

Nonconsolidated Interim Financial Summary (for the half year ended September 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 Director, Head of Planning Group

Phone: (03) 5208-3212

Date of resolution of Board of Directors with respect to

Interim dividend system: Available

the non-consolidated interim financial statements: October 24, 2003

Unit of trading: Not employed

Business performance for the half year ended September 30, 2003 (April 1, 2003 through September 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	%
Half year (2003/9)	43,080	(64.1)	41,375	(65.3)	21,946	(146.5)
Half year (2002/9)	26,252	(20.6)	25,025	(24.3)	8,903	(35.8)
Fiscal year (2003/3)	58,747		56,285		22,696	

	Ordinary profit		Net profit	
	mil. yen	%	mil. yen	%
Half year (2003/9)	21,988	(148.3)	12,402	(155.9)
Half year (2002/9)	8,856	(29.8)	4,845	(—)
Fiscal year (2003/3)	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 the half year in the previous fiscal year.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Capital adequacy ratio
	mil. yen	mil. yen	%	%
Half year (2003/9)	6,602,091	267,598	4.1	375.7
Half year (2002/9)	4,507,122	238,433	5.3	453.4
Fiscal year (2003/3)	5,955,961	242,859	4.1	385.5

(note) Shareholders' equity ratio = Total shareholders' equity ÷ Total liabilities and shareholders' equity × 100

Nonconsolidated Balance Sheets
(As of September 30, 2003)

(Unit : Millions of yen)

Description	As of September 30, 2003	As of September 30, 2002	Change	As of March 31, 2003
Assets				
Current assets	6,493,736	4,411,000	2,082,736	5,867,144
Cash and deposits	59,480	38,958	20,521	36,562
Cash segregated as deposits	2,376	1,062	1,314	1,304
Trading assets	3,497,742	2,521,366	976,375	3,373,694
Trading securities and others	3,466,716	2,518,638	948,077	3,366,922
Derivative transactions	31,025	2,727	28,297	6,772
Operational securities	1,362	498	863	792
Receivable-unsettled trades	31,875	-	31,875	-
Margin transaction assets	10,467	34,744	(24,277)	5,184
Loans secured by securities	2,869,513	1,796,011	1,073,501	2,433,454
Guarantee deposits	9,680	5,583	4,096	3,441
Short-term loans receivable	-	-	-	70
Accrued income	8,004	9,790	(1,785)	8,890
Short-term deferred tax assets	2,325	1,157	1,168	1,511
Others	910	1,849	(939)	2,239
Allowance for doubtful accounts	(1)	(22)	20	(1)
Fixed assets	108,355	96,122	12,232	88,817
Tangible fixed assets	5,546	5,217	328	5,111
Buildings	2,745	2,688	56	2,664
Furniture and fixture	2,800	2,528	272	2,446
Intangible fixed assets	6,071	5,734	336	6,052
Goodwill	75	150	(75)	112
Software	5,935	5,521	413	5,877
Others	60	62	(2)	61
Investments	96,737	85,169	11,568	77,654
Investment Securities	38,849	21,968	16,880	18,067
Investment in affiliates	53,987	53,715	272	53,793
Other equity investments	588	151	437	303
Long-term guarantee deposits	2,911	3,008	(97)	2,814
Long-term prepaid expenses	9	7	2	11
Long-term deferred tax assets	-	5,953	(5,953)	2,157
Others	390	365	25	506
Total assets	6,602,091	4,507,122	2,094,969	5,955,961

(Unit : Millions of yen)

Description	As of September 30, 2003	As of September 30, 2002	Change	As of March 31, 2003
Liabilities				
Current liabilities	6,322,656	4,267,667	2,054,988	5,711,707
Trading liabilities	2,708,572	1,496,639	1,211,932	1,894,275
Trading securities and others	2,688,718	1,492,027	1,196,691	1,888,344
Derivative transactions	19,853	4,611	15,241	5,930
Payable-unsettled trades	—	127,592	(127,592)	426,960
Margin transaction liabilities	2,653	34,970	(32,316)	—
Borrowings secured by securities	2,949,260	1,851,970	1,097,289	2,894,957
Deposits received	2,232	1,443	788	1,770
Cash collateral received from customers	77	47	29	4
Securities fails to receive	—	0	(0)	60
Short-term borrowings	469,725	670,959	(201,233)	391,255
Commercial paper	167,700	74,500	93,200	91,400
Accrued expences	6,541	4,194	2,346	3,960
Income taxes payable	10,127	3,888	6,238	4,326
Reserve for bonuses	1,976	844	1,132	2,022
Others	3,790	616	3,173	715
Fixed liabilities	11,221	697	10,524	954
Long-term borrowings	3,300	—	3,300	—
Bonds and notes	500	25	474	—
Deferred tax liabilities	5,941	—	5,941	—
Reserve for retirement benefits	1,480	671	808	954
Statutory reserves	615	324	291	439
Total liabilities	6,334,493	4,268,688	2,065,804	5,713,102
Shareholders' equity				
Common stock	150,200	150,200	—	150,200
Capital surplus	95,324	95,324	—	95,324
Additional paid-in capital	95,324	95,324	—	95,324
Retained earnings(deficit)	11,982	382	11,599	(419)
Legal earned reserve	870	870	—	870
Voluntary reserve	1,611	1,633	(22)	1,633
Unappropriated retained earnings (deficit)	9,501	(2,120)	11,622	(2,923)
Unrealized gains(losses) on other securities, net of taxes	10,090	(7,473)	17,564	(2,245)
Total shareholders' equity	267,598	238,433	29,164	242,859
Total liabilities and shareholders' equity	6,602,091	4,507,122	2,094,969	5,955,961

