



April 30, 2015

Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2015 Under Japanese GAAP

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

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Preparation of supplemental explanatory documents: Yes

Holding of presentation meeting: No

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 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	%
Year ended March 31, 2015	441,331	20.0	395,552	22.4	84,384	108.1	86,477	100.4
Year ended March 31, 2014	367,702	10.9	323,197	25.6	40,552	34.9	43,153	33.0

(Note) Comprehensive income: Year ended March 31, 2015: 78,088 million yen (38.0 %)

Year ended March 31, 2014: 56,579 million yen (31.1 %)

	Net income		Net income per share	Net income per share - fully diluted	Return on Equity
	millions of yen	%	yen	yen	%
Year ended March 31, 2015	58,652	14.4	29.11	—	8.9
Year ended March 31, 2014	51,247	78.6	25.43	—	8.5

Reference: Equity in net earnings of affiliated companies: Year ended March 31, 2015: 32million yen

Year ended March 31, 2014: 36 million yen

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
March 31, 2015	21,048,338	706,160	3.2	338.26
March 31, 2014	22,345,707	651,962	2.8	313.35

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

March 31, 2015: 681,629 million yen

March 31, 2014: 631,440 million yen

2. Notes

(1) Changes in significant subsidiaries (changes in specified subsidiaries accompanying changes in the scope of consolidation) during the period: None

(2) 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) For further information, please refer to "6. Changes in accounting policies" on page 11.

(3) Number of outstanding shares (common stock)

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

March 31, 2015: 2,015,102,652 shares

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

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

March 31, 2015: — shares

March 31, 2014: — shares

3) Average number of outstanding shares for the period:

March 31, 2015: 2,015,102,652 shares

March 31, 2014: 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, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and bank deposits	278,478	447,202
Cash segregated as deposits for customers and others	170,820	159,285
Trading assets	7,036,655	5,858,340
Trading securities and others	5,922,358	4,108,556
Derivatives	1,114,296	1,749,783
Receivables – unsettled trades	67,668	542,175
Operating investment securities	61,040	55,508
Operating loans receivable	9,758	14,303
Receivables related to margin transactions	88,779	77,486
Loans receivable under margin transactions	72,867	53,331
Cash collateral for borrowed securities under margin transactions	15,911	24,155
Collateralized short-term financing agreements-receivable	14,046,930	13,123,583
Deposits paid for securities borrowed	4,774,637	4,047,550
Securities purchased under agreements to resell	9,272,292	9,076,033
Advances paid	4,656	2,756
Securities: fail to deliver	19,567	28,452
Short-term loans receivable	6,390	6,800
Securities	6,250	5,811
Deferred tax assets	25,178	24,896
Other current assets	295,712	448,064
Less: Allowance for doubtful accounts	(78)	(93)
Total current assets	22,117,807	20,794,574
Noncurrent assets		
Property and equipment	40,374	39,633
Buildings	13,791	12,613
Equipment	7,976	8,990
Land	17,750	17,425
Leased assets	855	604
Intangible assets	83,523	89,326
Software	32,855	44,140
Customer related assets	49,084	43,785
Other	1,584	1,400
Investments and other assets	104,002	124,803
Investment securities	63,595	78,149
Long-term loans receivable	124	112
Long-term guarantee deposits	17,679	13,769
Net defined benefit asset	11,535	23,342
Deferred tax assets	925	758
Other	14,765	13,732
Less: Allowance for doubtful accounts	(4,624)	(5,061)
Total noncurrent assets	227,900	253,763
Total assets	22,345,707	21,048,338

(Millions of yen)

As of March 31, 2014

As of March 31, 2015

Liabilities

Current liabilities

Trading liabilities	5,294,062	4,858,549
Trading securities and others	4,277,148	3,190,401
Derivatives	1,016,914	1,668,148
Payables related to margin transactions	23,936	34,980
Borrowings on margin transactions	8,030	9,240
Cash collateral for loaned securities under margin transactions	15,905	25,739
Collateralized short-term financing agreements-payable	13,381,117	11,980,429
Deposits received for securities loaned	2,630,759	1,416,402
Securities sold under agreements to repurchase	10,750,358	10,564,026
Deposits received	165,964	189,288
Guarantee deposits received	385,265	529,112
Securities: fail to receive	26,676	28,627
Short-term borrowings	686,517	788,896
Commercial paper	290,100	456,500
Bonds and notes due within one year	128,898	179,556
Lease obligations	438	415
Income taxes payable	3,183	11,025
Accrued employees' bonuses	24,693	31,206
Provision for bonus point redemption	695	783
Other current liabilities	58,079	72,307
Total current liabilities	20,469,629	19,161,679

