

# Financial Results

**Fourth Quarter**

**Fiscal Year ending March 2020**

April 2020

Mizuho Securities

**MIZUHO**

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\* The information herein is being provided solely for informational purposes in relation to the Company's FY19 Q4 financial results, not for investment purposes or advice regarding securities issued by the Company. The information herein is based on data as of April 30, 2020. The Company makes no claims, promises or guarantees about the accuracy, completeness, or adequacy of this information which may change at any time without prior notice.

# FY19 highlights

## Recap

- ❑ Achieved **JPY 58.5bn in ordinary income\*** (YoY increase) despite impact of unprecedented market chaos due to coronavirus pandemic
  - Began to realize **benefits, to a certain extent, from structural reforms** (carried out since FY18) leading to results similar to FY17 levels

## Key points

### ❑ Results by division

- GIB
  - Strong **DCM performance (both Japan and overseas)**. Also won large-scale M&A deals, etc.
- GMK
  - In March, while fixed income struggled overseas due to credit spread increases, GMK boosted client flows (both Japan and overseas). YoY increase in ordinary income thanks to achievements including **realization of an integrated Mizuho Securities and Mizuho Bank sales platform for derivatives**
  - Client flow expansion and **widespread cost control** enabled the equities business to significantly contribute to earnings.
- R&BB
  - **Leveraged our "global equities investment strategy"** to uncover investment needs in foreign equities, structured bonds, etc.
  - **Achieved definitive bottom-line recovery YoY in revenues vs expenditures**

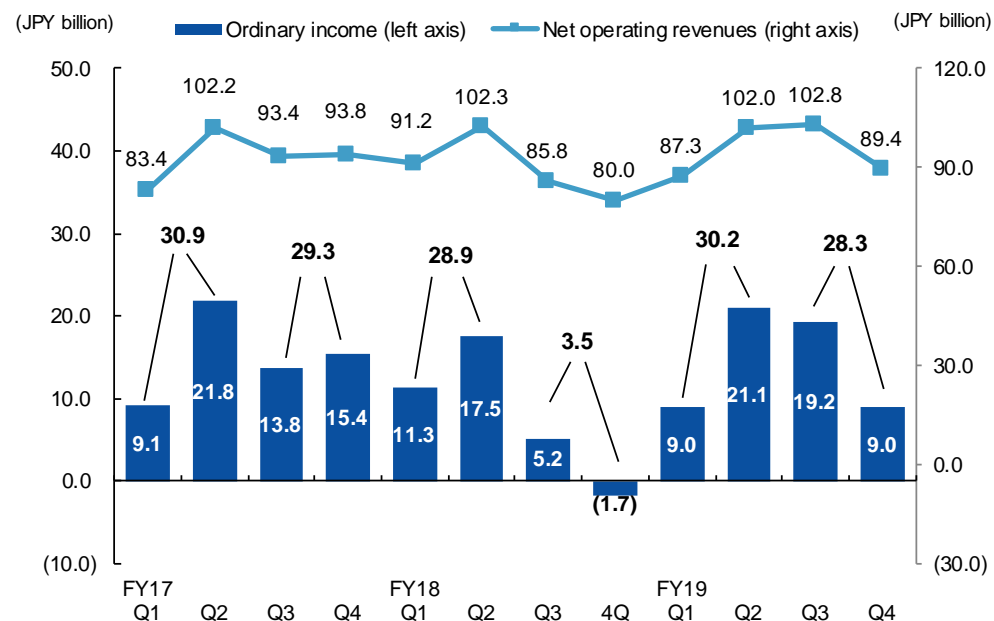
### ❑ Overseas entities

- During Q4, **our overseas entities struggled due to credit spread expansion (a repercussion of the coronavirus)**
- Significantly boosted revenue and income YoY

\*\*Ordinary income" here is the simple aggregate of ordinary income (on an internal management basis) of Mizuho Securities USA (MSUSA)—a company not included in our consolidated results. Note that MSUSA includes Mizuho Capital Markets LLC and Mizuho Markets Cayman LP.

# Quarterly highlights (aggregate basis inclusive of US entities\*)

## Financial results (aggregate basis)



Financial result (JPY billion)	FY2019 Q3	FY2019 Q4	QoQ %	FY2018 Q4YTD	FY2019 Q4YTD	YoY %
(Aggregate basis)						
Net operating revenues	102.8	<b>89.4</b>	(13.0%)	359.5	<b>381.7</b>	6.2%
Ordinary income	19.2	<b>9.0</b>	(53.1%)	32.4	<b>58.5</b>	80.2%

### Q4 market climate

- Prior to mid Feb., share prices worldwide were rising. From late Feb. onward, however, the growing impact of the corona pandemic caused chaos across financial markets. The risk-off sentiment of investors led to sharp decreases in share prices worldwide and credit spread expansion
- Global monetary easing became the norm as evidenced by US rate cuts, etc.

### Q4 ordinary income was JPY 9bn, representing a QoQ decrease FY19 cumulative ordinary income was JPY 58.5bn, representing a YoY increase

- On a non-consolidated basis, despite market chaos resulting from the corona pandemic, achieved a QoQ increase in ordinary income thanks to successfully capturing client flow across both bonds and equities
- Our overseas entities faced severe fixed income-related challenges due to significant credit spread expansion

### Retail

- Expanded investment trust and structured bond sales in tandem with market recovery from the beginning of FY19 and successfully captured client flow even when share prices were decreasing from Feb. onward

### Overseas entities

- Despite position control efforts, our three core overseas entities faced significant challenges in dealing with credit spread expansion arising from the corona pandemic

\*"Aggregate basis" is the simple aggregate of ordinary income (on an internal management basis) of Mizuho Securities USA (MSUSA)—a company not included in our consolidated results. Note that MSUSA includes Mizuho Capital Markets LLC and Mizuho Markets Cayman LP

# Earnings summary—Consolidated

## Financials recap

- On a QoQ basis, net operating revenues decreased (10.8%) to JPY 67.7bn, ordinary income decreased (53.2%) to JPY 5.4bn, and net income attributable to owners of parent decreased 87.9% to JPY 1.1bn
- On a YoY basis, net operating revenues decreased (0.6%) to JPY 282bn, ordinary income increased 37.4% to JPY 31.2bn, and net income attributable to owners of parent increased 389.5% to JPY 21.4bn

## Aggregate basis inclusive of US entities

- On a QoQ aggregate basis inclusive of US entities, ordinary income decreased (53.1%) to JPY 9bn and, by the same measure, YoY ordinary income increased 80.2% to JPY 58.5bn

