

July 29, 2022



## Summary of Consolidated Financial Statements for the Three Months Ended June 30, 2022 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, 2022 (April 1, 2022 to June 30, 2022)

(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	
Three months ended	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
June 30, 2022	87,625	(11.9)	65,139	(25.4)	4,558	(79.7)	4,946	(78.2)
June 30, 2021	99,438	4.9	87,353	8.6	22,456	16.8	22,700	15.3

(Note) Comprehensive income: June 30, 2022 20,281 million yen (19.1%)  
June 30, 2021 17,022 million yen (-6.5%)

	Net income attributable to owners of parent		Net income per share	Net income per share - fully diluted
Three months ended	millions of yen	%	Yen	Yen
June 30, 2022	12,186	(29.4)	15.05	—
June 30, 2021	17,255	19.3	10.70	—

#### (2) Consolidated financial positions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
June 30, 2022	21,390,270	573,993	2.7
March 31, 2022	18,781,187	608,695	3.2

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

June 30, 2022 568,920 million yen  
March 31, 2022 604,205 million yen

### 2. Notes

- (1) Changes in significant subsidiaries (changes in specified subsidiaries accompanying changes in the scope of consolidation) during the period: None
- (2) Application of specific accounting methods in the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, estimates and restatements:
  - 1) Changes in accounting policies in accordance with revisions of accounting standards: Yes
  - 2) Changes other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None

(4) Number of outstanding shares (common stock)

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

June 30, 2022:	2,015,102,652 shares
March 31, 2022:	2,015,102,652 shares

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

June 30, 2022:	1,205,211,726 shares
March 31, 2022:	1,205,211,726 shares

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

Three Months Ended June 30, 2022	809,890,926 shares
Three Months Ended June 30, 2021	1,613,365,410 shares

\* Other important matters

Not applicable

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## **1. Matters Related to Summary information (Notes)**

### **Changes in accounting policies, estimates, and restatements**

(Changes in accounting policies)

Mizuho Securities Co., Ltd. (hereinafter, the "Company") has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021, hereinafter "Fair Value Measurement Accounting Standard Implementation Guidance") from the beginning of the first quarter ended June 30, 2022. In accordance with the transitional treatment set forth in paragraph 27-2 of "Fair Value Measurement Accounting Standard Implementation Guidance", the Company has applied prospectively a new accounting policy prescribed by "Fair Value Measurement Accounting Standard Implementation Guidance". This has no effect on the quarterly consolidated financial statements.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and bank deposits	625,894	573,900
Cash segregated as deposits for customers and others	548,753	536,847
Trading assets	9,172,447	11,945,686
Trading securities and others	3,916,544	4,197,461
Loans receivable	20,157	16,268
Derivatives	5,235,744	7,731,956
Receivables - unsettled trades	161,349	234,850
Operating investment securities	88,404	92,878
Operating loans receivable	9,417	8,401
Receivables related to margin transactions	34,802	28,112
Loans receivable under margin transactions	29,635	24,354
Cash collateral for borrowed securities under margin transactions	5,167	3,757
Collateralized short-term financing agreements - receivable	6,965,091	6,677,144
Deposits paid for securities borrowed	2,225,758	2,000,920
Securities purchased under agreements to resell	4,739,332	4,676,223
Advances paid	681	720
Short-term guarantee deposits	803,404	922,969
Securities: fail to deliver	44,377	46,416
Variation margin paid	12,757	1,472
Short-term loans receivable	116	144
Securities	237	275
Other current assets	75,158	77,700
Less: Allowance for doubtful accounts	(66)	(71)
Total current assets	18,542,826	21,147,449
Noncurrent assets		
Property and equipment	26,886	26,681
Intangible assets	92,059	90,610
Investments and other assets	119,414	125,530
Investment securities	52,152	49,087
Long-term guarantee deposits	13,471	14,070
Net defined benefit asset	36,859	37,239
Deferred tax assets	6,981	15,712
Other	13,630	13,170
Less: Allowance for doubtful accounts	(3,681)	(3,751)
Total noncurrent assets	238,360	242,821
<b>Total assets</b>	<b>18,781,187</b>	<b>21,390,270</b>

