk	99,942	91,629
	Amount equivalent to counterparty risk	40,628	50,502
	Amount equivalent to fundamental risk	66,966	67,678
	Total (E)	207,537	209,810
Capital adequacy requirement ratio (D)/(E) * 100		296.3%	299.0%

**(4) Quarterly Consolidated Statements of Income**

(Millions of yen)

	First quarter ended June 2019	Second quarter ended September 2019	Third quarter ended December 2019	Fourth quarter ended March 2020	First quarter ended June 2020
	Apr. 1, 2019 - Jun. 30, 2019	Jul. 1, 2019 - Sep. 30, 2019	Oct. 1, 2019 - Dec. 31, 2019	Jan. 1, 2020 - Mar. 31, 2020	Apr. 1, 2020 - Jun. 30, 2020
Operating revenues	84,729	105,649	98,244	93,151	94,762
Commissions	37,248	41,860	41,182	41,325	42,432
Brokerage commissions	6,385	7,341	7,514	8,572	8,336
Equities	6,043	7,012	7,223	8,019	7,877
Bonds	238	214	208	337	244
Underwriting and selling fees, and commissions from solicitation to qualifying investors	8,820	10,744	8,196	6,390	4,908
Equities	2,556	2,637	2,663	3,001	414
Bonds	6,197	8,043	5,428	2,950	4,471
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	9,695	10,035	10,873	9,545	12,626
Other commissions and fees	12,346	13,739	14,598	16,816	16,560
Net gain on trading	21,870	31,786	30,278	24,554	32,639
Equities, etc.	5,381	10,238	13,682	10,914	12,111
Bonds, etc. and others	16,489	21,547	16,595	13,639	20,528
Net gain (loss) on operating investment	1,882	1,373	498	(481)	1,358
Interest and dividend income	23,728	30,629	26,285	27,753	18,332
Interest expenses	21,311	30,628	22,320	25,429	14,299
Net operating revenues	63,418	75,021	75,924	67,722	80,463
Selling, general and administrative expenses	61,133	63,703	65,806	62,204	61,230
Transaction-related expenses	10,439	11,195	11,138	10,220	9,322
Personnel expenses	26,885	30,251	30,001	27,651	28,645
Real estate expenses	7,537	7,158	7,649	7,501	6,558
Administrative expenses	6,621	6,582	6,554	7,799	7,423
Depreciation and amortization	7,043	7,428	8,057	7,154	7,064
Taxes and dues	1,338	1,086	1,347	916	1,260
Other	1,266	(0)	1,057	962	954
Operating income	2,284	11,317	10,117	5,517	19,233
Non-operating income	535	1,039	1,557	903	931
Non-operating expenses	731	355	(22)	949	471
Ordinary income	2,088	12,001	11,697	5,471	19,694
Extraordinary gain	181	4	352	120	5
Extraordinary loss	34	222	304	2,174	733
Income before income taxes and non- controlling interests	2,234	11,783	11,744	3,417	18,966
Income taxes - current	337	933	2,412	549	897
Income taxes - deferred	636	1,902	(1,184)	1,087	3,504
Net income	1,261	8,946	10,517	1,780	14,565
Net income (loss) attributable to non- controlling interests	(217)	41	666	586	100
Net income attributable to owners of parent	1,478	8,905	9,851	1,193	14,464

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

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

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Assets</b>		
Current assets		
Cash and bank deposits	533,288	372,564
Cash segregated as deposits for customers and others	387,043	406,089
Trading assets	6,461,814	7,473,818
Trading securities and others	2,366,879	3,574,035
Derivatives	4,094,934	3,899,782
Operating investment securities	33,430	35,217
Receivables related to margin transactions	22,055	25,741
Loans receivable under margin transactions	20,172	20,825
Cash collateral for borrowed securities under margin transactions	1,883	4,915
Collateralized short-term financing agreements - receivable	4,296,231	4,270,578
Deposits paid for securities borrowed	2,131,439	2,045,004
Securities purchased under agreements to resell	2,164,792	2,225,573
Advances paid	579	50
Securities: fail to deliver	12,971	10,723
Short-term loans receivable	37,298	33,639
Other current assets	595,830	526,306
Less: Allowance for doubtful accounts	(7)	(10)
Total current assets	<u>12,380,536</u>	<u>13,154,719</u>
Noncurrent assets		
Property and equipment	11,196	20,712
Intangible assets	61,637	59,313
Investments and other assets	302,584	307,185
Investment securities	237,673	240,968
Long-term guarantee deposits	10,572	11,196
Prepaid pension cost	21,275	21,664
Deferred tax assets	18,739	12,988
Other	18,308	24,345
Less: Allowance for doubtful accounts	(3,435)	(3,429)
Less: Allowance for possible losses on securities	(548)	(548)
Total noncurrent assets	<u>375,419</u>	<u>387,212</u>
<b>Total assets</b>	<u>12,755,956</u>	<u>13,541,931</u>

