

February 1, 2024



Summary of Consolidated Financial Statements for the Nine Months Ended December 31, 2023 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 Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(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	%
Nine months ended								
December 31, 2023	423,451	40.9	247,224	20.7	36,112	150.3	35,174	147.9
December 31, 2022	300,492	(3.0)	204,766	(22.6)	14,430	(77.2)	14,186	(77.8)
(Note) Comprehensive income:								
	December 31, 2023		52,991 million yen		(229.6%)			
	December 31, 2022		16,079 million yen		(-70.9%)			

	Net income attributable to owners of parent		Net income per share	Net income per share
	millions of yen	%	Yen	Yen
Nine months ended				
December 31, 2023	29,762	81.3	24.40	—
December 31, 2022	16,419	(68.8)	18.73	—

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
December 31, 2023	22,502,975	845,837	3.7
March 31, 2023	19,240,493	703,632	3.6

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

December 31, 2023	840,536 million yen
March 31, 2023	698,586 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):

December 31, 2023:	2,015,102,652 shares
March 31, 2023:	2,015,102,652 shares

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

December 31, 2023:	644,196,585 shares
March 31, 2023:	838,827,458 shares

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

Nine Months Ended December 31, 2023	1,219,526,499 shares
Nine Months Ended December 31, 2022	876,557,593 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. applied “Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.” (ASBJ Practical Solution No. 43, August 26, 2022) from the beginning of the first quarter ended June 30, 2023. There are no effects on the quarterly consolidated financial statements due to the application of the Practical Solution.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and bank deposits	1,089,882	656,526
Cash segregated as deposits for customers and others	465,730	500,713
Trading assets	10,138,644	11,964,981
Trading securities and others	3,119,074	4,330,511
Loans receivable	1,881	—
Derivatives	7,017,687	7,634,470
Receivables - unsettled trades	12,421	—
Operating investment securities	91,193	98,484
Operating loans receivable	10,313	9,091
Receivables related to margin transactions	25,742	26,063
Loans receivable under margin transactions	24,237	24,831
Cash collateral for borrowed securities under margin transactions	1,505	1,232
Collateralized short-term financing agreements - receivable	6,424,132	8,079,952
Deposits paid for securities borrowed	1,741,151	1,786,141
Securities purchased under agreements to resell	4,682,980	6,293,810
Advances paid	704	1,045
Short-term guarantee deposits	536,334	600,556
Securities: fail to deliver	27,917	13,857
Variation margin paid	—	8,924
Short-term loans receivable	137	184
Securities	263	250
Other current assets	115,221	147,530
Less: Allowance for doubtful accounts	(773)	(1,083)
Total current assets	18,937,866	22,107,078
Noncurrent assets		
Property and equipment	25,099	25,224
Intangible assets	56,338	60,282
Investments and other assets	221,189	310,390
Investment securities	120,167	215,013
Long-term guarantee deposits	13,811	13,193
Net defined benefit asset	36,270	37,288
Deferred tax assets	42,138	37,409
Other	12,278	10,996
Less: Allowance for doubtful accounts	(3,476)	(3,512)
Total noncurrent assets	302,627	395,897
Total assets	19,240,493	22,502,975

(Millions of yen)

As of March 31, 2023 As of December 31, 2023

Liabilities	As of March 31, 2023	As of December 31, 2023
Current liabilities		
Trading liabilities	9,333,285	10,662,412
Trading securities and others	2,595,028	3,287,023
Derivatives	6,738,257	7,375,389
Payables - unsettled trades	—	277,750
Payables related to margin transactions	37,624	28,880
Borrowings on margin transactions	3,763	4,947
Cash collateral for loaned securities under margin transactions	33,860	23,933
Collateralized short-term financing agreements - payable	4,789,407	6,064,008
Deposits received for securities loaned	684,898	756,838
Securities sold under agreements to repurchase	4,104,509	5,307,170
Deposits received	385,790	498,675
Guarantee deposits received	330,315	367,535
Securities: fail to receive	54,458	9,900
Variation margin received	1,052	—
Short-term borrowings	1,106,768	1,422,803
Commercial paper	436,000	398,000
Bonds and notes due within one year	367,153	193,080
Income taxes payable	3,737	259
Accrued employees' bonuses	26,745	23,406
Provision for variable compensation	401	283
Other current liabilities	176,106	169,432
Total current liabilities	17,048,846	20,116,429
Noncurrent liabilities		
Bonds and notes	729,615	704,020
Long-term borrowings	724,100	804,700
Lease obligations	3,209	2,960
Provision for directors' retirement benefits	70	75
Provision for executive officers' retirement benefits	59	56
Net defined benefit liability	22,130	21,389
Provision for loss on head office transfer	923	236
Other noncurrent liabilities	4,553	3,914
Total noncurrent liabilities	1,484,661	1,537,353
Statutory reserves		
Reserve for financial instruments transaction liabilities	3,352	3,354
Total statutory reserves	3,352	3,354
Total liabilities	18,536,861	21,657,137

