

Nonconsolidated Financial Summary
(for the quarter ended June 30, 2003)

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

(URL <http://www.mizuho-sc.com>)

Location: Tokyo

Representative: Name: Yoshio Osawa

Title: President

For inquiry: Name: Keisuke Yokoo

Title: Managing Executive Officer, Head of Planning Group Phone: (03) 5208-3212

Business performance for the quarter ended June 30, 2003 (April 1, 2003 through June 30, 2003)

(note) Any fraction of less than ¥1 million in each indicated amount is rounded down.

(1) Operating results

	Operating revenues		Net operating revenues		Operating profit	
	mil. yen	%	mil. yen	%	mil. yen	%
Quarter ended June 30,2003	18,165 (	23.7)	17,596 (	25.1)	8,695 (	53.2)
Year ended March 31,2003	58,747		56,285		22,696	

	Ordinary profit		Net profit	
	mil. yen	%	mil. yen	%
Quarter ended June 30,2003	8,730 (	54.2)	4,984 (	393.1)
Year ended March 31,2003	22,654		4,043	

(note) ① Change in accounting policies: No change

② The percentage in the columns of operating revenues, net operating revenues, operating profit, ordinary profit and net profit represents percentage of change from one-fourth of the corresponding annual amounts for the previous fiscal year.

(2) Financial position

	Total assets	Shareholder's equity	Shareholder's equity ratio	Capital adequacy ratio
	mil. yen	mil. yen	%	%
As of June 30, 2003	5,675,544	252,602	4.5	327.4
As of March 31, 2003	5,955,961	242,859	4.1	385.5

(note) Shareholder's equity ratio = Total shareholder's equity ÷ Total liabilities and shareholder's equity ×100

Nonconsolidated Balance Sheets
(As of June 30, 2003)

(Unit : Millions of yen)

Description	As of June 30, 2003	As of March 31, 2003	Change
Assets			
Current assets	5,580,060	5,867,144	(287,083)
Cash and deposits	37,307	36,562	745
Cash segregated as deposits	4,147	1,304	2,842
Trading assets	3,367,770	3,373,694	(5,923)
Trading securities and others	3,351,688	3,366,922	(15,233)
Derivative transactions	16,082	6,772	9,309
Operational securities	871	792	78
Margin transaction assets	7,043	5,184	1,858
Loans secured by securities	2,109,556	2,433,454	(323,897)
Guarantee deposits	7,835	3,441	4,394
Short-term loans receivable	30,070	70	30,000
Accrued income	8,214	8,890	(676)
Short-term deferred tax assets	1,010	1,511	(500)
Others	6,241	2,239	4,002
Allowance for doubtful accounts	(7)	(1)	(6)
Fixed assets	95,483	88,817	6,666
Tangible fixed assets	5,507	5,111	396
Buildings	2,637	2,664	(26)
Furniture and fixture	2,869	2,446	422
Intangible fixed assets	6,232	6,052	179
Goodwill	94	112	(18)
Software	6,076	5,877	199
Others	60	61	(0)
Investments	83,744	77,654	6,090
Investment securities	26,099	18,067	8,031
Investment in affiliates	53,793	53,793	-
Other equity investments	317	303	14
Long-term guarantee deposits	2,900	2,814	86
Long-term prepaid expenses	10	11	(0)
Long-term deferred tax assets	-	2,157	(2,157)
Others	622	506	116
Total assets	5,675,544	5,955,961	(280,417)

(Unit : Millions of yen)

Description	As of June 30, 2003	As of March 31, 2003	Change
Liabilities			
Current liabilities	5,420,337	5,711,707	(291,370)
Trading liabilities	1,972,768	1,894,275	78,492
Trading securities and others	1,956,667	1,888,344	68,322
Derivative transactions	16,101	5,930	10,170
Payable-unsettled trades	67,686	426,960	(359,273)
Borrowings secured by securities	2,592,431	2,894,957	(302,525)
Deposits received	10,746	1,770	8,976
Cash collateral received from customers	1,500	4	1,496
Securities fails to receive	1,303	60	1,243
Short-term borrowings	630,540	391,255	239,285
Commercial paper	133,900	91,400	42,500
Accrued expenses	5,032	3,960	1,072
Income taxes payable	3,123	4,326	(1,202)
Reserve for bonuses	399	2,022	(1,622)
Other current liabilities	902	715	187
Fixed liabilities	2,118	954	1,163
Deferred tax liabilities	1,108	—	1,108
Reserve for retirement benefits	1,009	954	55
Statutory reserves	486	439	46
Total liabilities	5,422,942	5,713,102	(290,160)
Shareholder's equity			
Common stock	150,200	150,200	—
Capital surplus	95,324	95,324	—
Additional paid-in capital	95,324	95,324	—
Retained earnings(deficit)	4,564	(419)	4,984
Legal earned reserve	870	870	—
Voluntary reserve	1,611	1,633	(22)
Unappropriated retained earnings (deficit)	2,083	(2,923)	5,006
Unrealized gains(losses) on other securities, net of taxes	2,513	(2,245)	4,759
Total shareholder's equity	252,602	242,859	9,743
Total liabilities and shareholder's equity	5,675,544	5,955,961	(280,417)