Nonconsolidated Statement of Operations
(for the half year ended September 30, 2003)

(Unit : Millions of yen)

	Half year ended Sept.30, 2003	Half year ended Sept.30, 2002	Period to period comparison (%)	Year ended Mar.31, 2003
Operating revenues	43,080	26,252	164.1%	58,747
Commission	15,858	15,552	102.0%	32,747
Trading profit	21,672	7,634	283.9%	16,406
Net gains on operational securities	52	60	86.8%	39
Financial income	5,497	3,004	183.0%	9,553
Financial expenses	1,705	1,227	139.0%	2,461
Net operating revenues	41,375	25,025	165.3%	56,285
Selling, general and administrative expenses	19,428	16,122	120.5%	33,589
Commissions and other transaction-related expenses	4,519	3,517	128.5%	7,406
Compensation and benefits	9,379	7,522	124.7%	15,965
Real estate expenses	2,341	1,852	126.4%	3,763
Data processing and office supplies	996	1,304	76.3%	2,499
Depreciation	1,559	1,387	112.4%	2,908
Taxes and dues other than income taxes	255	233	109.6%	422
Others	377	303	124.2%	623
Operating profit	21,946	8,903	246.5%	22,696
Non-operating revenues	81	4	—	22
Non-operating expenses	39	51	76.8%	63
Ordinary profit	21,988	8,856	248.3%	22,654
Non-ordinary profits	—	—	—	33
Non-ordinary losses	538	360	149.5%	13,621
Net profit before income taxes	21,450	8,496	252.5%	9,067
Income taxes-current	10,228	3,953	—	5,767
Income taxes-deferred	(1,180)	(302)	—	(742)
Net profit	12,402	4,845	255.9%	4,043
Unappropriated retained earnings (deficit) brought forward	(2,901)	(6,966)	—	(6,966)
Unappropriated retained earnings (deficit)	9,501	(2,120)	—	(2,923)

Notes to financial statements

The Company's interim 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 shareholders' 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 half year 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 half year, 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. Other significant accounting policies

(1) Consumption taxes

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

(2) Deferred assets

Bond issuance cost is charged to income when incurred.

Notes to balance sheets

1. Accumulated depreciation of tangible fixed assets

<u>As of Sep.30, 2003</u>	<u>As of Sep.30, 2002</u>	(millions of yen) <u>As of Mar.31, 2003</u>
4,271	3,129	3,715

Notes to statements of operations

1. Net profit per share

<u>For the half year ended Sep.30, 2003</u>	<u>For the half year ended Sep.30, 2002</u>	(yen) <u>For the year ended Mar.31, 2003</u>
4,128	1,613	1,345

2. Details of non-ordinary profits / losses

	<u>For the half year ended Sep.30, 2003</u>	<u>For the half year ended Sep.30, 2002</u>	(millions of yen) <u>For the year ended Mar.31, 2003</u>
Non-ordinary profits			
Reversal of allowance for doubtful accounts	—	—	17
Others	—	—	16
	<u>For the half year ended Sep.30, 2003</u>	<u>For the half year ended Sep.30, 2002</u>	<u>For the year ended Mar.31, 2003</u>
Non-ordinary losses			
Loss on sale or disposition of fixed assets	3	3	60
Valuation loss on investment securities	19	285	13,321
Others	515	71	239

Financial Data for the Half Year Ended September 30, 2003

1. Commission Income

(1) Breakdown for accounts

(Unit: Millions of yen)

