

April 26, 2024



Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2024 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 Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	
Fiscal Year ended	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
March 31, 2024	605,939	42.6	345,669	23.2	50,834	205.8	51,205	275.9
March 31, 2023	424,977	5.9	280,616	(16.4)	16,624	(76.0)	13,620	(81.0)

(Note) Comprehensive income: March 31, 2024 118,987 million yen (890.0%)

March 31, 2023 12,018 million yen (-82.0%)

	Net income attributable to owners of parent		Net income per share	Net income per share - fully diluted	Return on Equity
Fiscal Year ended	millions of yen	%	Yen	Yen	%
March 31, 2024	68,881	960.6	54.78	—	8.6
March 31, 2023	6,494	(88.2)	6.83	—	1.0

Reference: Equity in net earnings of affiliated companies: March 31, 2024 291 million yen

March 31, 2023 (5,827) 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, 2024	23,105,316	909,858	3.9	659.23
March 31, 2023	19,240,493	703,632	3.6	593.90

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

March 31, 2024 903,736 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) 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 more information, please refer to "6. Changes in accounting policies" on page 11 of the appendix.

(3) Number of outstanding shares (common stock)

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

March 31, 2024:	2,015,102,652 shares
March 31, 2023:	2,015,102,652 shares

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

March 31, 2024:	644,196,585 shares
March 31, 2023:	838,827,458 shares

3) Average number of outstanding shares for the period:

March 31, 2024:	1,257,371,391 shares
March 31, 2023:	951,486,993 shares

* Note on the status of audit procedures

This summary of financial statements is not subject to certified public accountant's or audit firm's audits.

* Other important matters

Not applicable

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I . Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and bank deposits	1,089,882	821,722
Cash segregated as deposits for customers and others	465,730	533,915
Trading assets	10,138,644	11,826,233
Trading securities and others	3,119,074	4,383,698
Loans receivable	1,881	—
Derivatives	7,017,687	7,442,534
Receivables - unsettled trades	12,421	—
Operating investment securities	91,193	97,890
Operating loans receivable	10,313	7,705
Receivables related to margin transactions	25,742	26,188
Loans receivable under margin transactions	24,237	23,934
Cash collateral for borrowed securities under margin transactions	1,505	2,254
Collateralized short-term financing agreements - receivable	6,424,132	8,346,602
Deposits paid for securities borrowed	1,741,151	2,171,511
Securities purchased under agreements to resell	4,682,980	6,175,091
Advances paid	704	2,893
Short-term guarantee deposits	536,334	769,963
Securities: fail to deliver	27,917	80,541
Short-term loans receivable	137	196
Securities	263	274
Other current assets	115,221	149,522
Less: Allowance for doubtful accounts	(773)	(997)
Total current assets	18,937,866	22,662,651
Noncurrent assets		
Property and equipment	25,099	27,671
Buildings	8,063	8,564
Equipment	8,586	10,620
Land	5,574	5,574
Leased assets	2,874	2,912
Intangible assets	56,338	62,675
Software	55,846	62,181
Other	491	493
Investments and other assets	221,189	352,310
Investment securities	120,167	216,542
Long-term guarantee deposits	13,811	12,826
Net defined benefit asset	36,270	46,894
Deferred tax assets	42,138	69,057
Other	12,278	10,402
Less: Allowance for doubtful accounts	(3,476)	(3,412)
Total noncurrent assets	302,627	442,656
Deferred assets	—	8
Total assets	19,240,493	23,105,316