Nonconsolidated Statements of Operations
(for the quarter ended June 30, 2003)

(Unit : Millions of yen)

Description	Quarter ended June 30, 2003 a	Year ended Mar.31, 2003 b	Comparison (%) 4xa/b
Operating revenues	18,165	58,747	123.7%
Commission	7,266	32,747	88.8%
Trading profit	7,910	16,406	192.9%
Net gains on operational securities	—	39	-
Financial income	2,988	9,553	125.1%
Financial expenses	568	2,461	92.4%
Net operating revenues	17,596	56,285	125.1%
Selling, general and administrative expenses	8,901	33,589	106.0%
Commissions and other transaction-related expenses	2,037	7,406	110.0%
Compensation and benefits	4,216	15,965	105.6%
Real estate expenses	1,103	3,763	117.2%
Data processing and office supplies	472	2,499	75.6%
Depreciation	763	2,908	105.0%
Taxes and dues other than income taxes	105	422	100.3%
Others	202	623	129.8%
Operating profit	8,695	22,696	153.2%
Non-operating revenues	37	22	652.0%
Non-operating expenses	1	63	10.6%
Ordinary profit	8,730	22,654	154.2%
Non-ordinary profits	—	33	-
Non-ordinary losses	47	13,621	1.4%
Net profit before income taxes	8,683	9,067	383.1%
Income taxes-current	3,199	5,767	221.9%
Income taxes-deferred	500	(742)	-
Net profit	4,984	4,043	493.1%
Unappropriated retained earnings (deficit) brought forward	(2,901)	(6,966)	-
Unappropriated retained earnings (deficit)	2,083	(2,923)	-

Notes to financial statements

The Company's quarterly financial statements are prepared based on the "Regulations Concerning the Terminology, Forms and Preparation Methods of Interim Financial Statements" (Ministry of Finance (MoF) Ordinance No.38, 1977) and its Article 38 and 57, in accordance with the "Cabinet Office Ordinance Concerning Securities Companies" (Prime Minister's Office and MoF Ordinance No.32, 1998), and the "Uniform Accounting Standards of Securities Companies" (approved by the board of directors of the Japan Securities Dealers Association, September 28, 2001).

Basis of financial statements

1. Valuation of securities and trading account

(1) Valuation of trading account

The Company is trading financial instruments to contribute for the markets to have proper prices and liquidities.

The Company holds trading positions for the purposes of :

1) responding to counterparties' needs to invest or hedge risk, and 2) gaining profit or mitigating loss due to fluctuations of market prices and differences of prices in various markets.

Securities, derivative transactions, and assets or liabilities in trading account are recorded at fair value, considering liquidity risk.

(2) Valuation of non-trading securities

Non-trading securities are valued as follows :

(a) Investments in subsidiaries and affiliates are stated at cost determined by the moving average method.

(b) Other securities, which have readily determinable fair value are stated at fair value with changes in differences between fair value and cost or amortized cost determined by the moving average method, net of the applicable income taxes, included directly in shareholder's equity.

Other securities, which do not have readily determinable fair value are stated at cost determined by the moving average method.

2. Depreciation and amortization

(1) Tangible fixed assets

The Company applies the declining-balance method except for buildings (excluding leasehold improvement) acquired after March 31, 1998, which are applied the straight-line method.

(2) Intangible fixed assets, investments and others

The straight-line method is primarily applied.

The amortization period of software for internal use are determined based on estimated internal useful lives.

3. Accounting policies for reserves

(1) Allowance for doubtful accounts

The Company provides the allowance for possible losses on impaired at the amount estimated based on the management's assessments of asset quality and the allowance for other receivables at the amount estimated based on past experiences.

(2) Reserve for bonuses

Reserve is provided for bonus payments to employees at the amount attributable to the quarter of the future payments estimated based on the company's internal rules.

(3) Reserve for retirement benefits

Reserve for retirement benefits is provided for future retirement benefits to employees. It is recorded as the amounts deemed to have arisen at the end of the quarter, based on estimated actuarial retirement benefits and plan assets at end of year.

Prior service cost is charged to income in the period which the cost is recognized.

Net actuarial gain or loss is amortized in the years following the year in which the gain or loss is recognized over the period within the employees average remaining service period on a straight-line basis.

4. Accounting for lease transactions

Except for finance lease agreements, under which the ownership of the leased assets is deemed to be transferred to the lessee, lease fees are charged to income, when incurred.

5. Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

Notes to balance sheets

1. Accumulated depreciation of tangible fixed assets

<u>As of June 30, 2003</u>	(millions of yen) <u>As of Mar.31, 2003</u>
3,990	3,715

2. Retained earnings (deficit) net of legal earned reserve

<u>As of June 30, 2003</u>	<u>As of Mar.31, 2002</u>
—	(1,290)

Notes to statements of operations

1. Net profit per share

For the quarter ended <u>June 30, 2003</u>	(yen) For the year ended <u>Mar.31, 2003</u>
1,659	1,345

2. Details of non-ordinary profits / losses

	For the quarter ended <u>June 30, 2003</u>	(millions of yen) For the year ended <u>Mar.31, 2003</u>
Non-ordinary profits		
Reversal of allowance for doubtful accounts	—	17
Others	—	16
Non-ordinary losses		
Loss on sale or disposition of fixed assets	0	60
Valuation loss on investment securities	—	13,321
Others	46	239

Financial Data for the quarter ended June 30, 2003

1. Commission Income

(1) Breakdown for accounts

(Unit: Millions of yen)

	Quarter ended		Year ended	Comparison (%)
	June 30,2003	a	March 31,2003	b	4xa/b
Brokerage commission	970		3,045	127.4%
(Stocks)	(908 )	(	2,701)	(134.5%)
(Bonds)	(60 )	(	341)	(71.3%)
Underwriting and selling commissions	2,803		7,264	154.4%
(Stocks)	(346 )	(	1,824)	(75.8%)
(Bonds)	(2,457 )	(	5,439)	(180.7%)
Offering and selling commissions	124		640	77.5%
(Bonds)	(114 )	(	626)	(73.0%)
(Beneficiary securities)	(9 )	(	13)	(286.4%)
Other commissions received	3,369		21,797	61.8%
Total	7,266		32,747	88.8%

(2) Breakdown by products

(Unit: Millions of yen)

	Quarter ended		Year ended	Comparison (%)
	June 30,2003	a	March 31,2003	b
Stocks	1,323		4,947	107.0%
Bonds	3,969		13,158	120.7%
Beneficiary securities	105		552	76.7%
Others	1,867		14,089	53.0%
Total	7,266		32,747	88.8%

2. Trading profit

(Unit: Millions of yen)

	Quarter ended		Year ended	Comparison (%)
	June 30,2003	a	March 31,2003	b
Stocks	2,240		6,220	144.1%
Bonds	4,044		9,952	162.5%
Others	1,625		232	2799.7%
(Foreign exchange in the above)	(0 )	(	63)	(3.7%)
Total	7,910		16,406	192.9%

3. Transaction volume on securities transactions

(Unit: 100 Millions of yen)

	Quarter ended June 30,2003	a	Year ended March 31,2003	b	Comparison (%) 4xa/b
Fixed income and Gensaki	582,948		1,722,427		135.4%
(Fixed income)	(529,232)		(1,618,071)		(130.8%)
[Japanese government bonds]	[497,144]		[1,522,478]		[130.6%]
(Gensaki transactions)	(52,963)		(102,925)		(205.8%)
(Bonds with stock option)	(753)		(1,430)		(210.7%)
[Brokerage transaction volume]	[157]		[284]		[221.8%]
Stock	27,637		76,056		145.4%
[Brokerage transaction volume]	[13,324]		[39,254]		[135.8%]
Listed bond futures	162,400		528,113		123.0%
[Brokerage transaction volume]	[21,123]		[73,160]		[115.5%]
Listed bond futures options	11,098		38,466		115.4%
[Brokerage transaction volume]	[3,789]		[12,699]		[119.3%]
Listed equity index futures	30,037		60,902		197.3%
[Brokerage transaction volume]	[6,540]		[15,468]		[169.1%]
Listed equity index options	3,789		13,140		115.3%
[Brokerage transaction volume]	[358]		[475]		[301.9%]

4. Volume of underwriting, offering and selling

(Unit: Thousands of stocks, Millions of yen)

		Quarter ended June 30,2003	a	Year ended March 31,2003	b	Comparison (%) 4xa/b
Volume of underwriting	Stocks (No. of stocks)	5,871		18,374		127.8%
	Stocks (Amount)	7,273		46,200		63.0%
	Bonds (Face amount)	1,581,725		3,738,757		169.2%
Volume of offering and selling *	Stocks (No. of stocks)	5,871		18,376		127.8%
	Stocks (Amount)	7,619		47,994		63.5%
	Bonds (Face amount)	583,735		1,462,430		159.7%
	Beneficiary Securities (Face amount)	8,008		25,103		127.6%

* Including the volumes of selling and private offering

5. Capital adequacy ratio

(Unit: Millions of yen)

		As of June 30, 2003	As of March 31, 2003
Basic capital	(A)	250,089	242,859
Supplemental capital	Unrealized loss on other securities, net of taxes	2,513	—
	Reserve for transaction responsibility, and others	486	439
	Allowance for doubtful accounts	7	1
	Total (B)	3,008	441
Deduction: Disallowed assets	(C)	71,723	73,371
Capital after deduction	(A) + (B) - (C) (D)	181,374	169,929
Amount of risks	Amount of market risk	41,922	33,135
	Amount of customer risk	5,089	2,945
	Amount of fundamental risk	8,377	7,988
	Total (E)	55,389	44,069
Capital adequacy ratio	(D)/(E)	327.4%	385.5%