Financial results (JPY billion)	FY2019 Q3	FY2019 Q4	QoQ %	FY2018 Q4YTD	FY2019 Q4YTD	YoY %
<b>Operating revenues</b>	98.2	93.1	(5.2%)	381.5	381.7	0.1%
Commissions	41.1	41.3	0.3%	167.9	161.6	(3.8%)
Net gain on trading	30.2	24.5	(18.9%)	101.3	108.4	7.0%
Net gain (loss) on operating investment securities	0.4	(0.4)	—	7.7	3.2	(57.5%)
Interest and dividend income	26.2	27.7	5.6%	104.4	108.3	3.8%
Interest expenses	22.3	25.4	13.9%	97.6	99.6	2.1%
<b>Net operating revenues</b>	75.9	67.7	(10.8%)	283.8	282.0	(0.6%)
SG & A expenses	65.8	62.2	(5.5%)	262.6	252.8	(3.7%)
<b>Operating income</b>	10.1	5.5	(45.5%)	21.2	29.2	37.8%
<b>Ordinary income (A)</b>	11.6	5.4	(53.2%)	22.7	31.2	37.4%
Income before tax <sup>*1</sup>	11.7	3.4	(70.9%)	11.3	29.1	157.2%
<b>Net income attributable to owners of parent</b>	9.8	1.1	(87.9%)	4.3	21.4	389.5%
<hr/>						
< Aggregate basis inclusive of US entities <sup>*2</sup> >						
<b>Mizuho Securities USA ordinary income (B)</b>	7.5	3.5	(52.9%)	9.7	27.3	180.4%
<b>Ordinary income calculated on simple aggregate basis (A+B)</b>	19.2	9.0	(53.1%)	32.4	58.5	80.2%

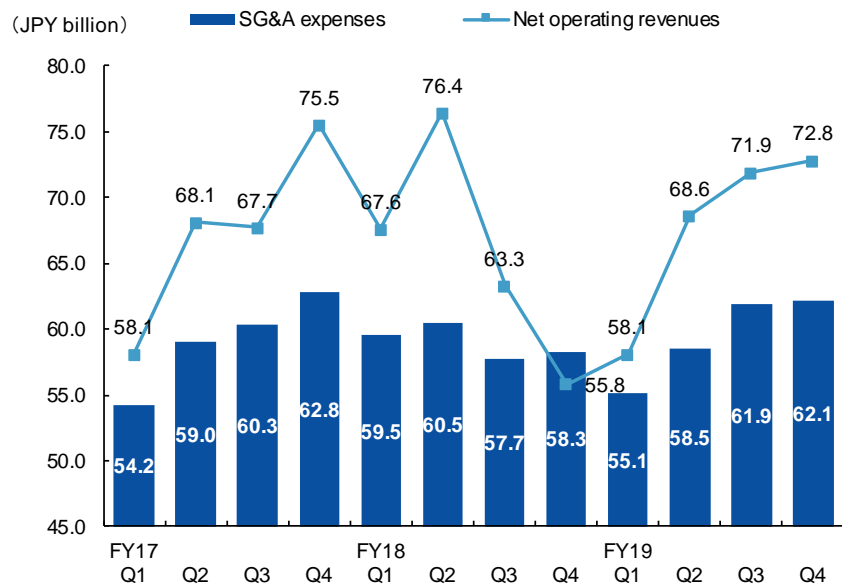
\*1 Income before tax: Income before income taxes and non-controlling interests

\*2 "Aggregate basis" is the simple aggregate of ordinary income (on an internal management basis) of Mizuho Securities USA (MSUSA)—a company not included in our consolidated results.

Note that MSUSA includes Mizuho Capital Markets LLC and Mizuho Markets Cayman LP.

# SG&A expense

## SG&A expenses ( non-consolidated )



### ■ YTD non-consolidated SG&A expenses increased JPY 1.5bn YoY

- Transaction-related expenses associated with structuring of financial products increased by JPY 4.7bn due to increased sales
- Excluding transaction-related expenses, reduced expenses by JPY 3.2bn
  - Reduced core costs while securing budget necessary to carry out business structure reforms (offense) and maintain our platform to address policies, etc. (defense)

	FY2018			
	Q1	Q2	Q3	Q4
	(a)	(b)	(c)	(d)
Transaction-related	13.7	13.0	12.8	13.4
Personnel	21.6	23.0	21.2	20.6
Real estate	6.1	6.4	6.2	6.7
Administrative	11.1	11.2	10.6	10.2
Depreciation and amortization	4.5	4.7	4.7	4.9
Taxes and dues	1.3	1.2	1.3	1.4
Other	0.8	0.7	0.6	0.8
<b>Total</b>	<b>59.5</b>	<b>60.5</b>	<b>57.7</b>	<b>58.3</b>

	FY2019			
	Q1	Q2	Q3	Q4
	(e)	(f)	(g)	(h)
Transaction-related	12.6	13.4	16.7	15.0
Personnel	19.4	21.8	21.5	23.3
Real estate	6.0	5.8	5.9	6.4
Administrative	10.3	10.7	10.7	10.4
Depreciation and amortization	4.5	4.8	5.0	5.1
Taxes and dues	1.2	1.0	1.2	0.8
Other	0.8	0.6	0.6	0.7
<b>Total</b>	<b>55.1</b>	<b>58.5</b>	<b>61.9</b>	<b>62.1</b>

	(JPY billion)		
	FY2018	FY2019	YoY Change
	Q4YTD	Q4YTD	Change
	(i)	(j)	(k)=(j)-(i)
Transaction-related	53.1	57.9	4.7
Personnel	86.6	86.2	(0.4)
Real estate	25.5	24.1	(1.4)
Administrative	43.3	42.3	(1.0)
Depreciation and amortization	18.9	19.7	0.7
Taxes and dues	5.4	4.4	(1.0)
Other	3.0	2.9	(0.0)
<b>Total</b>	<b>236.2</b>	<b>237.7</b>	<b>1.5</b>

# Business segments \*

## 【 Global Investment Banking 】

(JPY billion)

	FY2018	FY2019				QoQ	FY2018	FY2019	YoY
	Q4	Q1	Q2	Q3	Q4	Change	Q4YTD	Q4YTD	Change
	(a)	(b)	(c)	(d)	(e)	(f) = (e) - (d)	(g)	(h)	(i) = (h) - (g)
Net operating revenues	21.8	16.0	21.7	19.9	<b>18.5</b>	(1.4)	79.3	<b>76.2</b>	(3.1)
SG & A expenses	12.9	11.7	13.6	14.0	<b>12.4</b>	(1.5)	52.0	<b>51.9</b>	(0.1)
Ordinary income	8.8	4.2	8.0	5.9	<b>6.0</b>	0.0	27.3	<b>24.3</b>	(3.0)

- From outset of FY19, in addition to strong DCM performance (Japan and overseas), won large-scale M&A and subordinated bond deals in Japan
- Maintained same level YoY if exceptional large-scale deals of FY18 are excluded
- Achieved slight QoQ revenue gain despite negative impacts, including postponement and cancellation of ECM deals due to market chaos in March

## 【 Global Markets 】

(JPY billion)