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trading liabilities	9,333,285	10,180,626
Trading securities and others	2,595,028	2,996,687
Derivatives	6,738,257	7,183,939
Payables - unsettled trades	—	147,160
Payables related to margin transactions	37,624	31,028
Borrowings on margin transactions	3,763	10,173
Cash collateral for loaned securities under margin transactions	33,860	20,854
Collateralized short-term financing agreements - payable	4,789,407	6,950,213
Deposits received for securities loaned	684,898	1,287,886
Securities sold under agreements to repurchase	4,104,509	5,662,326
Deposits received	385,790	446,651
Guarantee deposits received	330,315	421,172
Securities: fail to receive	54,458	57,935
Variation margin received	1,052	4,687
Short-term borrowings	1,106,768	1,519,062
Commercial paper	436,000	476,000
Bonds and notes due within one year	367,153	151,041
Income taxes payable	3,737	4,829
Accrued employees' bonuses	26,745	34,837
Provision for variable compensation	401	377
Other current liabilities	176,106	190,759
Total current liabilities	17,048,846	20,616,384
Noncurrent liabilities		
Bonds and notes	729,615	731,697
Long-term borrowings	724,100	809,400
Lease obligations	3,209	3,139
Provision for directors' retirement benefits	70	82
Provision for executive officers' retirement benefits	59	60
Net defined benefit liability	22,130	20,282
Provision for loss on head office transfer	923	802
Provision for loss related to entrusted business	—	5,733
Other noncurrent liabilities	4,553	4,095
Total noncurrent liabilities	1,484,661	1,575,292
Statutory reserves		
Reserve for financial instruments transaction liabilities	3,352	3,781
Total statutory reserves	3,352	3,781
Total liabilities	18,536,861	22,195,458

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	383,836	411,084
Retained earnings	458,848	527,963
Treasury stock	(257,520)	(197,768)
Total shareholders' equity	<u>710,331</u>	<u>866,447</u>
Accumulated other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax, etc.	18,700	25,063
Foreign currency translation adjustments	(35,355)	35
Remeasurement of defined benefit plans	4,909	12,189
Total accumulated other comprehensive income (loss)	<u>(11,744)</u>	<u>37,288</u>
Non-controlling interests	<u>5,045</u>	<u>6,122</u>
Total net assets	<u>703,632</u>	<u>909,858</u>
Total liabilities and net assets	<u>19,240,493</u>	<u>23,105,316</u>

2. Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Operating revenues		
Commissions	161,084	200,665
Brokerage commissions	29,746	39,358
Underwriting and selling fees, and commissions from solicitation to qualifying investors	29,024	42,596
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	29,681	35,345
Other commissions and fees	72,633	83,364
Net gain on trading	92,063	112,573
Net gain (loss) on operating investment securities	2,159	6,033
Interest and dividend income	169,669	286,667
Total operating revenues	424,977	605,939
Interest expenses	144,360	260,269
Net operating revenues	280,616	345,669
Selling, general and administrative expenses	263,992	294,834
Transaction-related expenses	45,076	48,677
Personnel expenses	116,693	130,990
Real estate expenses	33,984	40,509
Administrative expenses	33,361	41,371
Depreciation and amortization	24,662	22,344
Taxes and dues	5,762	6,814
Provision of allowance for doubtful accounts	764	303
Other	3,688	3,822
Operating income	16,624	50,834
Non-operating income	3,021	1,742
Non-operating expenses	6,024	1,371
Ordinary income	13,620	51,205
Extraordinary gain	9,202	2,405
Gain on sales of noncurrent assets	1,005	0
Gain on sales of investment securities	8,011	657
Gain on sales of shares of subsidiaries and affiliates	—	585
Gain on liquidation of subsidiaries and affiliates	—	277
Gain on change in equity	—	884
Other	185	—
Extraordinary loss	46,344	13,615
Loss on sales of noncurrent assets	7	108
Loss on disposal of noncurrent assets	522	1,596
Loss on sales of investment securities	257	57
Impairment losses	32,627	181
Extra retirement payments	838	147
Head office transfer cost	2,655	2,167
Loss on cancellation of system agreement	—	293
Loss related to system migration	8,909	—
Provision of allowance for loss on head office transfer	219	730
Provision of allowance for loss related to entrusted business	—	5,733
Loss on transfer of pension assets	—	1,489
Provision of reserve for financial instruments transaction liabilities	220	429
Other	85	681
Income (loss) before income taxes and non-controlling interests	(23,521)	39,995
Income taxes - current	3,268	3,389
Income taxes - refund	(1,008)	—
Income taxes - deferred	(32,385)	(32,723)
Total income taxes	(30,126)	(29,333)
Net income	6,604	69,329
Net income attributable to non-controlling interests	110	447
Net income attributable to owners of parent	6,494	68,881