(Millions of yen)

As of March 31, 2023 As of December 31, 2023

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	383,836	411,084
Retained earnings	458,848	490,823
Treasury stock	(257,520)	(197,768)
Total shareholders' equity	<u>710,331</u>	<u>829,307</u>
Accumulated other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax, etc.	18,700	23,759
Foreign currency translation adjustments	(35,355)	(16,595)
Remeasurement of defined benefit plans	4,909	4,064
Total accumulated other comprehensive income (loss)	<u>(11,744)</u>	<u>11,228</u>
Non-controlling interests	<u>5,045</u>	<u>5,301</u>
Total net assets	<u>703,632</u>	<u>845,837</u>
Total liabilities and net assets	<u>19,240,493</u>	<u>22,502,975</u>

(2) Quarterly Consolidated Statements of Income and Comprehensive IncomeQuarterly Consolidated Statements of Income
For the nine months ended December 31, 2022 and 2023

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Operating revenues		
Commissions	115,737	146,754
Brokerage commissions	21,745	27,179
Underwriting and selling fees, and commissions from solicitation to qualifying investors	21,045	34,187
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	21,139	25,755
Other commissions and fees	51,807	59,632
Net gain on trading	69,440	86,674
Net gain on operating investment securities	2,722	2,636
Interest and dividend income	112,591	187,386
Total operating revenues	300,492	423,451
Interest expenses	95,726	176,226
Net operating revenues	204,766	247,224
Selling, general and administrative expenses	190,336	211,112
Transaction-related expenses	32,807	35,262
Personnel expenses	84,630	94,544
Real estate expenses	24,915	29,298
Administrative expenses	23,342	28,722
Depreciation and amortization	18,146	15,906
Taxes and dues	3,669	4,256
Provision of allowance for doubtful accounts	55	345
Other	2,768	2,775
Operating income	14,430	36,112
Non-operating income	2,255	965
Non-operating expenses	2,499	1,902
Ordinary income	14,186	35,174
Extraordinary gain	4,088	2,126
Gain on sales of investment securities	3,902	656
Gain on sales of shares of subsidiaries and affiliates	—	585
Gain on change in equity	—	884
Other	185	0
Extraordinary loss	11,488	3,692
Loss on sales of noncurrent assets	3	101
Loss on disposal of noncurrent assets	416	419
Loss on liquidation of subsidiaries and affiliates	—	1,702
Impairment losses	328	181
Head office transfer cost	1,804	933
Loss on cancellation of system agreement	—	293
Loss related to system migration	8,747	—
Provision of allowance for loss on head office transfer	134	—
Provision of reserve for financial instruments transaction liabilities	0	1
Other	52	57
Income before income taxes and non-controlling interests	6,786	33,609
Income taxes - current	1,133	716
Income taxes - deferred	(10,812)	3,031
Total income taxes	(9,678)	3,748
Net income	16,464	29,861
Net income attributable to non-controlling interests	44	98
Net income attributable to owners of parent	16,419	29,762

Quarterly Consolidated Statements of Comprehensive Income
For the nine months ended December 31, 2022 and 2023