	FY2018	FY2019				QoQ	FY2018	FY2019	YoY
	Q4	Q1	Q2	Q3	Q4	Change	Q4YTD	Q4YTD	Change
	(a)	(b)	(c)	(d)	(e)	(f) = (e) - (d)	(g)	(h)	(i) = (h) - (g)
Net operating revenues	38.1	42.8	50.8	51.1	<b>39.6</b>	(11.5)	156.5	<b>184.4</b>	27.9
SG & A expenses	38.0	37.6	37.5	40.4	<b>35.1</b>	(5.2)	152.6	<b>150.7</b>	(1.8)
Ordinary income	0.1	5.1	13.3	10.7	<b>4.4</b>	(6.3)	3.9	<b>33.6</b>	29.7

- Overall, major YoY increase in revenue and income
- In terms of fixed income, GMK expertly leveraged rising volatility to definitively deliver revenue, promoted BK-SC integrated global sales platform for derivatives, and enhanced profit platform
- Equities Biz. contributed to earnings by expanding client flow and carrying out thorough cost control

## 【 Retail & Business Banking (R&BB) 】

(JPY billion)

	FY2018	FY2019				QoQ	FY2018	FY2019	YoY
	Q4	Q1	Q2	Q3	Q4	Change	Q4YTD	Q4YTD	Change
	(a)	(b)	(c)	(d)	(e)	(f) = (e) - (d)	(g)	(h)	(i) = (h) - (g)
Net operating revenues	26.8	28.0	29.6	33.7	<b>32.8</b>	(0.9)	131.3	<b>124.3</b>	(6.9)
SG & A expenses	30.4	29.0	28.7	29.9	<b>30.6</b>	0.6	123.6	<b>118.2</b>	(5.3)
Ordinary income	(3.6)	(0.9)	1.0	3.8	<b>2.1</b>	(1.6)	7.6	<b>6.1</b>	(1.5)

- Came back from loss in Q4 of FY18 to return to profitability from FY19 Q2 onward
- Achieved 19% increase YoY in equity investment trust sales thanks to promotion of “global equities strategy”
- Maintained same level of revenue QoQ despite share price plunge in Mar., by uncovering client needs primarily in terms of Japan-based stocks

\* Figures herein are provided on an “aggregate basis” which is the simple aggregate (on an internal management basis) of Mizuho Securities USA (MSUSA)—a company not included in our consolidated results. Note that MSUSA includes Mizuho Capital Markets LLC and Mizuho Markets Cayman LP.

# Business segments—Global Investment Banking

## Major league tables

### Total Japan publicly offered bonds (2019/4/1-2020/3/31)

Rank	Company Name	Amount (JPY bn)	Share (%)
1	<b>Mizuho Sec.</b>	<b>4,163.2</b>	<b>20.3</b>
2	SMBC Nikko Sec.	4,003.9	19.5
3	Nomura Sec.	3,746.5	18.2
4	Daiwa Sec.	3,650.6	17.8
5	Mitsubishi UFJ Morgan Stanley Sec.	3,551.3	17.3

Based on underwriting amount and pricing date basis  
Deals including straight bonds, investment corporation bonds, zaito institution bonds, municipal bonds (lead manager method only), samurai bonds and preferred securities, but excluding own debt  
Source: Prepared by Mizuho Securities based on data from I-N Information Systems

### Total equity underwriting worldwide (2019/4/1-2020/3/31)

Rank	Company Name	Amount (JPY bn)	Share (%)
1	Sumitomo Mitsui Financial Group	440.3	19.5
2	Nomura Holdings	405.0	17.9
3	Morgan Stanley	353.0	15.6
4	<b>Mizuho Financial Group</b>	<b>331.7</b>	<b>14.7</b>
5	Daiwa Securities Group	326.9	14.5

Based on underwriting amount and pricing date basis  
Deals including initial public offerings, public offerings, convertible bonds and REITs  
Source: Prepared by Mizuho Securities based on data from Refinitiv (formerly the financial and risk business of Thomson Reuters)

### M&A Advisory for announced deals (2019/4/1-2020/3/31)

Rank	Company Name	Amount (JPY bn)	No. of transactions
1	Nomura Sec.	8,473.9	120
2	Mitsubishi UFJ Morgan Stanley Sec.	7,542.8	53
3	<b>Mizuho Financial Group</b>	<b>6,836.8</b>	<b>137</b>
4	BofA Securities	5,031.0	22
5	JPMorgan	4,005.1	15

Based on deal amounts  
Any Japanese related deals (excluding real estate deals)  
Source: Prepared by Mizuho Securities based on data from Refinitiv (formerly the financial and risk business of Thomson Reuters)

### ABS lead manager (Prelim. figures) (2019/4/1-2020/3/31)

Rank	Company Name	No. of transactions	Amount (JPY bn)
1	<b>Mizuho Financial Group</b>	<b>153</b>	<b>1,462.6</b>
2	Sumitomo Mitsui Trust Holdings	25	1,010.8
3	Sumitomo Mitsui Financial Group	34	759.8
4	Mitsubishi UFJ Financial Group	25	449.8
5	Morgan Stanley	13	434.5

Based on deal amounts and settlement date basis  
Source: Prepared by Mizuho Securities based on data (as of 9:00am, Apr. 14, 2020) from Refinitiv (formerly the financial and risk business of Thomson Reuters)

(Preliminary figures prior to release)

## Major deals underwritten (FY19/Q4)

### DCM

#### Japan

- Hitachi, Ltd.
- AISIN SEIKI CO., LTD. (subordinated bond)
- SoftBank Corp.
- Panasonic Corporation
- ORIX CORPORATION (subordinated bond)
- Dai Nippon Printing Co., Ltd.
- TEPCO Power Grid, Incorporated
- Chubu Electric Power Company, Inc.
- AEON Mall Co., Ltd.
- Odakyu Electric Railway Co., Ltd.
- Japan Housing Finance Agency
- East Nippon Expressway Company Limited (social bond)
- Hanshin Expressway Company Limited (social bond)
- JR TT (sustainability bond)
- Aichi Prefecture
- URBAN EXPRESSWAY

#### Global

- AFLAC Inc
- Anglo American Capital plc
- BAT Capital Corp
- China Development Bank
- Consolidated Edison Co of New York Inc
- Daimler Finance North America LLC
- Emirates NBD PJSC
- ENGIE SA
- Kroger Co
- Nestle Finance International Ltd
- ONEOK Inc
- Siemens Financieringsmaatschappij NV
- SMC Global Power Holdings Corp
- SoFi Professional Loan Program 2020 -ATrust
- Toyota Motor Credit Corp
- Verizon Owner Trust 2020-A

### ECM

- Money Forward, Inc.
- NIPPON RIETEC CO., LTD.
- JINS HOLDINGS Inc.
- ONOKEN CO., LTD.
- VisasQ Inc.
- Miahelsa Corporation
- AHC GROUP INC.
- KIMURA KOHKI CO., LTD
- Micreed
- GENETEC CORPORATION
- KANTSU Co. Ltd
- Japan Infrastructure Fund Investment
- Japan Prime Realty Investment
- Japan Excellent, Inc
- Comforia Residential REIT, Inc
- Elanco Animal Health Inc
- PPD Inc