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net income	6,604	69,329
Other comprehensive income		
Net unrealized gains (losses) on (operating) investment securities, net of tax, etc.	(4,300)	6,365
Foreign currency translation adjustments	11,577	35,892
Remeasurement of defined benefit plans	(1,901)	7,276
Share in other comprehensive income of affiliates accounted for using equity method	37	124
Total other comprehensive income	5,413	49,658
Comprehensive income	12,018	118,987
(Breakdown)		
Attributable to:		
Owners of parent	11,463	117,915
Non-controlling interests	554	1,072

3. Consolidated Statements of Changes in Shareholders' Equity

Year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	125,167	358,414	507,337	(369,999)	620,919
Changes during the period					
Dividends of surplus			(54,983)		(54,983)
Net income attributable to owners of parent			6,494		6,494
Disposal of treasury stock		25,421		112,479	137,901
Net changes of items other than shareholders' equity					
Total changes during the period	—	25,421	(48,489)	112,479	89,412
Balance at end of period	125,167	383,836	458,848	(257,520)	710,331

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling 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 (loss)		
Balance at beginning of period	22,999	(46,491)	6,777	(16,714)	4,490	608,695
Changes during the period						
Dividends of surplus						(54,983)
Net income attributable to owners of parent						6,494
Disposal of treasury stock						137,901
Net changes of items other than shareholders' equity	(4,298)	11,136	(1,867)	4,969	554	5,524
Total changes during the period	(4,298)	11,136	(1,867)	4,969	554	94,936
Balance at end of period	18,700	(35,355)	4,909	(11,744)	5,045	703,632

Year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	125,167	383,836	458,848	(257,520)	710,331
Changes during the period					
Net income attributable to owners of parent			68,881		68,881
Increase in Retained earning due to decrease in entities accounted for using equity method			233		233
Disposal of treasury stock		27,248		59,751	87,000
Net changes of items other than shareholders' equity					
Total changes during the period	—	27,248	69,115	59,751	156,115
Balance at end of period	125,167	411,084	527,963	(197,768)	866,447

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling 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 (loss)		
Balance at beginning of period	18,700	(35,355)	4,909	(11,744)	5,045	703,632
Changes during the period						
Net income attributable to owners of parent						68,881
Increase in Retained earning due to decrease in entities accounted for using equity method						233
Disposal of treasury stock						87,000
Net changes of items other than shareholders' equity	6,363	35,390	7,279	49,033	1,076	50,110
Total changes during the period	6,363	35,390	7,279	49,033	1,076	206,225
Balance at end of period	25,063	35	12,189	37,288	6,122	909,858

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 (12 subsidiaries)

Mizuho International plc
Mizuho Securities Europe GmbH
Mizuho EMEA Corporate Services Limited
Mizuho Securities Asia Limited
Mizuho Securities (Singapore) Pte. Ltd.
Mizuho Markets Futures Singapore Pte. Ltd.
Mizuho Securities India Private Limited
Japan Investor Relations and Investor Support, Inc.
Mizuho Securities Business Services Co., Ltd.
Mirai wealth partners Co., Ltd.
Other 2 companies

Newly consolidated:

Mizuho EMEA Corporate Services Limited
Mirai wealth partners Co., Ltd.

Excluded from the scope of consolidation:

Mizuho (Switzerland) Ltd in liquidation
Mizuho Securities Principal Investment Co., Ltd.