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net income	16,464	29,861
Other comprehensive income		
Net unrealized gains (losses) on (operating) investment securities, net of tax, etc.	(4,234)	5,059
Foreign currency translation adjustments	4,937	18,876
Remeasurement of defined benefit plans	(1,083)	(847)
Share in other comprehensive income of affiliates accounted for using equity method	(3)	41
Total other comprehensive income	(385)	23,130
Comprehensive income	16,079	52,991
(Breakdown)		
Attributable to:		
Owners of parent	15,637	52,735
Non-controlling interests	441	255

(3) Note on the going-concern assumption

Not applicable

(4) Note on material changes in shareholders' equity

The Company disposed of 194,630,873 shares of treasury stock through a third-party allotment on November 29, 2023 based on resolutions of General Meeting of Shareholders on November 21, 2023. Accordingly, the capital surplus increased by 27,248 million yen and the treasury stock decreased by 59,751 million yen. As a result, 411,084 million yen was recognized in the capital surplus and 197,768 million yen was recognized in the treasury stock as of December 31, 2023.

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Increase/(Decrease)	
			Amount	Percentage (%)
Brokerage commissions	21,745	27,179	5,433	25.0
Equities	20,654	26,008	5,353	25.9
Bonds	716	857	140	19.7
Underwriting and selling fees, and commissions from solicitation to qualifying investors	21,045	34,187	13,141	62.4
Equities	4,936	17,233	12,296	249.1
Bonds	15,882	16,536	654	4.1
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	21,139	25,755	4,615	21.8
Other commissions and fees	51,807	59,632	7,825	15.1
Total	115,737	146,754	31,016	26.8

2) Breakdown by instruments

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Increase/(Decrease)	
			Amount	Percentage (%)
Equities	30,067	48,658	18,590	61.8
Bonds	23,561	27,417	3,855	16.4
Beneficiary certificates	35,767	38,308	2,541	7.1
Others	26,340	32,370	6,029	22.9
Total	115,737	146,754	31,016	26.8

(2) Net gain on trading

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Increase/(Decrease)	
			Amount	Percentage (%)
Equities, etc.	3,972	4,594	621	16
Bonds, etc. and others	65,468	82,079	16,611	25.4
Total	69,440	86,674	17,233	24.8

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

(Millions of yen)

		As of March 31, 2023	As of December 31, 2023
Basic items (A)		680,022	818,013
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	23,610	27,823
	Reserve for financial instruments transaction liabilities, etc.	3,352	3,354
	Allowance for doubtful accounts	65	106
	Subordinated long-term borrowings	300,000	245,200
	Subordinated short-term borrowings	234,000	288,800
Total (B)		561,028	565,284
Deducted assets (C)		294,652	387,214
Equity after deduction (A) + (B) - (C) (D)		946,399	996,083
Amount equivalent to risk	Amount equivalent to market risk	166,010	177,246
	Amount equivalent to counterparty risk	68,090	64,174
	Amount equivalent to fundamental risk	76,546	87,883
	Total (E)	310,647	329,304
Consolidated capital adequacy requirement ratio (D)/(E) * 100		304.6%	302.4%

2) Non-consolidated base

(Millions of yen)

		As of March 31, 2023	As of December 31, 2023
Basic items (A)		669,587	783,144
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	9,811	14,876
	Reserve for financial instruments transaction liabilities, etc.	3,352	3,354
	Allowance for doubtful accounts	60	88
	Subordinated long-term borrowings	300,000	245,200
	Subordinated short-term borrowings	234,000	288,800
Total (B)		547,224	552,319
Deducted assets (C)		506,166	583,901
Equity after deduction (A) + (B) - (C) (D)		710,644	751,563
Amount equivalent to risk	Amount equivalent to market risk	145,788	142,740
	Amount equivalent to counterparty risk	52,376	48,041
	Amount equivalent to fundamental risk	69,916	74,447
	Total (E)	268,081	265,229
Capital adequacy requirement ratio (D)/(E) * 100		265.0%	283.3%

(4) Quarterly Consolidated Statements of Income

(Millions of yen)