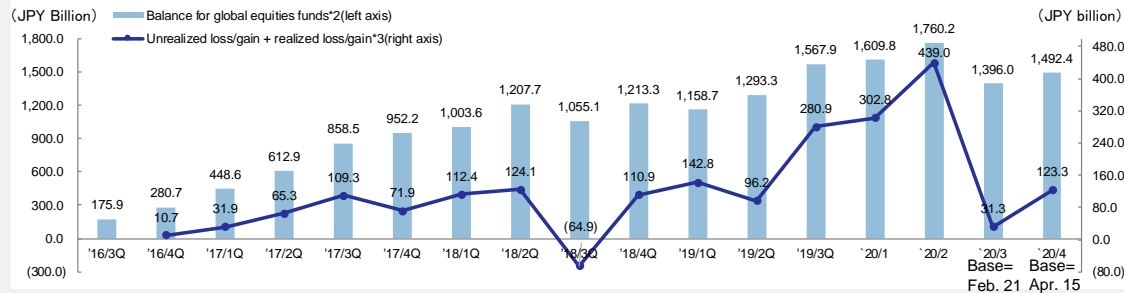
# Business segments—Retail & Business Banking (R&BB)

## I. Asset inflow

■ Steadily expanded AUM to exceed JPY 1 trillion for **5<sup>th</sup> year in a row**: Achieved JPY 321.6bn (34% decrease QoQ) for FY19 Q4, and YTD increase for FY19 of JPY 1,416bn (65% decrease YoY)

## II. Product sales

- Equity investment trust sales via public offering and related net increase\*1
  - FY19 Q4 JPY 235.9bn (-8% QoQ). Achieved net increase of JPY 60.7bn (+34%) representing **increase for 4<sup>th</sup> quarter in a row**
  - FY19 YTD: sales of JPY 962.9bn (+19% YoY), net increase JPY177.4bn (+171%)
    - Net increase for **7<sup>th</sup> year in a row** since 2013 (**JPY 1,136.5bn**)
- Based on themes of “long-term, diversified, and global,” our “global equities investment strategy” achieved definitive progress enabling our “global equities funds”<sup>2</sup> to steadily expand



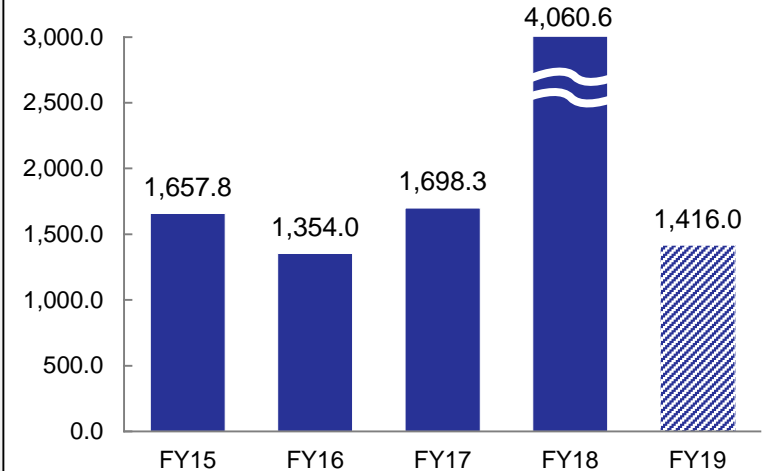
## Foreign equities trading value

- FY19 Q4 trading value: JPY 326.1bn (+57% QoQ), FY19 YTD JPY 886.2bn (+36% YoY)
- **Recorded a new all-time monthly high<sup>4</sup> with Feb. trading value of JPY 150.7bn/trading revenue JPY 2.2bn**

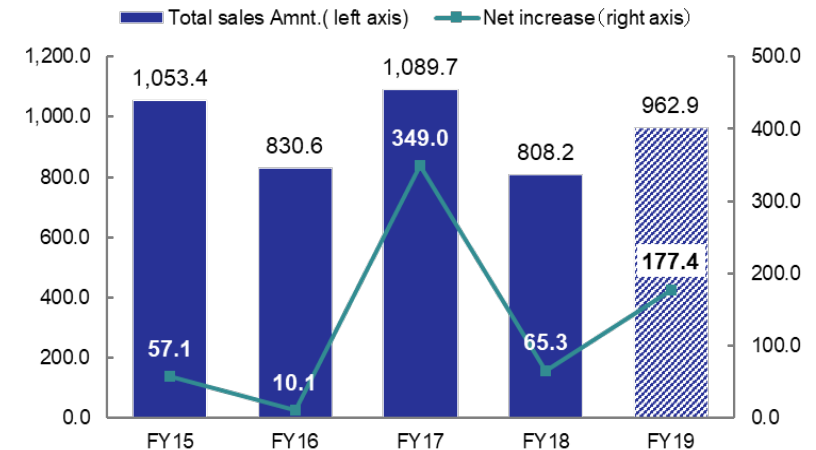
## III. Enhancing customer service

- From Feb., shifted to **“free (no-fee) online margin transactions and free (no-fee in practice) when purchasing Index F”** as part of efforts to expand non-face-to-face services
- **Awarded “S” rank<sup>5</sup> by R&I which recognizes client-centric initiatives of sales companies engaged in investment trust sales**
  - Awarded “S” rank by R&I to recognize “client-centric initiatives of sales companies engaged in investment trust sales” for the second year in a row in recognition of our sales & marketing efforts and initiatives to act in the best interest of clients in carrying our investment trust sales