	Half year ended September 30,2003	Half year ended September 30,2002	Period-to-period comparison (%)	Year ended March 31,2003
Brokerage commission	2,363	1,456	162.3%	3,045
(Stocks)	(2,224)	(1,337)	(166.4%)	(2,701)
(Bonds)	(136)	(118)	(115.2%)	(341)
Underwriting and selling commissions	5,122	3,941	130.0%	7,264
(Stocks)	(1,709)	(1,083)	(157.8%)	(1,824)
(Bonds)	(3,264)	(2,857)	(114.2%)	(5,439)
Offering and selling commissions	252	316	79.7%	640
(Bonds)	(229)	(310)	(74.1%)	(626)
(Beneficiary securities)	(22)	(6)	(340.2%)	(13)
Other commissions received	8,119	9,837	82.5%	21,797
Total	15,858	15,552	102.0%	32,747

(2) Breakdown by products

(Unit: Millions of yen)

	Half year ended September 30,2003	Half year ended September 30,2002	Period-to-period comparison (%)	Year ended March 31,2003
Stocks	4,288	2,535	169.1%	4,947
Bonds	6,059	6,685	90.6%	13,158
Beneficiary securities	324	275	118.1%	552
Others	5,185	6,055	85.6%	14,089
Total	15,858	15,552	102.0%	32,747

2. Trading profit/loss

(Unit: Millions of yen)

	Half year ended September 30,2003	Half year ended September 30,2002	Period-to-period comparison (%)	Year ended March 31,2003
Stocks	7,416	1,084	683.8%	6,220
Bonds	12,610	6,363	198.2%	9,952
Others	1,645	187	879.7%	232
(Foreign exchange in the above)	(1,735)	(44)	(3943.6%)	(63)
Total	21,672	7,634	283.9%	16,406

3. Transaction volume on securities transactions

(Unit: 100 Millions of yen)

	Half year ended September 30,2003	Half year ended September 30,2002	Period-to-period comparison (%)	Year ended March 31,2003
Fixed income and Gensaki	1,127,110	837,061	134.7%	1,722,427
(Fixed income)	(1,019,867)	(790,204)	(129.1%)	(1,618,071)
[Japanese government bond]	[961,170]	[744,478]	[129.1%]	[1,522,478]
(Gensaki transactions)	(105,537)	(46,392)	(227.5%)	(102,925)
(Bonds with stock option)	(1,705)	(464)	(367.4%)	(1,430)
[Brokerage transaction on CB]	[264]	[154]	[171.5%]	[284]
Stock	69,580	31,390	221.7%	76,056
[Brokerage transaction volume]	[34,363]	[17,709]	[194.0%]	[39,254]
Listed bond futures	362,626	268,574	135.0%	528,113
[Brokerage transaction volume]	[53,121]	[40,575]	[130.9%]	[73,160]
Listed bond futures options	28,104	20,716	135.7%	38,466
[Brokerage transaction volume]	[8,767]	[4,964]	[176.6%]	[12,699]
Listed equity index futures	61,452	23,856	257.6%	60,902
[Brokerage transaction volume]	[13,659]	[3,945]	[346.2%]	[15,468]
Listed equity index options	9,401	9,228	101.9%	13,140
[Brokerage transaction volume]	[831]	[313]	[265.2%]	[475]

4. Volume of underwriting, offering and selling

(Unit: Thousands of stocks, Millions of yen)

		Half year ended September 30,2003	Half year ended September 30,2002	Comparison (%)	Year ended March 31,2003
Volume of underwriting	Stocks (No. of stocks)	18,237	6,457	282.4%	18,374
	Stocks (Amount)	39,096	30,538	128.0%	46,200
	Bonds (Face amount)	2,468,895	1,967,530	125.5%	3,738,757
Volume of offering and selling *	Stocks (No. of stocks)	18,237	6,459	282.4%	18,376
	Stocks (Amount)	40,840	31,623	129.1%	47,994
	Bonds (Face amount)	841,403	820,294	102.6%	1,462,430
	Beneficiary Securities (Face amount)	26,549	7,942	334.3%	25,103

* Including the volumes of selling and private offering

5. Capital adequacy ratio

(Unit: Millions of yen)

		As of September 30, 2003	As of September 30, 2002	As of March 31, 2003
Basic capital	(A)	257,507	238,433	242,859
Supplemental capital	Unrealized loss on other securities, net of taxes	10,090	-	-
	Reserve for transaction responsibility, and others	615	324	439
	Allowance for doubtful accounts	1	2	1
	Total (B)	10,707	326	441
Deduction: Disallowed assets	(C)	72,306	77,024	73,371
Capital after deduction	(A)+(B)-(C) (D)	195,908	161,735	169,929
Amount of risks	Amount of market risk	38,086	25,645	33,135
	Amount of customer risk	5,427	2,814	2,945
	Amount of fundamental risk	8,620	7,210	7,988
	Total (E)	52,134	35,670	44,069
Capital adequacy ratio	(D)/(E)	375.7%	453.4%	385.5%

6. Number of directors and employees

	As of September 30,2003	As of September 30,2002	As of March 31,2003
Number of directors	7	10	7
Number of employees	1,186	1,117	1,122