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Trading liabilities	7,409,491	10,773,703
Trading securities and others	2,480,126	3,173,595
Derivatives	4,929,364	7,600,107
Payables related to margin transactions	50,556	48,773
Borrowings on margin transactions	7,794	3,028
Cash collateral for loaned securities under margin transactions	42,761	45,744
Collateralized short-term financing agreements - payable	6,105,375	5,419,138
Deposits received for securities loaned	1,096,495	978,562
Securities sold under agreements to repurchase	5,008,879	4,440,576
Deposits received	426,322	458,542
Guarantee deposits received	631,284	489,064
Securities: fail to receive	60,929	53,779
Short-term borrowings	1,096,783	1,164,826
Commercial paper	490,500	480,000
Bonds and notes due within one year	187,282	225,450
Income taxes payable	2,789	1,989
Accrued employees' bonuses	35,976	8,313
Provision for variable compensation	411	511
Other current liabilities	184,639	179,064
Total current liabilities	<u>16,682,342</u>	<u>19,303,156</u>
Noncurrent liabilities		
Bonds and notes	874,862	885,287
Long-term borrowings	580,000	593,400
Lease obligations	2,983	3,131
Deferred tax liabilities	26	21
Provision for directors' retirement benefits	63	51
Provision for executive officers' retirement benefits	95	47
Net defined benefit liability	23,045	22,103
Provision for loss on head office transfer	1,541	1,159
Other noncurrent liabilities	4,398	4,787
Total noncurrent liabilities	<u>1,487,016</u>	<u>1,509,989</u>
Statutory reserves		
Reserve for financial instruments transaction liabilities	3,132	3,131
Total statutory reserves	<u>3,132</u>	<u>3,131</u>
<b>Total liabilities</b>	<u>18,172,491</u>	<u>20,816,277</u>

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Net assets</b>		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	358,414	358,414
Retained earnings	507,337	464,539
Treasury stock	(369,999)	(369,999)
Total shareholders' equity	<u>620,919</u>	<u>578,121</u>
Accumulated other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax, etc.	22,999	20,174
Foreign currency translation adjustments	(46,491)	(35,789)
Remeasurement of defined benefit plans	6,777	6,414
Total accumulated other comprehensive income (loss)	<u>(16,714)</u>	<u>(9,200)</u>
Non-controlling interests	<u>4,490</u>	<u>5,073</u>
<b>Total net assets</b>	<u>608,695</u>	<u>573,993</u>
<b>Total liabilities and net assets</b>	<u>18,781,187</u>	<u>21,390,270</u>

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income  
For the three months ended June 30, 2021 and 2022

	(Millions of yen)	
	Three months ended June 30, 2021	Three months ended June 30, 2022
Operating revenues		
Commissions	53,348	36,093
Brokerage commissions	7,646	7,579
Underwriting and selling fees, and commissions from solicitation to qualifying investors	10,566	5,338
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	18,141	8,109
Other commissions and fees	16,994	15,066
Net gain on trading	29,350	23,311
Net gain (loss) on operating investment securities	(16)	1,116
Interest and dividend income	16,756	27,104
Total operating revenues	99,438	87,625
Interest expenses	12,085	22,485
Net operating revenues	87,353	65,139
Selling, general and administrative expenses	64,897	60,580
Transaction-related expenses	10,827	10,764
Personnel expenses	30,708	26,531
Real estate expenses	6,668	7,335
Administrative expenses	7,451	8,062
Depreciation and amortization	6,833	5,379
Taxes and dues	1,340	1,473
Provision of allowance for doubtful accounts	(23)	72
Other	1,090	960
Operating income	22,456	4,558
Non-operating income	777	1,031
Non-operating expenses	532	643
Ordinary income	22,700	4,946
Extraordinary gain	30	61
Gain on sales of investment securities	22	60
Reversal of reserve for financial instruments transaction liabilities	7	1
Extraordinary loss	979	2,090
Loss on disposal of noncurrent assets	210	10
Head office transfer cost	123	351
Loss related to system migration	646	1,700
Other	—	27
Income before income taxes and non-controlling interests	21,751	2,918
Income taxes - current	439	(2,018)
Income taxes - deferred	3,951	(7,282)
Total income taxes	4,391	(9,301)
Net income	17,359	12,220
Net income attributable to non-controlling interests	104	34
Net income attributable to owners of parent	17,255	12,186