## Asset inflow (JPY billion)



## Equity investment trust sales (JPY billion)



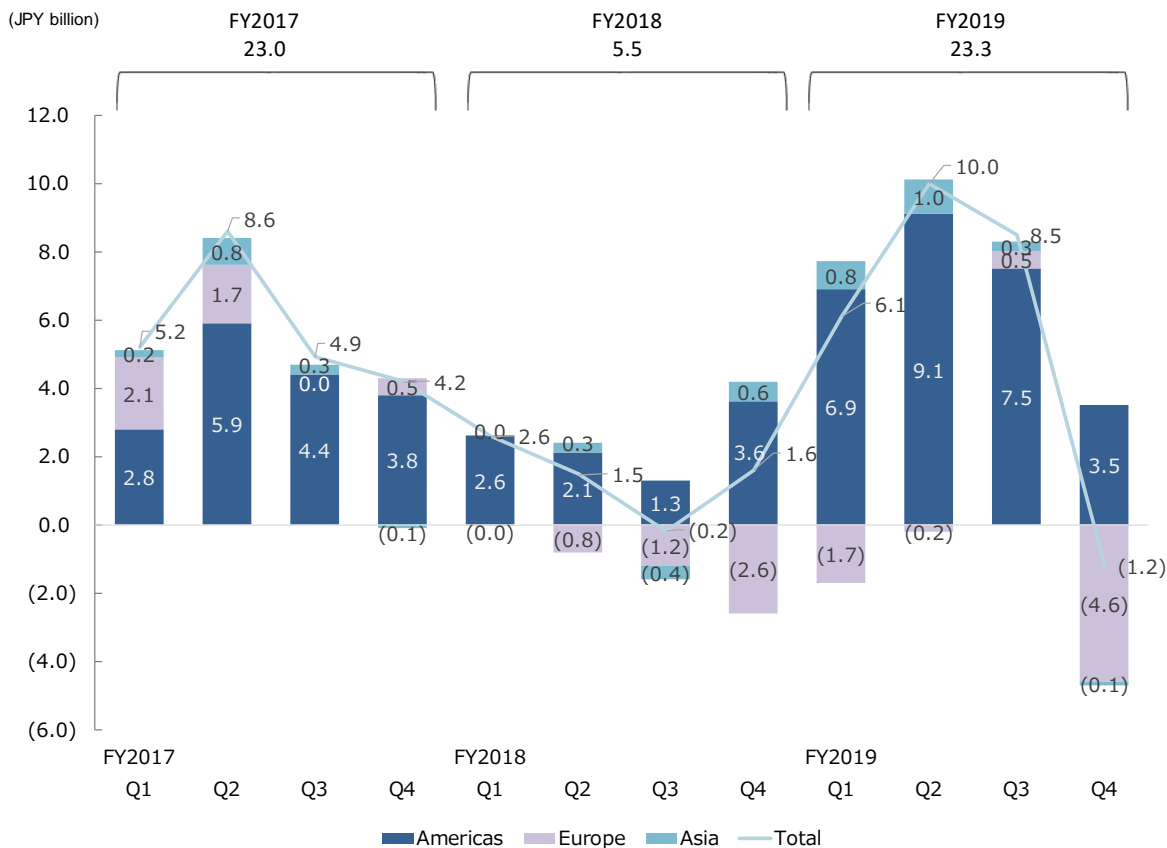
\*1 Incl. reinvested dividends \*2 Fifteen investment funds investing in global emerging markets and US equities \*3 Calculated by subtracting equity investment trust net increase from estimated value

\*4 Since the merger of the former Mizuho Securities and former Mizuho Investors Securities

\*5 “S” ranking is solely the opinion of R&I regarding “client-centric business operation” initiatives of sales companies engaged in investment trust sales and is not an expression of fact. The information used by R&I to conduct ranking is deemed reliable at R&I’s own discretion and R&I does not independently verify the accuracy of such information. In addition, R&I does not guarantee the accuracy and completeness of said information, and does not recommend the purchase, sale or holding of specific products or guarantee future performance. Intellectual property rights and all other rights relating to said ranking, such as copyrights, belong to R&I, and reproduction or reprinting without permission is strictly prohibited

# Ordinary income\* —Overseas entities

## Ordinary income of overseas entities by region



### Ordinary income of overseas entities by region

- Achieved significant YoY increase in ordinary income despite significant challenges faced by each of our entities during Q4 as a result of widening credit spreads resulting from the negative impact of the corona pandemic

#### -- Americas

- Achieved YoY increase in operating income by promoting CIB Model which led to the promotion of integration between Mizuho Bank and Mizuho Securities as well as between our primary and secondary business
- For Q4, achieved JPY 3.5bn in ordinary income via effective position control even after market declines since mid February

#### -- Europe

- Although Europe has begun realize results from structural reforms undertaken since FY18, recorded a loss for Q4 in part due to widening credit spreads since mid February

#### -- Asia

- Recorded Q4 loss for fixed income

\*Above graph is based on simple aggregate totals prior to subtracting internal transaction figures.

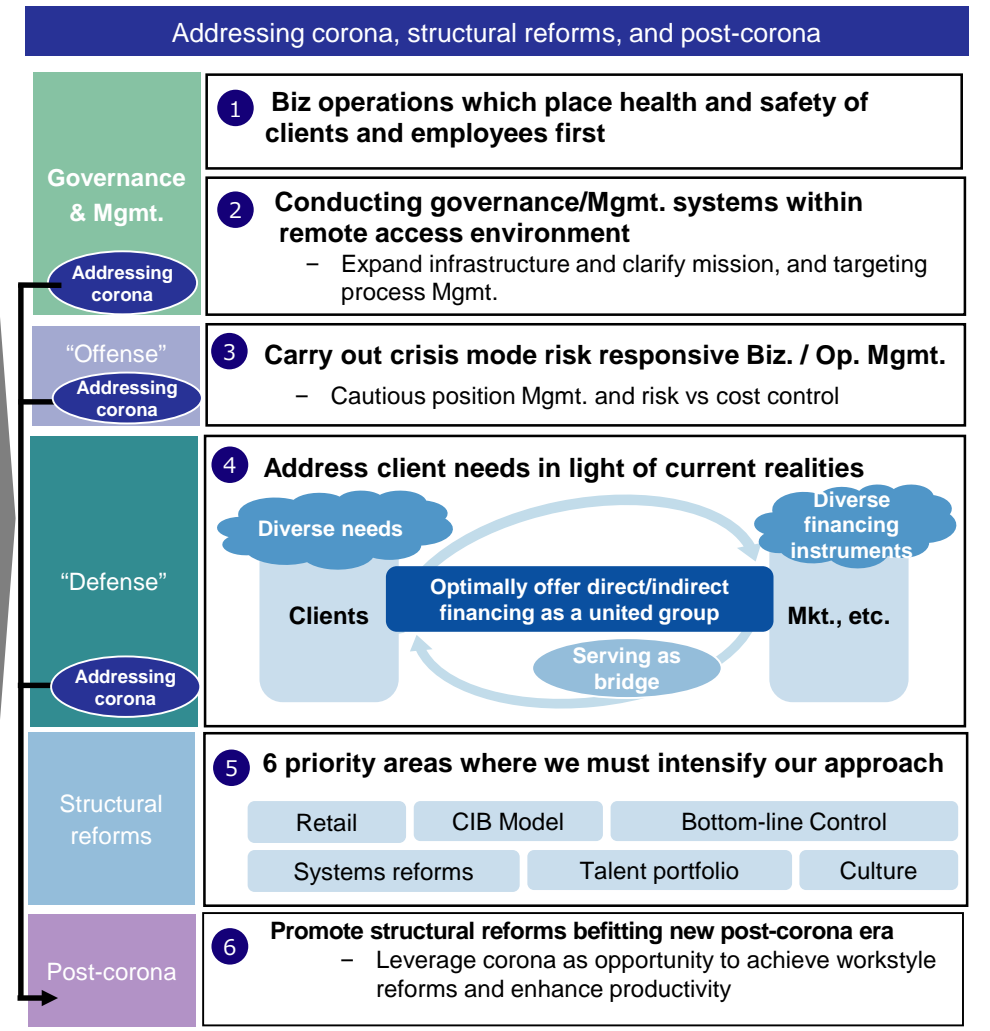
Note that ordinary income for "Americas" includes that of MSUSA (Incl. Mizuho Capital Markets LLC and Mizuho Markets Cayman LP) which is not a consolidated subsidiary of Mizuho Securities.