2. Matters concerning the application of equity method

Equity-method affiliates (4 affiliates)

PayPay Securities Corporation.
Rakuten Securities, Inc.
Other 2 companies

Excluded from the scope of consolidation:

Nippon Securities Technology Co., Ltd.

3. Matters related to the period of consolidated subsidiaries

The closing dates of consolidated subsidiaries are as follows:

March 31, 2024 12 subsidiaries

4. Matters related to the accounting policies

- (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:

Other securities

 - a) Other than stocks and others without a quoted market price

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.
 - b) Stocks and others without a quoted market price

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 (excluding the leased assets)

Buildings are mainly depreciated using the straight-line method and Equipment is mainly depreciated using declining-balance 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 10 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 allowance for 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 variable compensation

To prepare for the payments of performance payments and stock compensation to be paid as variable compensation within compensation for directors and executive officers, the estimated payment based on the standard amount regarding variable compensation of this consolidated fiscal year has been recorded.
 - 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) Provision for loss on head office transfer

To prepare for the loss on head office transfer in the future, the estimated amount has been recorded.
 - 7) Provision for loss related to entrusted business

To prepare for the loss related to entrusted business in the future, the estimated amount has been recorded.
 - 8) 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

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) Accounting standards for significant revenue recognition

With regard to the revenue from customer contracts in the Company and its consolidated subsidiaries, the content of major performance obligation in major revenue and the normal point of time at which the performance obligation is satisfied (normal point of time at which the revenue is recognized) are as follows.

1) Brokerage commissions

With regard to the brokerage commissions, Mizuho Securities Co., Ltd. (hereinafter, the "Company") is obligated to perform trading execution services based on the contractual conditions agreed with customers. The revenue is recognized at the time of trading execution (at a point in time) as the obligation is satisfied each time when the Company executes an order.

2) Underwriting and selling fees, and commissions from solicitation to qualifying investors

The revenue is recognized at the time of the completion of the business (at a point in time), such as the date of determination of conditions.

3) Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors

The revenue is recognized at the time of the completion of the business (at a point in time), such as the date of application.

4) Other commissions and fees

Other commissions and fees include various commissions, the main ones of which are the agency commissions of investment trust. Based on the contracts with investment trust management companies, with regard to the agency commissions of investment trust, the Company is obligated to perform agency services related to the handling of offering and sales, etc., and the commissions are calculated by referring to the net assets of the investment trust. The revenue is recognized over the contract period (over time) as the benefit is expended by customers in conjunction with the provision of daily services.

(6) 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 "Non-controlling interests".

(7) 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 forward foreign exchange transactions in order to minimize the risk of exchange-rate fluctuations for foreign-currency-denominated operating investment securities.

6. Changes in accounting policies

(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 this fiscal year. There are no effects on the consolidated financial statements due to the application of the Practical Solution.

7. Notes to Consolidated Financial Statements

(Consolidated Balance Sheets)

	Year ended March 31, 2023	(Millions of yen) Year ended March 31, 2024
1. Accumulated depreciation deducted from property and equipment	48,267	48,857
2. The balance for affiliate companies is as follows:		
Investment Securities	82,602	171,968

(Consolidated Statements of Changes in Shareholders' Equity)

Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

1. Matters related to outstanding shares

(Thousands of shares)				
	Shares at April 1, 2022	Shares increased in this year	Shares decreased in this year	Shares at March 31, 2023
Shares outstanding Common stock	2,015,102	—	—	2,015,102
Total	2,015,102	—	—	2,015,102

2. Matters related to treasury stock

The Company disposed of treasury stock through a third-party allotment described below on October 28, 2022 and January 27, 2023 based on resolutions of Board of Directors meeting on October 28, 2022 and January 25, 2023.