Noncurrent liabilities

Bonds and notes	560,173	603,908
Long-term borrowings	623,979	524,000
Lease obligations	1,734	1,353
Deferred tax liabilities	13,496	25,497
Provision for directors' retirement benefits	265	283
Provision for executive officers' retirement benefits	183	143
Net defined benefit liability	17,774	18,557
Other noncurrent liabilities	5,234	5,144
Total noncurrent liabilities	1,222,842	1,178,889

Statutory reserves

Reserve for financial instruments transaction liabilities	1,273	1,607
Total statutory reserves	1,273	1,607

Total liabilities

21,693,745	20,342,177
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(Millions of yen)

As of March 31, 2014 As of March 31, 2015

Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	359,999	359,999
Retained earnings	191,868	227,145
Total shareholders' equity	<u>677,034</u>	<u>712,312</u>
Accumulated other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax	15,938	24,854
Foreign currency translation adjustments	(65,414)	(63,399)
Remeasurement of defined benefit plans	3,881	7,862
Total accumulated other comprehensive income (loss)	<u>(45,594)</u>	<u>(30,682)</u>
Minority interests	20,522	24,531
Total net assets	<u>651,962</u>	<u>706,160</u>
Total liabilities and net assets	<u>22,345,707</u>	<u>21,048,338</u>

2. Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Operating revenues		
Commissions	209,709	228,582
Brokerage commissions	68,224	65,771
Underwriting and selling fees, and commissions from solicitation to qualifying investors	37,641	52,991
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	41,044	38,068
Other commissions and fees	62,799	71,750
Net gain on trading	69,849	122,100
Net gain on operating investment securities	3,836	18,266
Interest and dividend income	84,306	72,381
Total operating revenues	<u>367,702</u>	<u>441,331</u>
Interest expenses	44,504	45,778
Net operating revenues	<u>323,197</u>	<u>395,552</u>
Selling, general and administrative expenses	282,645	311,168
Transaction-related expenses	57,314	64,386
Personnel expenses	129,539	140,864
Real estate expenses	33,702	34,444
Administrative expenses	21,273	25,715
Depreciation and amortization	23,409	23,632
Taxes and dues	4,299	4,472
Provision of allowance for doubtful accounts	131	451
Other	12,975	17,200
Operating income	<u>40,552</u>	<u>84,384</u>
Non-operating income	4,223	3,402
Non-operating expenses	1,622	1,309
Ordinary income	<u>43,153</u>	<u>86,477</u>
Extraordinary gain	4,258	698
Gain on sales of noncurrent assets	57	89
Gain on sales of investment securities	4,200	609
Extraordinary loss	5,226	2,573
Loss on sales of noncurrent assets	4	—
Loss on disposal of noncurrent assets	480	410
Loss on sales of investment securities	123	76
Loss on impairment of investment securities	30	10
Loss on impairment of golf club membership	7	0
Impairment losses	149	859
Merger expenses	2,068	—
Head office transfer cost	2,293	881
Provision of reserve for financial instruments transaction liabilities	69	334
Income before income taxes and minority interests	<u>42,185</u>	<u>84,602</u>
Income taxes – current	3,527	16,755
Income taxes – deferred	(12,161)	6,705
Total income taxes	<u>(8,634)</u>	<u>23,461</u>
Income before minority interests	<u>50,820</u>	<u>61,141</u>
Minority interests	(426)	2,489
Net income	<u>51,247</u>	<u>58,652</u>

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Income before minority interests	50,820	61,141
Other comprehensive income		
Net unrealized gains on (operating) investment securities, net of tax	1,783	9,079
Foreign currency translation adjustments	3,974	3,861
Remeasurement of defined benefit plans	—	4,005
Share in other comprehensive income of affiliates accounted for using equity method	1	0
Total other comprehensive income	<u>5,759</u>	<u>16,946</u>
Comprehensive income	<u>56,579</u>	<u>78,088</u>
(Breakdown)		
Attributable to:		
Owners of the parent	54,998	73,563
Minority interests	1,581	4,524

