

Nonconsolidated Interim Financial Summary
(for the nine months ended December 31, 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

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Business performance for the nine months ended December 31, 2003 (April 1, 2003 through December 31, 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	%
Nine months ended Dec. 31, 2003	61,312 (39.2)	58,153 (37.8)	28,610 (68.1)
Year ended March 31, 2003	58,747		56,285		22,696	

	Ordinary profit		Net profit	
	mil. yen	%	mil. yen	%
Nine months ended Dec. 31, 2003	28,644 (68.6)	16,089 (430.6)
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 three-fourth of the corresponding annual amounts for the previous fiscal year.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Capital adequacy ratio
	mil. yen	mil. yen	%	%
As of Dec. 31, 2003	6,939,337	274,403	4.0	354.0
As of March 31, 2003	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 December 31, 2003)

(Unit : Millions of yen)

Description	As of December 31, 2003	As of March 31, 2003	Change
Assets			
Current assets	6,826,137	5,867,144	958,993
Cash and deposits	29,971	36,562	(6,591)
Cash segregated as deposits	1,476	1,304	172
Trading assets	3,749,333	3,373,694	375,638
Trading securities and others	3,726,091	3,366,922	359,168
Derivative transactions	23,242	6,772	16,470
Operational securities	2,340	792	1,547
Margin transaction assets	6,142	5,184	957
Loans secured by securities	3,010,948	2,433,454	577,494
Guarantee deposits	6,306	3,441	2,865
Short-term loans receivable	-	70	(70)
Accrued income	8,521	8,890	(369)
Short-term deferred tax assets	2,787	1,511	1,276
Others	8,316	2,239	6,077
Allowance for doubtful accounts	(7)	(1)	(5)
Fixed assets	113,199	88,817	24,382
Tangible fixed assets	5,461	5,111	350
Buildings	2,712	2,664	48
Furniture and fixture	2,749	2,446	302
Intangible fixed assets	5,950	6,052	(101)
Goodwill	56	112	(56)
Software	5,832	5,877	(44)
Others	60	61	(0)
Investments	101,787	77,654	24,133
Investment Securities	43,741	18,067	25,673
Investment in affiliates	53,987	53,793	194
Other equity investments	665	303	362
Long-term guarantee deposits	2,911	2,814	97
Long-term prepaid expenses	8	11	(2)
Long-term deferred tax assets	-	2,157	(2,157)
Others	473	506	(33)
Total assets	6,939,337	5,955,961	983,376

(Unit : Millions of yen)

Description	As of December 31, 2003	As of March 31, 2003	Change
Liabilities			
Current liabilities	6,642,351	5,711,707	930,643
Trading liabilities	3,050,064	1,894,275	1,155,789
Trading securities and others	3,020,884	1,888,344	1,132,539
Derivative transactions	29,180	5,930	23,249
Payable-unsettled trades	54,944	426,960	(372,016)
Margin transaction liabilities	289	—	289
Borrowings secured by securities	2,867,127	2,894,957	(27,830)
Deposits received	1,609	1,770	(160)
Cash collateral received from customers	198	4	194
Securities fails to receive	11	60	(48)
Short-term borrowings	452,010	391,255	60,754
Commercial paper	188,000	91,400	96,600
Short-term bonds and notes	5,500	—	5,500
Accrued expences	7,207	3,960	3,247
Income taxes payable	10,952	4,326	6,626
Reserve for bonuses	2,921	2,022	899
Others	1,514	715	798
Fixed liabilities	21,879	954	20,924
Bonds and notes	11,700	—	11,700
Long-term borrowings	500	—	500
Deferred tax liabilities	7,728	—	7,728
Reserve for retirement benefits	1,950	954	996
Statutory reserves	703	439	263
Total liabilities	6,664,933	5,713,102	951,831
Shareholders' equity			
Common stock	150,200	150,200	—
Capital surplus	95,324	95,324	—
Additional paid-in capital	95,324	95,324	—
Retained earnings(deficit)	15,669	(419)	16,089
Legal earned reserve	870	870	—
Voluntary reserve	1,611	1,633	(22)
Unappropriated retained earnings (deficit)	13,187	(2,923)	16,111
Unrealized gains(losses) on other securities, net of taxes	13,209	(2,245)	15,455
Total shareholders' equity	274,403	242,859	31,544
Total liabilities and shareholders' equity	6,939,337	5,955,961	983,376

Nonconsolidated Statement of Operations
(for the nine months ended December 31, 2003)

(Unit : Millions of yen)

	Nine months ended Dec.31, 2003 a	Year ended Mar.31, 2003 b	Comparison (%) a/0.75b
Operating revenues	61,312	58,747	139.2%
Commission	23,245	32,747	94.6%
Trading profit	30,828	16,406	250.5%
Net gains on operational securities	899	39	—
Financial income	6,339	9,553	88.5%
Financial expenses	3,159	2,461	171.1%
Net operating revenues	58,153	56,285	137.8%
Selling, general and administrative expenses	29,542	33,589	117.3%
Commissions and other transaction-related expenses	6,662	7,406	119.9%
Compensation and benefits	14,553	15,965	121.5%
Real estate expenses	3,478	3,763	123.2%
Data processing and office supplies	1,552	2,499	82.8%
Depreciation	2,384	2,908	109.3%
Taxes and dues other than income taxes	375	422	118.7%
Others	536	623	114.6%
Operating profit	28,610	22,696	168.1%
Non-operating revenues	87	22	508.3%
Non-operating expenses	53	63	111.9%
Ordinary profit	28,644	22,654	168.6%
Non-ordinary profits	—	33	—
Non-ordinary losses	636	13,621	6.2%
Net profit before income taxes	28,007	9,067	411.8%
Income taxes-current	13,914	5,767	321.7%
Income taxes-deferred	(1,995)	(742)	358.2%
Net profit	16,089	4,043	530.6%
Unappropriated retained earnings (deficit) brought forward	(2,901)	(6,966)	—
Unappropriated retained earnings (deficit)	13,187	(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 period 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 period, 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 Dec.31, 2003</u>	(millions of yen) <u>As of Mar.31, 2003</u>
4,504	3,715