Quarterly Consolidated Statements of Comprehensive Income  
For the three months ended June 30, 2021 and 2022

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net income	17,359	12,220
Other comprehensive income (loss)		
Net unrealized gains (losses) on (operating) investment securities, net of tax, etc.	(850)	(2,824)
Foreign currency translation adjustments	734	11,248
Remeasurement of defined benefit plans	(223)	(361)
Share in other comprehensive income of affiliates accounted for using equity method	1	(1)
Total other comprehensive income (loss)	(337)	8,061
Comprehensive income	17,022	20,281
(Breakdown)		
Attributable to:		
Owners of parent	16,920	19,699
Non-controlling interests	102	582

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

Not applicable

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

Not applicable

**3. Supplemental Information****(1) Commissions****1) Breakdown by items**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Increase/(Decrease)	
			Amount	Percentage (%)
Brokerage commissions	7,646	7,579	(67)	(0.9)
Equities	7,267	7,192	(74)	(1.0)
Bonds	244	244	(0)	(0.1)
Underwriting and selling fees, and commissions from solicitation to qualifying investors	10,566	5,338	(5,228)	(49.5)
Equities	3,415	693	(2,722)	(79.7)
Bonds	7,022	4,564	(2,457)	(35.0)
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	18,141	8,109	(10,031)	(55.3)
Other commissions and fees	16,994	15,066	(1,928)	(11.3)
Total	53,348	36,093	(17,255)	(32.3)

**2) Breakdown by instruments**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Increase/(Decrease)	
			Amount	Percentage (%)
Equities	12,622	9,247	(3,374)	(26.7)
Bonds	12,351	7,176	(5,174)	(41.9)
Beneficiary certificates	21,486	13,216	(8,269)	(38.5)
Others	6,888	6,452	(436)	(6.3)
Total	53,348	36,093	(17,255)	(32.3)

**(2) Net gain on trading**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Increase/(Decrease)	
			Amount	Percentage (%)
Equities, etc.	4,477	(1,528)	(6,006)	—
Bonds, etc. and others	24,872	24,839	(32)	(0.1)
Total	29,350	23,311	(6,038)	(20.6)

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

(Millions of yen)

		As of March 31, 2022	As of June 30, 2022
Basic items (A)		523,935	547,405
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	29,777	26,588
	Reserve for financial instruments transaction liabilities, etc.	3,132	3,131
	Allowance for doubtful accounts	66	59
	Subordinated long-term borrowings	261,967	255,000
	Subordinated short-term borrowings	227,032	234,000
Total (B)		521,975	518,778
Deducted assets (C)		232,118	242,467
Equity after deduction (A) + (B) - (C) (D)		813,792	823,717
Amount equivalent to risk	Amount equivalent to market risk	152,032	164,760
	Amount equivalent to counterparty risk	75,729	81,927
	Amount equivalent to fundamental risk	75,224	72,315
	Total (E)	302,986	319,003
Consolidated capital adequacy requirement ratio (D)/(E) * 100		268.5%	258.2%

**2) Non-consolidated base**

(Millions of yen)

		As of March 31, 2022	As of June 30, 2022
Basic items (A)		507,387	523,690
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	13,415	10,881
	Reserve for financial instruments transaction liabilities, etc.	3,132	3,131
	Allowance for doubtful accounts	79	74
	Subordinated long-term borrowings	253,693	255,000
	Subordinated short-term borrowings	235,306	234,000
Total (B)		505,626	503,086
Deducted assets (C)		369,525	385,106
Equity after deduction (A) + (B) - (C) (D)		643,488	641,670
Amount equivalent to risk	Amount equivalent to market risk	98,278	106,764
	Amount equivalent to counterparty risk	59,551	66,598
	Amount equivalent to fundamental risk	72,747	70,416
	Total (E)	230,577	243,780
Capital adequacy requirement ratio (D)/(E) * 100		279.0%	263.2%

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

(Millions of yen)