Total number of shares of treasury stock acquired	366,384,268 shares
Total amount of acquisition	112,479 million yen

Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

1. Matters related to outstanding shares

(Thousands of shares)				
	Shares at April 1, 2023	Shares increased in this year	Shares decreased in this year	Shares at March 31, 2024
Shares outstanding Common stock	2,015,102	—	—	2,015,102
Total	2,015,102	—	—	2,015,102

2. Matters related to treasury stock

The Company disposed of treasury stock through a third-party allotment described below on November 29, 2023 based on resolutions of Board of Directors meeting on November 21, 2023.

Total number of shares of treasury stock disposed	194,630,873 shares
Total amount of disposed	59,751 million yen

(Per share information)

(Yen)

Year ended March 31, 2023		Year ended March 31, 2024	
Net assets per share	593.90	Net assets per share	659.23
Net income per share	6.83	Net income per share	54.78

(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, 2023	Year ended March 31, 2024
Net income attributable to owners of parent	(Millions of yen)	6,494	68,881
Amount not attributable to common stock shareholders	(Millions of yen)	—	—
Net income attributable to common stock owners of parent	(Millions of yen)	6,494	68,881
Average number of common shares outstanding	(Thousands of shares)	951,486	1,257,371

II. Supplemental Information (Consolidated)

1. Commissions

1) Breakdown by items

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024	Increase/(Decrease)	
			Amount	Percentage (%)
Brokerage commissions	29,746	39,358	9,612	32.3
Equities	28,192	37,723	9,530	33.8
Bonds	1,074	1,218	144	13.4
Underwriting and selling fees, and commissions from solicitation to qualifying investors	29,024	42,596	13,572	46.8
Equities	9,207	21,077	11,869	128.9
Bonds	19,374	20,962	1,587	8.2
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	29,681	35,345	5,664	19.1
Other commissions and fees	72,633	83,364	10,731	14.8
Total	161,084	200,665	39,580	24.6

2) Breakdown by instruments

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024	Increase/(Decrease)	
			Amount	Percentage (%)
Equities	43,235	66,154	22,918	53.0
Bonds	31,853	37,568	5,714	17.9
Beneficiary certificates	46,476	51,717	5,240	11.3
Others	39,517	45,224	5,706	14.4
Total	161,084	200,665	39,580	24.6

2. Net gain on trading

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024	Increase/(Decrease)	
			Amount	Percentage (%)
Equities, etc.	12,909	(6,726)	(19,635)	—
Bonds, etc. and others	79,154	119,300	40,145	50.7
Total	92,063	112,573	20,510	22.3

3. Consolidated Capital Adequacy Requirement Ratio

(Millions of yen)

		As of March 31, 2023	As of March 31, 2024
Basic items (A)		680,022	872,605
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	23,610	37,253
	Reserve for financial instruments transaction liabilities, etc.	3,352	3,781
	Allowance for doubtful accounts	65	19
	Subordinated long-term borrowings	300,000	245,200
	Subordinated short-term borrowings	234,000	288,800
Total (B)		561,028	575,054
Deducted assets (C)		294,652	426,591
Equity after deduction (A) + (B) - (C) (D)		946,399	1,021,068
Amount equivalent to risk	Amount equivalent to market risk	166,010	184,336
	Amount equivalent to counterparty risk	68,090	81,575
	Amount equivalent to fundamental risk	76,546	93,279
	Total (E)	310,647	359,192
Consolidated capital adequacy requirement ratio (D)/(E) * 100		304.6%	284.2%

4. Quarterly Consolidated Statements of Income

(Millions of yen)