# Mizuho Securities progress on 3 Structural Reforms and FY20 approach

## Mizuho Securities “5-year Plan” (FY19 - FY23) Progress on 3 Structural Reforms (business, financial, and Admin. platform)

Business	<b>Promoted initiatives to enhance consulting expertise as true professionals</b> <ul style="list-style-type: none"> <li>Retail Business           <ul style="list-style-type: none"> <li>Continued Global Equity Strategy based on themes of “long-term, diversified, and global” and captured FY19 #1 and #2 positions for initial pricing of publicly-offered investment trusts</li> <li>Enhanced channel mix sales—remote-based RM, and AI-based scoring model</li> <li>Enhanced sales framework by reallocating sales staff</li> </ul> </li> </ul>
	<b>Sped up cross-divisional initiatives targeting growth/midcap corporations</b> <ul style="list-style-type: none"> <li>Midcap IB &amp; Integrated Corp.-Retail           <ul style="list-style-type: none"> <li>Restructured midcap IB promotion system</li> <li>Enhanced strategy and expanded product sales by strengthening BK-SC<sup>*1</sup> collaboration</li> </ul> </li> </ul>
	<b>Promoted Dev. of new Biz. models to address structural Mkt. changes</b> <ul style="list-style-type: none"> <li>Sales &amp; Trading           <ul style="list-style-type: none"> <li>Further strengthened ability to identify client needs (from retail to corporate as well as domestic / overseas institutional investors) and promoted structural changes that will contribute to enhancing client flow-based trading revenue</li> <li>Developed and monetized BK-SC<sup>*1</sup> integrated derivatives sales platform</li> </ul> </li> </ul>
	<b>Promoted highly value-added, proposal-driven Mktg. via focus on clients and value chain</b> <ul style="list-style-type: none"> <li>Investment banking           <ul style="list-style-type: none"> <li>Rolled out US CIB<sup>*2</sup> Model and expanded across other regions</li> <li>Achieved industry top share for Japan publicly-offered SDG bonds, etc.</li> <li>Promoted Mkt.-type Origination &amp; Distribution business</li> </ul> </li> </ul>
	<b>Achieved widespread bottom-line control across Four Priority Business Areas</b> <ul style="list-style-type: none"> <li>Revenue/expenses structure           <ul style="list-style-type: none"> <li>Realized profitability structural improvements across Japanese equity, MHI<sup>*3</sup>, MCM<sup>*4</sup>, and R&amp;BB<sup>*5</sup></li> </ul> </li> </ul>
Financial	
Admin. platform	<b>Achieved definitive progress on Admin. platform structural reforms</b> <ul style="list-style-type: none"> <li>HR           <ul style="list-style-type: none"> <li>Began addressing / promoting HR reforms</li> </ul> </li> <li>IT systems           <ul style="list-style-type: none"> <li>Carried out IT systems reforms (retail platform upgrades, etc.)</li> </ul> </li> <li>Other           <ul style="list-style-type: none"> <li>Enhanced crisis management</li> </ul> </li> </ul>

## Addressing corona & key points regarding FY20 structural reforms Strengthening partnerships with clients (enhancing trust and relationships)



\*1 BK = Mizuho Bank SC= Mizuho Securities

\*3 MHI (Mizuho International plc) is a London-based subsidiary of Mizuho Securities

\*2 CIB = Corporate and Investment Banking

\*4 MCM = Mizuho Capital Markets LLC—a company which shares integrated management with MSUSA

\*5 R&BB = Retail & Business Banking Division

# Reference Data

# Commissions & fees and SG&A expense—Consolidated

Commissions & fees	FY2018					FY2019						YoY Change
	Q1	Q2	Q3	4Q	YTD	Q1	Q2	Q3	Q4	QoQ Change	YTD	
<b>Equities</b>	11.7	13.1	20.6	10.3	55.8	9.4	10.9	11.1	15.2	4.0	46.7	(9.1)
Brokerage commissions	7.8	7.7	6.8	6.1	28.5	6.0	7.0	7.2	8.0	0.7	28.2	(0.2)
Underwriting and selling fees and commissions*	2.6	4.4	12.5	2.2	21.8	2.5	2.6	2.6	3.0	0.3	10.8	(10.9)
Offering, selling, and other commissions and fees*	0.4	0.0	0.4	0.2	1.2	0.0	0.5	0.1	0.3	0.1	1.2	0.0
Other commissions and fees	0.8	0.9	0.8	1.6	4.3	0.7	0.7	1.0	3.8	2.7	6.3	2.0
<b>Bond</b>	10.3	10.8	9.2	8.6	39.1	10.4	12.0	10.2	7.5	(2.7)	40.2	1.1
Brokerage commissions	0.1	0.2	0.1	0.2	0.8	0.2	0.2	0.2	0.3	0.1	0.9	0.1
Underwriting and selling fees and commissions*	4.6	6.4	4.7	3.6	19.5	6.1	8.0	5.4	2.9	(2.4)	22.6	3.0
Offering, selling, and other commissions and fees*	3.0	2.9	3.0	3.2	12.2	2.2	2.8	3.2	2.9	(0.3)	11.3	(0.8)
Other commissions and fees	2.5	1.1	1.2	1.5	6.5	1.7	0.9	1.3	1.3	(0.0)	5.2	(1.2)
<b>Beneficiary certificates</b>	10.7	12.2	8.4	8.6	40.0	11.4	10.3	11.4	10.9	(0.5)	44.2	4.1
Brokerage commissions	0.0	0.0	0.1	0.0	0.4	0.1	0.1	0.0	0.2	0.1	0.5	0.1
Offering, selling, and other commissions and fees*	6.1	7.6	3.9	4.3	22.0	7.0	5.7	6.7	6.0	(0.7)	25.5	3.5
Agency commissions	4.5	4.5	4.3	4.2	17.6	4.3	4.4	4.5	4.7	0.1	18.1	0.5
<b>Other</b>	6.1	9.1	6.8	10.8	32.9	5.8	8.5	8.3	7.6	(0.7)	30.4	(2.5)
Fees on Insurance Business Related	0.1	0.2	0.1	0.2	0.8	0.0	0.0	0.0	0.0	0.0	0.3	(0.4)
Fees on Wrap Accounts Services	0.7	0.8	0.8	0.7	3.1	0.7	0.7	0.7	0.7	(0.0)	3.0	(0.0)
Financial advisory Fee - M&A	1.7	3.8	3.2	2.8	11.6	1.9	2.5	3.9	2.0	(1.8)	10.4	(1.1)
Financial advisory Fee - Structured Finance	1.4	1.5	1.0	2.7	6.8	1.2	2.1	1.4	2.3	0.9	7.2	0.4
Financial advisory Fee - Other consulting	0.9	0.9	0.6	3.0	5.6	0.8	1.1	0.6	1.2	0.6	3.8	(1.7)
Other commissions and fees	1.0	1.7	0.8	1.2	4.8	1.0	1.7	1.5	1.0	(0.4)	5.4	0.5
<b>Total</b>	<b>38.9</b>	<b>45.4</b>	<b>45.1</b>	<b>38.4</b>	<b>167.9</b>	<b>37.2</b>	<b>41.8</b>	<b>41.1</b>	<b>41.3</b>	<b>0.1</b>	<b>161.6</b>	<b>(6.3)</b>

\* “Underwriting and selling fees and commissions from solicitation to qualifying investors” and “offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors” are described as “underwriting and selling fees and commissions” and “offering, selling, and other commissions and fees,” respectively.