	First quarter ended June 2021 Apr. 1, 2021 - Jun. 30, 2021	Second quarter ended September 2021 Jul. 1, 2021 - Sep. 30, 2021	Third quarter ended December 2021 Oct. 1, 2021 - Dec. 31, 2021	Fourth quarter ended March 2022 Jan. 1, 2022 - Mar. 31, 2022	First quarter ended June 2022 Apr. 1, 2022 - Jun. 30, 2022
Operating revenues	99,438	113,936	96,261	91,802	87,625
Commissions	53,348	52,724	57,000	45,753	36,093
Brokerage commissions	7,646	8,342	8,777	8,044	7,579
Equities	7,267	7,860	8,424	7,558	7,192
Bonds	244	357	222	332	244
Underwriting and selling fees, and commissions from solicitation to qualifying investors	10,566	13,262	14,159	7,189	5,338
Equities	3,415	4,999	8,078	2,297	693
Bonds	7,022	8,192	6,058	4,780	4,564
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	18,141	12,439	14,394	11,068	8,109
Other commissions and fees	16,994	18,679	19,669	19,451	15,066
Net gain on trading	29,350	35,006	20,189	18,267	23,311
Equities, etc.	4,477	21,170	27,025	14,176	(1,528)
Bonds, etc. and others	24,872	13,836	(6,836)	4,091	24,839
Net gain (loss) on operating investment	(16)	(1,081)	808	(22)	1,116
Interest and dividend income	16,756	27,286	18,263	27,803	27,104
Interest expenses	12,085	21,272	11,765	20,701	22,485
Net operating revenues	87,353	92,663	84,496	71,101	65,139
Selling, general and administrative expenses	64,897	68,570	67,767	65,130	60,580
Transaction-related expenses	10,827	13,352	11,230	11,118	10,764
Personnel expenses	30,708	32,301	32,223	31,063	26,531
Real estate expenses	6,668	5,959	6,715	6,943	7,335
Administrative expenses	7,451	7,996	8,418	8,305	8,062
Depreciation and amortization	6,833	6,685	6,574	5,828	5,379
Taxes and dues	1,340	1,477	1,708	1,004	1,473
Other	1,066	797	895	867	1,032
Operating income	22,456	24,092	16,729	5,970	4,558
Non-operating income	777	341	1,415	2,452	1,031
Non-operating expenses	532	1,012	382	745	643
Ordinary income	22,700	23,421	17,761	7,678	4,946
Extraordinary gain	30	496	316	2,670	61
Extraordinary loss	979	1,335	1,388	6,861	2,090
Income before income taxes and non- controlling interests	21,751	22,582	16,689	3,487	2,918
Income taxes - current	439	4,655	5,047	204	(2,018)
Income taxes - deferred	3,951	(666)	(5,104)	366	(7,282)
Net income	17,359	18,593	16,745	2,916	12,220
Net income (loss) attributable to non- controlling interests	104	61	(26)	493	34
Net income attributable to owners of parent	17,255	18,531	16,772	2,423	12,186

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

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

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and bank deposits	405,261	401,775
Cash segregated as deposits for customers and others	541,274	531,098
Trading assets	6,921,502	8,717,193
Trading securities and others	3,197,851	3,494,573
Derivatives	3,723,651	5,222,620
Receivables - unsettled trades	145,887	193,080
Operating investment securities	40,926	46,279
Receivables related to margin transactions	34,802	28,112
Loans receivable under margin transactions	29,635	24,354
Cash collateral for borrowed securities under margin transactions	5,167	3,757
Collateralized short-term financing agreements - receivable	4,707,548	4,922,783
Deposits paid for securities borrowed	2,225,758	2,000,920
Securities purchased under agreements to resell	2,481,790	2,921,862
Advances paid	94	258
Short-term guarantee deposits	627,838	774,933
Securities: fail to deliver	32,415	29,548
Variation margin paid	12,757	1,472
Short-term loans receivable	47,983	48,625
Other current assets	59,738	58,827
Less: Allowance for doubtful accounts	(79)	(86)
Total current assets	<u>13,577,953</u>	<u>15,753,903</u>
Noncurrent assets		
Property and equipment	18,742	18,358
Intangible assets	68,497	67,351
Investments and other assets	304,034	312,246
Investment securities	235,628	232,797
Long-term guarantee deposits	12,984	13,537
Prepaid pension cost	25,754	26,626
Deferred tax assets	19,998	28,340
Other	13,347	14,698
Less: Allowance for doubtful accounts	(3,681)	(3,753)
Total noncurrent assets	<u>391,274</u>	<u>397,956</u>
<b>Total assets</b>	<u>13,969,227</u>	<u>16,151,859</u>