	Fourth quarter ended March 2023	First quarter ended June 2023	Second quarter ended September 2023	Third quarter ended December 2023	Fourth quarter ended March 2024
	Jan. 1, 2023 - Mar. 31, 2023	Apr. 1, 2023 - Jun. 30, 2023	Jul. 1, 2023 - Sep. 30, 2023	Oct. 1, 2023 - Dec. 31, 2023	Jan. 1, 2024 - Mar. 31, 2024
Operating revenues	124,485	132,008	146,390	145,052	182,488
Commissions	45,346	47,446	48,372	50,935	53,910
Brokerage commissions	8,000	9,177	9,215	8,786	12,179
Equities	7,537	8,809	8,820	8,379	11,714
Bonds	358	262	290	304	361
Underwriting and selling fees, and commissions from solicitation to qualifying investors	7,978	9,933	11,223	13,031	8,408
Equities	4,271	4,340	3,989	8,903	3,844
Bonds	3,492	5,484	7,179	3,872	4,425
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	8,541	8,471	9,213	8,070	9,590
Other commissions and fees	20,825	19,864	18,720	21,047	23,732
Net gain on trading	22,622	32,073	25,508	29,091	25,899
Equities, etc.	8,936	(7,371)	(217)	12,183	(11,320)
Bonds, etc. and others	13,686	39,445	25,725	16,908	37,220
Net gain (loss) on operating investment securities	(563)	465	661	1,509	3,397
Interest and dividend income	57,078	52,022	71,847	63,516	99,280
Interest expenses	48,634	50,603	61,933	63,689	84,043
Net operating revenues	75,850	81,404	84,456	81,363	98,445
Selling, general and administrative expenses	73,656	71,241	70,644	69,227	83,722
Transaction-related expenses	12,269	12,706	11,423	11,133	13,414
Personnel expenses	32,062	29,583	33,245	31,715	36,446
Real estate expenses	9,069	10,006	9,424	9,867	11,211
Administrative expenses	10,018	9,090	9,608	10,023	12,649
Depreciation and amortization	6,515	5,111	5,342	5,452	6,438
Taxes and dues	2,093	3,220	499	536	2,558
Other	1,628	1,521	1,101	498	1,004
Operating income	2,193	10,163	13,812	12,135	14,722
Non-operating income	765	839	866	(740)	777
Non-operating expenses	3,525	227	(97)	1,771	(530)
Ordinary income (loss)	(565)	10,775	14,775	9,623	16,030
Extraordinary gain	5,114	1,897	133	95	278
Extraordinary loss	34,856	461	875	2,355	9,923
Income (loss) before income taxes and non-controlling interests	(30,307)	12,211	14,033	7,363	6,385
Income taxes - current	1,125	27,544	(25,414)	(1,414)	2,672
Income taxes - deferred	(21,573)	(43,543)	24,751	21,823	(35,754)
Net income (loss)	(9,859)	28,210	14,696	(13,045)	39,468
Net income attributable to non-controlling interests	65	2	9	86	348
Net income (loss) attributable to owners of parent	(9,925)	28,207	14,687	(13,132)	39,119

III. Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and bank deposits	866,603	682,730
Cash segregated as deposits for customers and others	462,232	527,710
Trading assets	6,430,652	8,062,684
Trading securities and others	2,289,857	3,067,898
Derivatives	4,140,795	4,994,785
Operating investment securities	90,676	97,135
Operating loans receivable	9,611	7,002
Receivables related to margin transactions	25,742	26,188
Loans receivable under margin transactions	24,237	23,934
Cash collateral for borrowed securities under margin transactions	1,505	2,254
Collateralized short-term financing agreements - receivable	4,722,172	5,272,734
Deposits paid for securities borrowed	1,741,151	2,171,511
Securities purchased under agreements to resell	2,981,021	3,101,223
Advances paid	1,372	706
Short-term guarantee deposits	470,417	679,438
Securities: fail to deliver	30,155	48
Short-term loans receivable	7,881	9,627
Other current assets	93,009	101,064
Less: Allowance for doubtful accounts	(64)	(281)
Total current assets	<u>13,210,463</u>	<u>15,466,789</u>
Noncurrent assets		
Property and equipment	16,992	18,755
Buildings	4,557	4,889
Equipment	6,860	8,290
Land	5,574	5,574
Intangible assets	44,747	47,257
Software	44,264	46,773
Other intangible assets	483	483
Investments and other assets	458,184	573,247
Investment securities	32,053	40,734
Investments in subsidiaries and affiliates	315,578	401,862
Long-term loans receivable to subsidiaries and affiliates	9,444	—
Long-term guarantee deposits	13,284	12,229
Long-term prepaid expenses	6,400	4,477
Prepaid pension cost	29,253	30,566
Deferred tax assets	50,017	81,150
Other	5,635	5,638
Less: Allowance for doubtful accounts	(3,483)	(3,412)
Total noncurrent assets	<u>519,924</u>	<u>639,259</u>
Total assets	<u><u>13,730,388</u></u>	<u><u>16,106,049</u></u>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trading liabilities	5,918,952	6,957,965
Trading securities and others	2,018,408	2,203,365
Derivatives	3,900,543	4,754,600
Payables - unsettled trades	36,516	121,820
Payables related to margin transactions	37,624	31,028
Borrowings on margin transactions	3,763	10,173
Cash collateral for loaned securities under margin transactions	33,860	20,854
Collateralized short-term financing agreements - payable	3,318,666	3,955,035
Deposits received for securities loaned	684,898	1,287,886
Securities sold under agreements to repurchase	2,633,768	2,667,148
Deposits received	385,028	446,553
Guarantee deposits received	191,053	329,556
Securities: fail to receive	1,018	1,306
Variation margin received	1,052	4,687
Short-term borrowings	957,701	1,310,285
Commercial paper	436,000	476,000
Bonds and notes due within one year	303,842	93,392
Income taxes payable	3,624	4,699
Accrued employees' bonuses	15,390	20,222
Provision for variable compensation	401	377
Other current liabilities	48,800	58,386
Total current liabilities	11,655,671	13,811,318
Noncurrent liabilities		
Bonds and notes	641,254	616,858
Long-term borrowings	280,100	365,400
Long-term borrowings from subsidiaries and affiliates	444,000	444,000
Provision for retirement benefits	21,790	21,237
Provision for loss on head office transfer	923	802
Provision for loss related to entrusted business	—	5,733
Other noncurrent liabilities	3,895	3,219
Total noncurrent liabilities	1,391,964	1,457,250
Statutory reserves		
Reserve for financial instruments transaction liabilities	3,352	3,781
Total statutory reserves	3,352	3,781
Total liabilities	13,050,989	15,272,350

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus		
Additional paid-in capital	285,831	285,831
Other capital surplus	121,239	148,488
Total Capital surpluses	<u>407,071</u>	<u>434,319</u>
Retained earnings		
Other retained earnings		
Retained earnings brought forward	394,868	455,821
Total retained earnings	<u>394,868</u>	<u>455,821</u>
Treasury stock	<u>(257,520)</u>	<u>(197,768)</u>
Total shareholders' equity	<u>669,587</u>	<u>817,539</u>
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax, etc.	19,610	25,921
Net deferred gains or losses on hedges, net of tax	<u>(9,798)</u>	<u>(9,762)</u>
Total valuation and translation adjustments	<u>9,811</u>	<u>16,158</u>
Total net assets	<u>679,398</u>	<u>833,698</u>
Total liabilities and net assets	<u>13,730,388</u>	<u>16,106,049</u>