3. Consolidated Statements of Changes in Shareholders' Equity

Year ended March 31, 2014

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	125,167	359,999	140,554	625,720
Changes during the period				
Net income			51,247	51,247
Changes in scope of consolidation			66	66
Net changes of items other than shareholders' equity				
Total changes during the period	—	—	51,313	51,313
Balance at end of period	125,167	359,999	191,868	677,034

(Millions of yen)

	Accumulated other comprehensive income				Minority 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		
Balance at beginning of period	14,145	(67,372)	—	(53,226)	19,926	592,420
Changes during the period						
Net income						51,247
Changes in scope of consolidation						66
Net changes of items other than shareholders' equity	1,792	1,958	3,881	7,632	595	8,228
Total changes during the period	1,792	1,958	3,881	7,632	595	59,541
Balance at end of period	15,938	(65,414)	3,881	(45,594)	20,522	651,962

Year ended March 31, 2015

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	125,167	359,999	191,868	677,034
Cumulative effect of changes in accounting policies			2,869	2,869
Restated balance	125,167	359,999	194,737	679,903
Changes during the period				
Dividends of surplus			(26,196)	(26,196)
Net income			58,652	58,652
Changes in scope of consolidation			(47)	(47)
Net changes of items other than shareholders' equity				
Total changes during the period	—	—	32,408	32,408
Balance at end of period	125,167	359,999	227,145	712,312

(Millions of yen)

	Accumulated other comprehensive income				Minority 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		
Balance at beginning of period	15,938	(65,414)	3,881	(45,594)	20,522	651,962
Cumulative effect of changes in accounting policies					122	2,992
Restated balance	15,938	(65,414)	3,881	(45,594)	20,645	654,954
Changes during the period						
Dividends of surplus						(26,196)
Net income						58,652
Changes in scope of consolidation						(47)
Net changes of items other than shareholders' equity	8,916	2,014	3,980	14,911	3,885	18,797
Total changes during the period	8,916	2,014	3,980	14,911	3,885	51,206
Balance at end of period	24,854	(63,399)	7,862	(30,682)	24,531	706,160

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 (21 subsidiaries)

Major subsidiaries

Mizuho Securities UK Holdings Ltd.
Mizuho International plc
Mizuho Bank (Switzerland) Ltd.
Mizuho Securities USA Inc.
Mizuho Securities Asia Limited
Mizuho Securities (Singapore) Pte. Ltd.
Mizuho Securities India Private Limited
Mizuho Investment Consulting (Shanghai) Co., Ltd.
Shinko Asset Management 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 4 companies

Excluded from the scope of consolidation:

The CVC II Limited Partnership
Greater China PE Fund, L.P.

2. Matters concerning the application of equity method

Equity-method affiliates (9 affiliates)

Neostella Capital Co., Ltd.
Energy & Environment Investment, Inc.
Mobile Internet Capital, Inc.
The Neostella Capital No.1 Investment Business Limited Partnership
Industrial Decisions, Inc.
Other 4 companies

3. Matters related to the period of consolidated subsidiaries

The closing dates of consolidated subsidiaries are as follows:

March 31, 2015	19 subsidiaries
December 31, 2014	2 subsidiaries

For 2 consolidated subsidiaries with different closing dates to the consolidated closing date, financial statements as of each subsidiary's closing date are used. However, for important transactions that took place between the closing date of each company and the consolidated closing date, adjustments necessary for the consolidation are performed.

4. Matters related to the accounting standards

(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:

a) Bonds that are to be held to maturity

The amortized cost (straight-line) method is used.

b) Other securities

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.

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

Both the Company and domestic consolidated subsidiaries mainly use declining-balance method.

However, buildings acquired after 1 April 1998 (excluding the equipment, etc. they contain) are depreciated using the straight-line 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 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.

4) 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.

5) 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.

6) 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 and prior service cost
Prior service cost is charged to expenses using the lump-sum or the straight-line method based on determined years (10 years) within average remaining service year of the employees when incurred.
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 "Minority 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. Changes in accounting policies

(Application of "Accounting Standard for Retirement Benefits", etc.)