	Third quarter ended December 2022 Oct. 1, 2022 - Dec. 31, 2022	Fourth quarter ended March 2023 Jan. 1, 2023 - Mar. 31, 2023	First quarter ended June 2023 Apr. 1, 2023 - Jun. 30, 2023	Second quarter ended September 2023 Jul. 1, 2023 - Sep. 30, 2023	Third quarter ended December 2023 Oct. 1, 2023 - Dec. 31, 2023
Operating revenues	99,856	124,485	132,008	146,390	145,052
Commissions	39,932	45,346	47,446	48,372	50,935
Brokerage commissions	6,770	8,000	9,177	9,215	8,786
Equities	6,467	7,537	8,809	8,820	8,379
Bonds	194	358	262	290	304
Underwriting and selling fees, and commissions from solicitation to qualifying investors	9,143	7,978	9,933	11,223	13,031
Equities	2,621	4,271	4,340	3,989	8,903
Bonds	6,499	3,492	5,484	7,179	3,872
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	6,252	8,541	8,471	9,213	8,070
Other commissions and fees	17,765	20,825	19,864	18,720	21,047
Net gain on trading	22,577	22,622	32,073	25,508	29,091
Equities, etc.	(6,409)	8,936	(7,371)	(217)	12,183
Bonds, etc. and others	28,987	13,686	39,445	25,725	16,908
Net gain (loss) on operating investment	1,556	(563)	465	661	1,509
Interest and dividend income	35,790	57,078	52,022	71,847	63,516
Interest expenses	32,920	48,634	50,603	61,933	63,689
Net operating revenues	66,936	75,850	81,404	84,456	81,363
Selling, general and administrative expenses	63,803	73,656	71,241	70,644	69,227
Transaction-related expenses	10,575	12,269	12,706	11,423	11,133
Personnel expenses	27,988	32,062	29,583	33,245	31,715
Real estate expenses	8,990	9,069	10,006	9,424	9,867
Administrative expenses	7,661	10,018	9,090	9,608	10,023
Depreciation and amortization	6,318	6,515	5,111	5,342	5,452
Taxes and dues	1,306	2,093	3,220	499	536
Other	960	1,628	1,521	1,101	498
Operating income	3,132	2,193	10,163	13,812	12,135
Non-operating income	143	765	839	866	(740)
Non-operating expenses	1,073	3,525	227	(97)	1,771
Ordinary income (loss)	2,202	(565)	10,775	14,775	9,623
Extraordinary gain	3,786	5,114	1,897	133	95
Extraordinary loss	2,599	34,856	461	875	2,355
Income (loss) before income taxes and non- controlling interests	3,388	(30,307)	12,211	14,033	7,363
Income taxes - current	3,149	1,125	27,544	(25,414)	(1,414)
Income taxes - deferred	(2,996)	(21,573)	(43,543)	24,751	21,823
Net income (loss)	3,235	(9,859)	28,210	14,696	(13,045)
Net income (loss) attributable to non- controlling interests	(41)	65	2	9	86
Net income (loss) attributable to owners of parent	3,277	(9,925)	28,207	14,687	(13,132)

4. (Reference) Quarterly Non-consolidated Financial Statements

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

(Millions of yen)

As of March 31, 2023 As of December 31, 2023

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and bank deposits	866,603	462,456
Cash segregated as deposits for customers and others	462,232	497,618
Trading assets	6,430,652	8,277,131
Trading securities and others	2,289,857	3,067,239
Derivatives	4,140,795	5,209,892
Operating investment securities	90,676	97,795
Operating loans receivable	9,611	8,389
Receivables related to margin transactions	25,742	26,063
Loans receivable under margin transactions	24,237	24,831
Cash collateral for borrowed securities under margin transactions	1,505	1,232
Collateralized short-term financing agreements - receivable	4,722,172	5,330,320
Deposits paid for securities borrowed	1,741,151	1,786,141
Securities purchased under agreements to resell	2,981,021	3,544,178
Advances paid	1,372	59
Short-term guarantee deposits	470,417	502,215
Securities: fail to deliver	30,155	3,406
Variation margin paid	—	4,234
Short-term loans receivable	7,881	14,617
Other current assets	93,009	107,982
Less: Allowance for doubtful accounts	(64)	(362)
Total current assets	13,210,463	15,331,929
Noncurrent assets		
Property and equipment	16,992	16,915
Intangible assets	44,747	45,634
Investments and other assets	458,184	535,932
Investment securities	347,632	439,903
Long-term guarantee deposits	13,284	12,684
Prepaid pension cost	29,253	31,370
Deferred tax assets	50,017	44,748
Other	21,480	10,737
Less: Allowance for doubtful accounts	(3,483)	(3,512)
Total noncurrent assets	519,924	598,482
Total assets	13,730,388	15,930,412