2. Non-consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Operating revenues		
Commissions	143,118	173,149
Brokerage commissions	23,788	31,779
Underwriting and selling fees, and commissions from solicitation to qualifying investors	26,684	36,602
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	23,066	22,779
Other commissions and fees	69,578	81,989
Net gain on trading	90,648	100,087
Net gain (loss) on operating investment securities	1,204	5,860
Interest and dividend income	137,406	165,084
Total operating revenues	372,379	444,181
Interest expenses	120,444	155,665
Net operating revenues	251,934	288,516
Selling, general and administrative expenses	230,326	245,461
Transaction-related expenses	52,590	47,953
Personnel expenses	83,735	91,247
Real estate expenses	27,558	31,620
Administrative expenses	41,437	49,424
Depreciation and amortization	16,599	15,251
Taxes and dues	5,586	6,708
Provision of allowance for doubtful accounts	53	291
Other	2,764	2,965
Operating income	21,608	43,054
Non-operating income	2,952	1,404
Non-operating expenses	227	2,154
Ordinary income	24,333	42,304
Extraordinary gain	19,300	1,139
Gain on sales of noncurrent assets	1,004	—
Gain on sales of investment securities	8,218	681
Gain on sales of shares of subsidiaries and affiliates	—	71
Gain on liquidation of subsidiaries and affiliates	—	386
Gain on exchange from dividends in kind	9,890	—
Other	185	—
Extraordinary loss	44,026	13,475
Loss on disposal of noncurrent assets	522	1,594
Loss on sales of investment securities	107	23
Loss on impairment of investment securities	8,830	—
Impairment losses	22,056	181
Extra retirement payments	211	147
Head office transfer cost	2,661	2,171
Loss on cancellation of system agreement	—	293
Loss related to system migration	9,191	—
Provision of allowance for loss on head office transfer	219	730
Provision of allowance for loss related to entrusted business	—	5,733
Loss on transfer of pension assets	—	1,489
Provision of reserve for financial instruments transaction liabilities	220	429
Other	5	681
Income before income taxes	(393)	29,968
Income taxes - current	3,737	2,965
Income taxes - deferred	(28,428)	(33,950)
Total income taxes	(24,690)	(30,984)
Net income	24,297	60,952

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

Year ended March 31, 2023

(Millions of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings	Treasury stock	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	425,554	(369,999)	562,371
Changes during the period							
Dividends of surplus					(54,983)		(54,983)
Net income					24,297		24,297
Disposal of treasury stock			25,421	25,421		112,479	137,901
Net changes of items other than shareholders' equity							
Total changes during the period	—	—	25,421	25,421	(30,685)	112,479	107,216
Balance at end of period	125,167	285,831	121,239	407,071	394,868	(257,520)	669,587

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) 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	23,193	(9,778)	13,415	575,786
Changes during the period				
Dividends of surplus				(54,983)
Net income				24,297
Disposal of treasury stock				137,901
Net changes of items other than shareholders' equity	(3,583)	(20)	(3,603)	(3,603)
Total changes during the period	(3,583)	(20)	(3,603)	103,612
Balance at end of period	19,610	(9,798)	9,811	679,398

Year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings	Treasury stock	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	121,239	407,071	394,868	(257,520)	669,587
Changes during the period							
Net income					60,952		60,952
Disposal of treasury stock			27,248	27,248		59,751	87,000
Net changes of items other than shareholders' equity							
Total changes during the period	—	—	27,248	27,248	60,952	59,751	147,952
Balance at end of period	125,167	285,831	148,488	434,319	455,821	(197,768)	817,539

(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	19,610	(9,798)	9,811	679,398
Changes during the period				
Net income				60,952
Disposal of treasury stock				87,000
Net changes of items other than shareholders' equity	6,311	36	6,347	6,347
Total changes during the period	6,311	36	6,347	154,299
Balance at end of period	25,921	(9,762)	16,158	833,698

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, 2023	As of March 31, 2024
Basic items (A)		669,587	817,539
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	9,811	16,158
	Reserve for financial instruments transaction liabilities, etc.	3,352	3,781
	Allowance for doubtful accounts	60	8
	Subordinated long-term borrowings	300,000	245,200
	Subordinated short-term borrowings	234,000	288,800
Total (B)		547,224	553,948
Deducted assets (C)		506,166	615,297
Equity after deduction (A) + (B) - (C) (D)		710,644	756,190
Amount equivalent to risk	Amount equivalent to market risk	145,788	146,322
	Amount equivalent to counterparty risk	52,376	62,571
	Amount equivalent to fundamental risk	69,916	77,377
	Total (E)	268,081	286,271
Capital adequacy requirement ratio (D)/(E) * 100		265.0%	264.1%