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
Current liabilities		
Trading liabilities	5,032,193	5,220,103
Trading securities and others	1,197,319	1,681,960
Derivatives	3,834,873	3,538,142
Payables - unsettled trades	61,668	262,947
Payables related to margin transactions	47,395	49,149
Borrowings on margin transactions	7,427	6,514
Cash collateral for loaned securities under margin transactions	39,968	42,634
Collateralized short-term financing agreements - payable	3,660,235	4,424,492
Deposits received for securities loaned	790,395	591,619
Securities sold under agreements to repurchase	2,869,840	3,832,872
Deposits received	350,409	380,272
Guarantee deposits received	370,607	362,848
Securities: fail to receive	2,029	1,167
Short-term borrowings	1,035,215	717,133
Commercial paper	319,000	299,000
Bonds and notes due within one year	137,358	150,449
Income taxes payable	3,022	1,140
Accrued employees' bonuses	13,531	4,037
Provision for variable compensation	816	1,021
Provision for bonus point redemption	487	137
Other current liabilities	53,465	28,109
Total current liabilities	<u>11,087,436</u>	<u>11,902,010</u>
Noncurrent liabilities		
Bonds and notes	620,079	573,817
Long-term borrowings	135,600	137,400
Provision for retirement benefits	19,828	20,062
Other noncurrent liabilities	2,111	2,962
Total noncurrent liabilities	<u>777,618</u>	<u>734,242</u>
Statutory reserves		
Reserve for financial instruments transaction liabilities	2,509	2,506
Total statutory reserves	<u>2,509</u>	<u>2,506</u>
<b>Total liabilities</b>	<u>11,867,565</u>	<u>12,638,759</u>
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	381,649	381,649
Retained earnings	371,261	381,292
Total shareholders' equity	<u>878,078</u>	<u>888,108</u>
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax, etc.	20,066	24,830
Net deferred gains or losses on hedges, net of tax	(9,754)	(9,766)
Total valuation and translation adjustments	<u>10,312</u>	<u>15,063</u>
<b>Total net assets</b>	<u>888,390</u>	<u>903,172</u>
<b>Total liabilities and net assets</b>	<u>12,755,956</u>	<u>13,541,931</u>

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

For the three months ended June 30, 2019 and 2020

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Operating revenues		
Commissions	34,070	39,308
Net gain on trading	20,401	28,761
Net gain on operating investment securities	1,293	305
Interest and dividend income	19,132	15,058
Total operating revenues	74,896	83,434
Interest expenses	16,759	11,666
Net operating revenues	58,137	71,768
Selling, general and administrative expenses	55,177	58,966
Transaction-related expenses	12,635	15,512
Personnel expenses	19,418	21,778
Real estate expenses	6,040	5,225
Administrative expenses	10,366	9,524
Depreciation and amortization	4,561	5,045
Taxes and dues	1,264	1,237
Provision of allowance for doubtful accounts	(20)	(3)
Other	909	645
Operating income	2,960	12,801
Non-operating income	2,863	2,632
Non-operating expenses	57	32
Ordinary income	5,766	15,401
Extraordinary gain	181	6,655
Gain on sales of noncurrent assets	18	—
Gain on sales of investment securities	161	1
Gain on extinguishment of tie-in shares	—	6,649
Reversal of reserve for financial instruments transaction liabilities	0	3
Extraordinary loss	261	740
Loss on sales of noncurrent assets	—	4
Loss on disposal of noncurrent assets	8	6
Loss on impairment of investment securities	26	—
Loss on liquidation of subsidiaries and affiliates	80	—
Loss on impairment of golf club membership	—	4
Impairment losses	—	630
Head office transfer cost	—	18
Loss related to novel coronavirus disease	—	69
Provision of allowance for possible losses on securities	146	7
Income before income taxes	5,686	21,315
Income taxes - current	34	136
Income taxes - deferred	934	3,591
Total income taxes	969	3,728
Net income	4,717	17,587