SG&A expenses	FY2018					FY2019						YoY Change
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	QoQ Change	YTD	
Transaction-related	11.1	11.7	12.2	11.8	46.9	10.4	11.1	11.1	10.2	(0.9)	42.9	(3.9)
Personnel	29.7	32.0	27.9	27.5	117.3	26.8	30.2	30.0	27.6	(2.3)	114.7	(2.5)
Real estate	7.7	8.2	7.7	7.9	31.6	7.5	7.1	7.6	7.5	(0.1)	29.8	(1.8)
Administrative	6.5	6.8	6.8	6.9	27.2	6.6	6.5	6.5	7.7	1.2	27.5	0.3
Depreciation and amortization	6.9	7.1	7.0	7.3	28.4	7.0	7.4	8.0	7.1	(0.9)	29.6	1.1
Other	2.6	2.4	2.4	3.3	10.9	2.6	1.0	2.4	1.8	(0.5)	7.9	(2.9)
<b>Total</b>	<b>64.7</b>	<b>68.5</b>	<b>64.2</b>	<b>65.1</b>	<b>262.6</b>	<b>61.1</b>	<b>63.7</b>	<b>65.8</b>	<b>62.2</b>	<b>(3.6)</b>	<b>252.8</b>	<b>(9.8)</b>

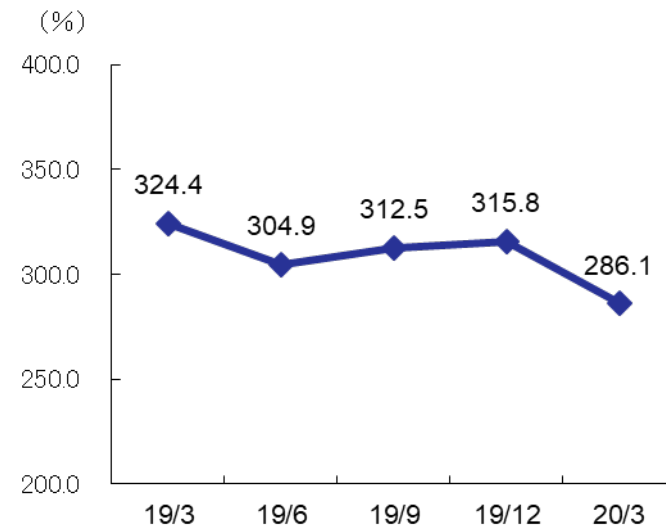
(JPY billion)

# Balance sheet summary

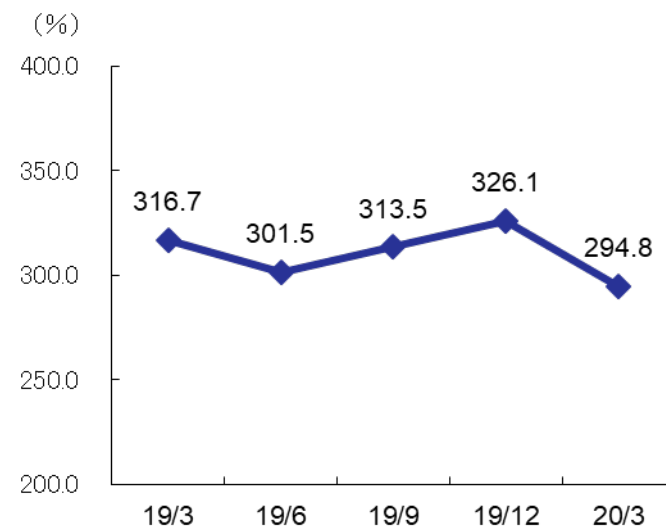
## Balance sheets (consolidated)

	2019		2020	
	Dec.	Mar.	Dec.	Mar.
(JPY billion)				
<b>Assets</b>			<b>Liabilities</b>	
<b>Total current assets</b>	16,580	17,427	<b>Total current liabilities</b>	15,014 <b>15,871</b>
Cash and bank deposits	406	690	Trading liabilities	5,588 <b>7,660</b>
Trading assets	8,003	9,237	Collateralized short-term financing agreements-receivable	7,246 <b>5,410</b>
Operating investment securities	71	71	Short-term borrowings	647 <b>1,183</b>
Collateralized short-term financing agreements-receivable	7,166	6,271	Commercial paper	318 <b>319</b>
<b>Total noncurrent assets</b>	218	215	<b>Total noncurrent liabilities</b>	872 <b>873</b>
Property and equipment	30	29	Bonds and notes	715 <b>710</b>
Intangible assets	83	90	Long-term borrowings	128 <b>135</b>
Investments and other assets	104	95	<b>Total liabilities</b>	15,889 <b>16,747</b>
Investment securities	55	47	<b>Net assets</b>	
			Total shareholders' equity	943 <b>944</b>
			Accumulated other comprehensive income	(37) <b>(53)</b>
			Non-controlling interests	3 <b>4</b>
			<b>Total net assets</b>	909 <b>895</b>
<b>Total assets</b>	16,798	17,642	<b>Total liabilities and net assets</b>	16,798 <b>17,642</b>

## Capital adequacy ratio (consolidated)



## Capital adequacy ratio (non-consolidated)



# Profit and Loss Statement—Non-consolidated results

(JPY million)