The Company applied the paragraph 35 of "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No.26, May 17, 2012) and the paragraph 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, March 26, 2015) to modify calculation method of retirement benefit obligations and service costs from this fiscal year. As a result, the Company changed the method to allocate expected benefit payments from the straight-line method to the benefit formula method. The Company also changed the discount rate(s) from a single rate corresponding to an approximate average remaining service year of its employees to plural rates corresponding to each period of the expected benefit payments.

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

As a result, at the beginning of this fiscal year, Net defined benefit asset increased by 4,442million yen, Net defined benefit liability decreased by 87million yen, Retained earnings increased by 2,869million yen and Minority interests increased by 122million yen. In addition, in this fiscal year, Operating income, Ordinary income and Income before income taxes and minority interests increased by 373million yen, respectively.

The impact of applying these accounting standards to Net assets per share and Net income per share is insignificant.

7. Notes to Consolidated Financial Statements

(Consolidated Balance Sheets)

	Year ended March 31, 2014	Year ended March 31, 2015 (Millions of yen)
1. Accumulated depreciation deducted from property and equipment	57,645	56,573
2. Obligations under guarantees	215	176
(potential guarantee obligation)	(130)	(83)

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, 2014	March 31, 2015 (Millions of yen)
Investment Securities	544	481

(Consolidated Statements of Changes in Shareholders' Equity)

Fiscal Year Ended March 31, 2014 (April 1, 2013 - March 31, 2014)

1. Matters related to outstanding shares

(Thousands of shares)				
\	Shares at April 1, 2013	Shares increased in this year	Shares decreased in this year	Shares at March 31, 2014
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, 2015 (April 1, 2014 - March 31, 2015)

1. Matters related to outstanding shares

(Thousands of shares)				
\	Shares at April 1, 2014	Shares increased in this year	Shares decreased in this year	Shares at March 31, 2015
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, 2014		Year ended March 31, 2015	
Net assets per share	313.35	Net assets per share	338.26
Net income per share	25.43	Net income per share	29.11

(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, 2014	Year ended March 31, 2015
Net income (Millions of yen)	51,247	58,652
Amount not attributable to common stock shareholders (Millions of yen)	—	—
Net income attributable to common stock (Millions of yen)	51,247	58,652
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, 2014	Year ended March 31, 2015	Increase/(Decrease)	
			Amount	Percentage (%)
Brokerage commissions	68,224	65,771	(2,452)	(3.6)
Equities	53,733	48,154	(5,579)	(10.4)
Bonds	14,052	16,957	2,904	20.7
Underwriting and selling fees, and commissions from solicitation to qualifying investors	37,641	52,991	15,350	40.8
Equities	13,968	15,368	1,399	10.0
Bonds	22,892	37,444	14,552	63.6
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	41,044	38,068	(2,975)	(7.2)
Other commissions and fees	62,799	71,750	8,951	14.3
Total	209,709	228,582	18,873	9.0

2) Breakdown by instruments

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase/(Decrease)	
			Amount	Percentage (%)
Equities	69,368	65,204	(4,164)	(6.0)
Bonds	43,420	61,339	17,918	41.3
Beneficiary certificates	73,467	78,678	5,211	7.1
Other	23,452	23,360	(92)	(0.4)
Total	209,709	228,582	18,873	9.0

2. Net gain on trading

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase/(Decrease)	
			Amount	Percentage (%)
Equities, etc.	26,063	23,545	(2,517)	(9.7)
Bonds, etc. • Others	43,786	98,555	54,768	125.1
Bonds, etc.	45,218	105,486	60,267	133.3
Others	(1,431)	(6,930)	(5,499)	—
Total	69,849	122,100	52,251	74.8

3. Consolidated Capital Adequacy Requirement Ratio

(Millions of yen)

		As of March 31, 2014	As of March 31, 2015
Basic items	Total capital (A)	605,916	656,294
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	19,819	32,716
	Reserve for financial instruments transaction liabilities, etc.	1,273	1,607
	Allowance for doubtful accounts	72	71
	Subordinated long-term borrowings	90,000	74,000
	Subordinated short-term borrowings	195,000	271,000
	Total (B)	306,165	379,396
Deducted assets	(C)	209,045	219,570
Equity after deduction	(A) + (B) - (C) (D)	703,035	816,120
Amount equivalent to risk	Amount equivalent to market risk	158,799	166,488
	Amount equivalent to counterparty risk	55,011	61,967
	Amount equivalent to fundamental risk	71,731	75,845
	Total (E)	285,541	304,302
Capital adequacy requirement ratio	(D)/(E) * 100	246.2%	268.1%