(Millions of yen)

As of March 31, 2023 As of December 31, 2023

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Trading liabilities	5,918,952	7,289,049
Trading securities and others	2,018,408	2,329,341
Derivatives	3,900,543	4,959,708
Payables - unsettled trades	36,516	305,423
Payables related to margin transactions	37,624	28,880
Borrowings on margin transactions	3,763	4,947
Cash collateral for loaned securities under margin transactions	33,860	23,933
Collateralized short-term financing agreements - payable	3,318,666	3,562,625
Deposits received for securities loaned	684,898	756,838
Securities sold under agreements to repurchase	2,633,768	2,805,787
Deposits received	385,028	498,050
Guarantee deposits received	191,053	251,883
Securities: fail to receive	1,018	1,642
Variation margin received	1,052	—
Short-term borrowings	957,701	1,167,045
Commercial paper	436,000	398,000
Bonds and notes due within one year	303,842	126,947
Income taxes payable	3,624	167
Accrued employees' bonuses	15,390	12,159
Provision for variable compensation	401	283
Other current liabilities	48,800	44,434
Total current liabilities	11,655,671	13,686,594
Noncurrent liabilities		
Bonds and notes	641,254	613,243
Long-term borrowings	724,100	804,700
Provision for retirement benefits	21,790	21,063
Provision for loss on head office transfer	923	236
Other noncurrent liabilities	3,895	3,199
Total noncurrent liabilities	1,391,964	1,442,442
Statutory reserves		
Reserve for financial instruments transaction liabilities	3,352	3,354
Total statutory reserves	3,352	3,354
Total liabilities	13,050,989	15,132,390
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	407,071	434,319
Retained earnings	394,868	421,426
Treasury stock	(257,520)	(197,768)
Total shareholders' equity	669,587	783,144
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax, etc.	19,610	24,639
Net deferred losses on hedges, net of tax	(9,798)	(9,762)
Total valuation and translation adjustments	9,811	14,876
Total net assets	679,398	798,021
Total liabilities and net assets	13,730,388	15,930,412

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

For the nine months ended December 31, 2022 and 2023

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Operating revenues		
Commissions	104,076	127,566
Net gain on trading	70,419	78,170
Net gain on operating investment securities	1,344	2,479
Interest and dividend income	94,807	112,668
Total operating revenues	270,648	320,886
Interest expenses	82,787	113,846
Net operating revenues	187,861	207,039
Selling, general and administrative expenses	169,598	176,076
Transaction-related expenses	40,987	34,026
Personnel expenses	61,552	66,324
Real estate expenses	19,793	22,926
Administrative expenses	29,653	35,081
Depreciation and amortization	12,121	11,081
Taxes and dues	3,549	4,172
Provision of allowance for doubtful accounts	58	326
Other	1,881	2,136
Operating income	18,262	30,963
Non-operating income	2,120	967
Non-operating expenses	101	1,180
Ordinary income	20,282	30,751
Extraordinary gain	4,088	1,138
Gain on sales of investment securities	3,902	680
Gain on sales of shares of subsidiaries and affiliates	—	71
Gain on liquidation of subsidiaries and affiliates	—	386
Other	185	—
Extraordinary loss	11,771	1,857
Loss on disposal of noncurrent assets	416	419
Impairment losses	328	181
Head office transfer cost	1,808	936
Loss on cancellation of system agreement	—	293
Loss related to system migration	9,030	—
Provision of allowance for loss on head office transfer	134	—
Provision of reserve for financial instruments transaction liabilities	0	1
Other	52	23
Income before income taxes	12,598	30,031
Income taxes - current	970	456
Income taxes - deferred	(10,601)	3,017
Total income taxes	(9,631)	3,474
Net income	22,229	26,557