	FY18/Q1-Q4	FY18/Q1-Q4				FY19/Q1-Q4	FY19/Q1-Q4			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Operating revenues	341,131	82,950	97,708	81,116	79,356	354,192	74,896	96,862	87,541	94,891
Commissions	151,810	34,277	41,244	41,308	34,980	149,514	34,070	37,933	37,753	39,756
Brokerage commissions	23,947	6,512	6,491	5,843	5,100	23,881	5,051	6,117	5,868	6,844
Equities	23,367	6,388	6,332	5,638	5,008	23,263	4,926	5,979	5,755	6,601
Bonds	167	40	59	44	22	102	21	23	30	26
Underwriting and selling fees and commissions	36,912	6,139	9,830	15,586	5,356	30,166	8,032	9,206	7,429	5,498
Equities	20,228	2,218	4,059	11,871	2,079	10,086	2,413	2,254	2,501	2,917
Bonds	16,070	3,836	5,389	3,696	3,148	19,406	5,552	6,889	4,823	2,142
Offering, selling, and other commissions and fees	27,772	7,475	9,062	5,294	5,940	31,525	8,242	7,515	8,457	7,310
Beneficiary certificates	22,027	6,174	7,606	3,945	4,301	25,562	7,021	5,733	6,774	6,032
Other commissions and fees	63,177	14,150	15,859	14,583	18,583	63,940	12,744	15,094	15,998	20,103
Beneficiary certificates	17,623	4,503	4,538	4,331	4,250	18,156	4,372	4,485	4,596	4,702
Other (excl. equities and bonds)	27,448	4,890	7,457	5,619	9,481	24,898	4,734	6,794	6,868	6,501
Net gain on trading	93,568	25,150	27,529	23,071	17,816	111,981	20,401	29,767	30,556	31,256
Equities, etc.	48,813	23,618	23,657	(1,097)	2,634	40,262	5,385	10,219	13,690	10,966
Bonds, etc. and Others	44,754	1,532	3,872	24,168	15,181	71,719	15,015	19,548	16,865	20,289
Net gain (loss) on operating investment securities	5,287	3,642	739	600	304	2,621	1,293	870	386	71
Interest and dividend income	90,465	19,879	28,194	16,136	26,255	90,075	19,132	28,290	18,845	23,806
Interest expenses	77,794	15,278	21,226	17,761	23,528	82,590	16,759	28,167	15,582	22,081
Net operating revenues	263,337	67,672	76,481	63,355	55,827	271,602	58,137	68,695	71,959	72,809
SG&A expenses	236,229	59,572	60,527	57,748	58,380	237,737	55,177	58,511	61,946	62,103
Operating income	27,107	8,099	15,954	5,606	(2,553)	33,864	2,960	10,184	10,013	10,706
Non-operating income	9,044	6,970	973	511	589	4,744	2,863	615	642	622
Non-operating expenses	196	116	15	32	32	179	57	10	53	58
Ordinary income	35,955	14,953	16,913	6,084	(1,995)	38,429	5,766	10,789	10,601	11,270
Extraordinary gains	2,512	1,931	418	75	86	1,110	181	4	759	165
Extraordinary losses	16,467	31	502	544	15,389	2,860	261	203	94	2,301
Net income	12,393	14,099	14,883	4,835	(21,424)	29,210	4,717	7,557	10,384	6,551

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## Product sales and number of accounts—Non-consolidated

	(JPY billion)							
	FY2018				FY2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Equity sales	40	63	408	28	69	39	26	26
Foreign bond sales	254	303	257	264	164	207	277	273
Japan domestic bond sales	335	272	268	296	272	283	352	275
Equity investment trust sales	225	277	142	162	263	205	257	235
*R & BB Division figures								
	(Thousand account)							
	18/6	18/9	18/12	19/3	19/6	19/9	19/12	20/3
Cash management accounts	1,752	1,763	1,775	1,782	1,785	1,790	1,801	1,812
Online trading accounts	1,192	1,213	1,231	1,245	1,254	1,263	1,281	1,298
Number of new client accounts (R & BB Division)	25	28	27	20	18	18	26	24
New NISA accounts	352	353	354	355	354	354	353	353
	FY2018				FY2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
% of # of transactions traded online (equities)	52.4%	54.9%	57.3%	56.5%	56.5%	55.1%	58.0%	61.8%
% of transaction value traded online (equities)	24.4%	19.2%	25.6%	19.3%	16.2%	20.9%	16.4%	27.8%



# Market share and assets under management—Non-consolidated

(JPY billion)

		FY2018				FY2019			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Equity trading volume	Total	13,204	12,610	12,828	11,817	10,714	11,662	13,000	13,254
	Dealing	6,396	5,334	5,598	5,874	4,355	5,792	5,601	5,748
	Brokerage	6,807	7,275	7,229	5,942	6,359	5,870	7,398	7,505
Share in TSE		3.17%	3.19%	2.94%	3.33%	3.19%	3.40%	3.35%	3.07%
Underwriting	Equities	45	77	424	39	68	73	37	46
	Bonds	1,924	2,126	1,716	1,589	1,959	2,309	2,030	1,271
Distribution	Equities	60	103	448	91	78	86	70	104
	Bonds	1,319	1,581	1,245	1,131	1,324	1,837	1,390	871
	Investment Trusts	1,509	1,543	1,558	1,161	1,384	1,355	1,614	1,476

(JPY billion)

		18/6	18/9	18/12	19/3	19/6	19/9	19/12	20/3
AUM		44,243	45,943	43,452	45,655	45,737	46,322	48,213	42,317
	Equities	25,635	26,676	24,435	26,067	26,072	26,515	28,056	23,087
	Bonds	12,726	13,131	13,528	13,896	13,864	13,985	13,985	13,671
	Investment trusts	5,402	5,538	4,939	5,148	5,257	5,297	5,630	4,958
	Others	479	596	549	544	543	524	541	599
R & BB* AUM		38,932	40,878	38,551	40,576	40,938	41,232	43,417	37,637
	Equities	22,270	23,648	21,614	22,929	23,354	23,535	25,254	20,365
	Bonds	11,638	12,040	12,259	12,600	12,502	12,618	12,684	12,374
	Investment trusts	4,951	5,138	4,586	4,797	4,932	4,943	5,327	4,712
Net inflow of client assets (R & BB Division)		409	646	2,657	346	435	169	489	321

\*Since the end of Mar. 2019, figures from previous fiscal years forward have been recalculated to include certain business corporates which were excluded from the scope of calculation until now

# Number of employees and offices

	18/6	18/9	18/12	19/3	19/6	19/9	19/12	20/3
Consolidated number of employees	10,201	10,091	10,035	10,059	10,318	10,196	9,779	9,662
Non-consolidated	7,846	7,747	7,670	7,541	7,812	7,684	7,575	7,397
Domestic affiliate companies	743	718	727	705	702	675	338	323
Overseas subsidiaries	1,612	1,626	1,638	1,813	1,804	1,837	1,866	1,942
Number of offices	271	272	272	269	269	269	267	266
Japan	262	263	263	259	259	259	258	256
Overseas (Rep. offices and subsidiaries)	9	9	9	10	10	10	9	10

\*Figures for number of employees and number of offices include those of Mizuho Securities USA (788 employees as of the end of Jun. 2018, 801 employees as of the end of Sep. 2018, 818 employees as of the end of Dec. 2018, 1,000 employees as of the end of Mar. 2019, 996 employees as of the end of Jun. 2019, 1,050 employees as of the end of Sep. 2019, 1,082 employees as of the end of Dec. 2019 and 1,132 employees as of the end of Mar. 2020).