4. Quarterly Consolidated Statements of Income

(Millions of yen)

	Fourth quarter ended March 2014	First quarter ended June 2014	Second quarter ended September 2014	Third quarter ended December 2014	Fourth quarter ended March 2015
	Jan. 1, 2014 - Mar. 31, 2014	Apr. 1, 2014 - Jun. 30, 2014	Jul. 1, 2014 - Sep. 30, 2014	Oct. 1, 2014 - Dec. 31, 2014	Jan. 1, 2015 - Mar. 31, 2015
Operating revenues	86,492	90,085	107,039	119,179	125,026
Commissions	50,880	45,810	55,218	60,584	66,969
Brokerage commissions	14,174	12,829	16,717	17,940	18,284
Equities	10,129	9,142	12,805	12,836	13,369
Bonds	3,937	3,581	3,802	4,872	4,700
Underwriting and selling fees, and commissions from solicitation to qualifying investors	10,075	8,554	10,834	16,485	17,117
Equities	4,808	2,177	3,534	4,469	5,186
Bonds	4,905	6,376	7,284	12,000	11,783
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	9,652	9,368	9,957	8,023	10,720
Other commissions and fees	16,978	15,058	17,709	18,136	20,847
Net gain on trading	18,640	25,760	26,337	39,451	30,551
Equities, etc.	(348)	2,313	3,527	14,638	3,065
Bonds, etc. • Others	18,989	23,446	22,810	24,812	27,486
Bonds, etc.	14,183	20,167	27,127	36,651	21,539
Others	4,806	3,278	(4,317)	(11,839)	5,947
Net gain (loss) on operating investment securities	(9)	3,425	6,957	1,613	6,269
Interest and dividend income	16,980	15,088	18,526	17,530	21,236
Interest expenses	10,813	9,244	11,693	11,908	12,933
Net operating revenues	75,678	80,841	95,346	107,271	112,093
Selling, general and administrative expenses	71,371	70,076	74,898	82,573	83,620
Transaction-related expenses	15,471	13,618	15,813	17,445	17,508
Personnel expenses	32,526	31,979	34,507	38,911	35,467
Real estate expenses	8,975	8,456	8,211	8,703	9,073
Administrative expenses	4,354	5,790	6,193	6,479	7,250
Depreciation and amortization	5,708	5,714	5,182	5,762	6,972
Taxes and dues	672	1,141	1,077	1,307	945
Other	3,662	3,374	3,912	3,963	6,402
Operating income	4,307	10,764	20,448	24,698	28,472
Non-operating income	1,313	851	905	770	874
Non-operating expenses	154	781	127	(104)	504
Ordinary income	5,466	10,833	21,226	25,573	28,842
Extraordinary gain	471	313	100	51	233
Extraordinary loss	1,867	764	629	237	941
Income before income taxes and minority interests	4,070	10,382	20,697	25,387	28,134
Income taxes - current	(1,120)	1,852	4,531	2,868	7,502
Income taxes - deferred	1,038	2,027	(1,145)	2,904	2,919
Income before minority interests	4,151	6,502	17,311	19,613	17,713
Minority interests	105	220	275	286	1,706
Net income	4,046	6,282	17,036	19,326	16,006

III. Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and bank deposits	153,502	320,613
Cash segregated as deposits for customers and others	164,937	151,401
Trading assets	5,262,651	4,184,018
Trading securities and others	4,174,833	2,494,775
Derivatives	1,087,818	1,689,243
Receivables – unsettled trades	82,267	580,287
Operating investment securities	18,483	17,516
Operating loans receivable	3,598	3,240
Receivables related to margin transactions	85,274	74,794
Loans receivable under margin transactions	69,407	50,849
Cash collateral for borrowed securities under margin transactions	15,867	23,945
Collateralized short-term financing agreements-receivable	4,926,123	4,109,246
Deposits paid for securities borrowed	4,789,303	4,060,231
Securities purchased under agreements to resell	136,820	49,014
Advances paid	662	189
Advance payments for customers	646	169
Advance payments for others	15	20
Short-term guarantee deposits	108,208	208,013
Securities: fail to deliver	3,843	25,582
Variation margin paid	1,353	4,826
Short-term loans receivable	59,677	46,084
Advance payments	988	600
Prepaid expenses	2,703	2,926
Accounts receivable-other	1,669	4,527
Accrued income	20,749	24,167
Deferred tax assets	21,842	21,160
Other current assets	34	6,091
Less: Allowance for doubtful accounts	(21)	(12)
Total current assets	10,918,552	9,785,276
Noncurrent assets		
Property and equipment	17,284	15,678
Buildings	7,101	6,283
Equipment	6,593	6,374
Land	2,745	2,419
Leased assets	843	601
Intangible assets	30,210	34,344
Software	28,669	32,986
House leasehold rights	78	75
Telephone subscription rights	490	489
Other intangible assets	972	792
Investments and other assets	308,211	297,869
Investment securities	41,674	51,981
Investments in subsidiaries and affiliates	189,258	189,208
Long-term loans receivable to subsidiaries and affiliates	25,981	16,112
Long-term guarantee deposits	16,843	12,670
Long-term prepaid expenses	6,250	5,172
Prepaid pension cost	7,138	12,746
Deferred tax assets	18,986	8,297
Other	6,697	6,733
Less: Allowance for doubtful accounts	(4,619)	(5,055)
Total noncurrent assets	355,706	347,891
Total assets	11,274,259	10,133,168

(Millions of yen)

As of March 31, 2014

As of March 31, 2015

Liabilities

Current liabilities

Trading liabilities	4,209,557	3,909,239
Trading securities and others	3,216,324	2,294,228
Derivatives	993,232	1,615,010
Payables related to margin transactions	22,643	33,922
Borrowings on margin transactions	6,782	8,383
Cash collateral for loaned securities under margin transactions	15,861	25,539
Collateralized short-term financing agreements-payable	4,251,865	3,052,857
Deposits received for securities loaned	2,630,804	1,417,601
Securities sold under agreements to repurchase	1,621,061	1,635,255
Deposits received	131,547	160,613
Deposits from customers	94,928	104,521
Deposits for subscription	694	538
Deposits for others	35,923	55,553
Guarantee deposits received	70,936	110,135
Securities: fail to receive	5,352	8,685
Short-term borrowings	509,698	626,792
Commercial paper	290,100	456,500
Bonds and notes due within one year	48,353	67,220
Lease obligations	432	414
Advances received	497	1,363
Accounts payable-other	2,375	3,221
Accrued expenses	22,533	24,301
Income taxes payable	1,112	2,549
Accrued employees' bonuses	12,627	14,757
Provision for bonus point redemption	695	783
Other current liabilities	2,752	1,524

Total current liabilities	9,583,084	8,474,880
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Noncurrent liabilities

Bonds and notes	455,877	496,002
Long-term borrowings	616,900	524,000
Lease obligations	1,730	1,351
Provision for retirement benefits	16,094	16,952
Other noncurrent liabilities	2,065	2,431

Total noncurrent liabilities	1,092,668	1,040,738
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Statutory reserves

Reserve for financial instruments transaction liabilities	1,254	1,589
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Total statutory reserves	1,254	1,589
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Total liabilities

10,677,007	9,517,208
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(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
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	91,516	112,125
Total retained earnings	91,516	112,125
Total shareholders' equity	598,333	618,941
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax	16,865	24,524
Net deferred gains or losses on hedges, net of tax	(17,946)	(27,505)
Total valuation and translation adjustments	(1,081)	(2,981)
Total net assets	597,251	615,960
Total liabilities and net assets	11,274,259	10,133,168