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Trading liabilities	5,356,537	7,770,408
Trading securities and others	1,935,741	2,662,616
Derivatives	3,420,796	5,107,791
Payables related to margin transactions	50,556	48,773
Borrowings on margin transactions	7,794	3,028
Cash collateral for loaned securities under margin transactions	42,761	45,744
Collateralized short-term financing agreements - payable	4,144,682	3,859,120
Deposits received for securities loaned	1,096,495	978,562
Securities sold under agreements to repurchase	3,048,186	2,880,558
Deposits received	425,452	457,147
Guarantee deposits received	425,613	299,013
Securities: fail to receive	7,083	2,296
Short-term borrowings	904,079	1,093,713
Commercial paper	490,500	480,000
Bonds and notes due within one year	148,768	180,961
Income taxes payable	2,515	1,706
Accrued employees' bonuses	25,379	4,215
Provision for variable compensation	411	511
Other current liabilities	46,970	34,442
<b>Total current liabilities</b>	<b>12,028,549</b>	<b>14,232,309</b>
Noncurrent liabilities		
Bonds and notes	753,870	761,519
Long-term borrowings	580,000	593,400
Provision for retirement benefits	22,579	21,642
Provision for loss on head office transfer	1,541	1,159
Other noncurrent liabilities	3,769	4,125
<b>Total noncurrent liabilities</b>	<b>1,361,759</b>	<b>1,381,847</b>
Statutory reserves		
Reserve for financial instruments transaction liabilities	3,132	3,131
<b>Total statutory reserves</b>	<b>3,132</b>	<b>3,131</b>
<b>Total liabilities</b>	<b>13,393,441</b>	<b>15,617,287</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	381,649	381,649
Retained earnings	425,554	386,873
Treasury stock	(369,999)	(369,999)
<b>Total shareholders' equity</b>	<b>562,371</b>	<b>523,690</b>
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax, etc.	23,193	20,601
Net deferred gains or losses on hedges, net of tax	(9,778)	(9,720)
<b>Total valuation and translation adjustments</b>	<b>13,415</b>	<b>10,881</b>
<b>Total net assets</b>	<b>575,786</b>	<b>534,571</b>
<b>Total liabilities and net assets</b>	<b>13,969,227</b>	<b>16,151,859</b>

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

For the three months ended June 30, 2021 and 2022

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Operating revenues		
Commissions	46,903	32,563
Net gain on trading	31,969	26,704
Net gain on operating investment securities	22	431
Interest and dividend income	13,468	22,278
Total operating revenues	92,363	81,977
Interest expenses	8,981	18,521
Net operating revenues	83,382	63,455
Selling, general and administrative expenses	62,203	55,118
Transaction-related expenses	17,702	14,359
Personnel expenses	23,157	19,492
Real estate expenses	5,126	5,633
Administrative expenses	9,460	10,106
Depreciation and amortization	4,781	3,350
Taxes and dues	1,278	1,418
Provision of allowance for doubtful accounts	(15)	78
Other	711	679
Operating income	21,179	8,337
Non-operating income	1,271	864
Non-operating expenses	3	35
Ordinary income	22,447	9,165
Extraordinary gain	30	61
Gain on sales of investment securities	22	60
Reversal of reserve for financial instruments transaction liabilities	7	1
Extraordinary loss	972	2,275
Loss on disposal of noncurrent assets	202	10
Head office transfer cost	123	351
Loss related to system migration	646	1,885
Other	0	27
Income before income taxes	21,505	6,952
Income taxes - current	423	(2,125)
Income taxes - deferred	3,999	(7,225)
Total income taxes	4,423	(9,350)
Net income	17,081	16,302