2. Non-consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Operating revenues		
Commissions	148,149	146,782
Brokerage commissions	43,105	33,795
Underwriting and selling fees, and commissions from solicitation to qualifying investors	24,470	28,626
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	37,131	34,228
Other commissions and fees	43,442	50,131
Net gain on trading	95,563	117,865
Net gain on operating investment securities	1,998	2,680
Interest and dividend income	33,373	34,249
Total operating revenues	<u>279,085</u>	<u>301,578</u>
Interest expenses	<u>26,345</u>	<u>26,850</u>
Net operating revenues	<u>252,739</u>	<u>274,727</u>
Selling, general and administrative expenses	202,775	217,631
Transaction-related expenses	41,306	45,154
Personnel expenses	82,762	85,944
Real estate expenses	26,959	25,634
Administrative expenses	30,046	38,685
Depreciation and amortization	15,023	15,065
Taxes and dues	2,390	3,106
Provision of allowance for doubtful accounts	126	431
Other	4,158	3,608
Operating income	<u>49,964</u>	<u>57,096</u>
Non-operating income	5,148	4,720
Non-operating expenses	792	581
Ordinary income	<u>54,320</u>	<u>61,235</u>
Extraordinary gain	5,705	588
Gain on sales of noncurrent assets	—	89
Gain on sales of investment securities	5,705	499
Extraordinary loss	5,983	2,530
Loss on disposal of noncurrent assets	421	386
Loss on sales of investment securities	130	46
Loss on sales of investments in subsidiaries and affiliates	287	22
Loss on impairment of investment securities	19	—
Loss on impairment of investments in subsidiaries and affiliates	489	—
Loss on impairment of golf club membership	7	0
Impairment losses	149	858
Merger expenses	2,115	—
Head office transfer cost	2,293	881
Provision of reserve for financial instruments transaction liabilities	69	334
Income before income taxes	<u>54,042</u>	<u>59,293</u>
Income taxes - current	2,169	4,485
Income taxes - deferred	(8,248)	10,734
Total income taxes	<u>(6,078)</u>	<u>15,219</u>
Net income	<u>60,121</u>	<u>44,073</u>

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

Year ended March 31, 2014

(Millions of yen)

	Shareholders' equity					Total Shareholders' equity
	Common stock	Capital surplus			Retained earnings	
		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	31,395	538,212
Changes during the period						
Net income					60,121	60,121
Net changes of items other than shareholders' equity						
Total changes during the period	—	—	—	—	60,121	60,121
Balance at end of period	125,167	285,831	95,817	381,649	91,516	598,333

(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	15,021	(6,816)	8,205	546,417
Changes during the period				
Net income				60,121
Net changes of items other than shareholders' equity	1,843	(11,130)	(9,287)	(9,287)
Total changes during the period	1,843	(11,130)	(9,287)	50,834
Balance at end of period	16,865	(17,946)	(1,081)	597,251

Year ended March 31, 2015

(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	91,516	598,333
Cumulative effect of changes in accounting policies					2,731	2,731
Restated balance	125,167	285,831	95,817	381,649	94,247	601,064
Changes during the period						
Dividends of surplus					(26,196)	(26,196)
Net income					44,073	44,073
Net changes of items other than shareholders' equity						
Total changes during the period	—	—	—	—	17,877	17,877
Balance at end of period	125,167	285,831	95,817	381,649	112,125	618,941

(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	16,865	(17,946)	(1,081)	597,251
Cumulative effect of changes in accounting policies				2,731
Restated balance	16,865	(17,946)	(1,081)	599,983
Changes during the period				
Dividends of surplus				(26,196)
Net income				44,073
Net changes of items other than shareholders' equity	7,658	(9,558)	(1,899)	(1,899)
Total changes during the period	7,658	(9,558)	(1,899)	15,977
Balance at end of period	24,524	(27,505)	(2,981)	615,960

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, 2014	As of March 31, 2015
Basic items	Total capital (A)	572,137	601,813
Supplemental items	Net unrealized losses on (operating) investment securities, net of tax, etc.	(1,081)	(2,981)
	Reserve for financial instruments transaction liabilities, etc.	1,254	1,589
	Allowance for doubtful accounts	21	11
	Subordinated long-term borrowings	90,000	74,000
	Subordinated short-term borrowings	195,000	271,000
	Total (B)	285,194	343,619
Deducted assets	(C)	327,640	309,089
Equity after deduction	(A) + (B) - (C) (D)	529,691	636,343
Amount equivalent to risk	Amount equivalent to market risk	95,612	112,205
	Amount equivalent to counterparty risk	25,851	32,234
	Amount equivalent to fundamental risk	53,425	54,480
	Total (E)	174,890	198,920
Capital adequacy requirement ratio	(D)/(E) * 100	302.8%	319.8%