Notes to statements of operations

1. Net profit per share

<u>For the nine months ended Dec.31, 2003</u>	(yen) <u>For the year ended Mar.31, 2003</u>
5,355	1,345

2. Details of non-ordinary profits / losses

	(millions of yen)	
	<u>For the nine months ended Dec.31, 2003</u>	<u>For the year ended Mar.31, 2003</u>
Non-ordinary profits		
Reversal of allowance for doubtful accounts	—	17
Others	—	16
	<u>For the nine months ended Dec.31, 2003</u>	<u>For the year ended Mar.31, 2003</u>
Non-ordinary losses		
Loss on sale or disposition of fixed assets	13	60
Valuation loss on investment securities	19	13,321
Others	603	239

Financial Data for the Nine Months Ended December 31, 2003

1. Commission Income

(1) Breakdown for accounts

(Unit: Millions of yen)

	Nine months ended December 31,2003 a	Year ended March 31,2003 b	Comparison (%) a/0.75b
Brokerage commission	3,594	3,045	157.4%
(Stocks)	(3,394)	(2,701)	(167.6%)
(Bonds)	(194)	(341)	(76.0%)
Underwriting and selling commissions	7,143	7,264	131.1%
(Stocks)	(2,596)	(1,824)	(189.7%)
(Bonds)	(4,398)	(5,439)	(107.8%)
Offering and selling commissions	673	640	140.2%
(Bonds)	(641)	(626)	(136.4%)
(Beneficiary securities)	(32)	(13)	(317.5%)
Other commissions received	11,834	21,797	72.4%
Total	23,245	32,747	94.6%

(2) Breakdown by products

(Unit: Millions of yen)

	Nine months ended December 31,2003 a	Year ended March 31,2003 b	Comparison (%) a/0.75b
Stocks	6,376	4,947	171.8%
Bonds	9,288	13,158	94.1%
Beneficiary securities	449	552	108.6%
Others	7,130	14,089	67.5%
Total	23,245	32,747	94.6%

2. Trading profit/loss

(Unit: Millions of yen)

	Nine months ended December 31,2003 a	Year ended March 31,2003 b	Comparison (%) a/0.75b
Stocks	13,387	6,220	286.9%
Bonds	15,793	9,952	211.6%
Others	1,646	232	945.2%
(Foreign exchange in the above)	(1,727)	(63)	(3,622.5%)
Total	30,828	16,406	250.5%

3. Transaction volume on securities transactions

(Unit: 100 Millions of yen)

	Nine months ended December 31,2003	Year ended March 31,2003	Period-to-period comparison (%)
Fixed income and Gensaki	1,555,948	1,722,427	120.4%
(Fixed income)	(1,414,093)	(1,618,071)	(116.5%)
[Japanese government bond]	[1,332,633]	[1,522,478]	[116.7%]
(Gensaki transactions)	(139,447)	(102,925)	(180.6%)
(Bonds with stock option)	(2,407)	(1,430)	(224.4%)
[Brokerage transaction on CB]	[333]	[284]	[156.6%]
Stock	108,060	76,056	189.4%
[Brokerage transaction volume]	[54,145]	[39,254]	[183.9%]
Listed bond futures	515,192	528,113	130.1%
[Brokerage transaction volume]	[77,074]	[73,160]	[140.5%]
Listed bond futures options	42,251	38,466	146.5%
[Brokerage transaction volume]	[15,162]	[12,699]	[159.2%]
Listed equity index futures	91,666	60,902	200.7%
[Brokerage transaction volume]	[18,845]	[15,468]	[162.4%]
Listed equity index options	11,644	13,140	118.2%
[Brokerage transaction volume]	[954]	[475]	[267.7%]

4. Volume of underwriting, offering and selling

(Unit: Thousands of stocks, Millions of yen)

		Nine months ended December 31,2003 a	Year ended March 31,2003 b	Comparison (%) a/0.75b
Volume of underwriting	Stocks (No. of stocks)	33,987	18,374	246.6%
	Stocks (Amount)	61,576	46,200	177.7%
	Bonds (Face amount)	3,836,904	3,738,757	136.8%
Volume of offering and selling *	Stocks (No. of stocks)	33,987	18,376	246.6%
	Stocks (Amount)	64,206	47,994	178.4%
	Bonds (Face amount)	1,238,626	1,462,430	112.9%
	Beneficiary Securities (Face amount)	46,892	25,103	249.1%

* Including the volumes of selling and private offering

5. Capital adequacy ratio

(Unit: Millions of yen)

		As of December 31, 2003	As of March 31, 2003
Basic capital	(A)	261,193	242,859
Supplemental capital	Unrealized loss on other securities, net of taxes	13,209	-
	Reserve for transaction responsibility, and others	703	439
	Allowance for doubtful accounts	1	1
	Total (B)	13,914	441
Deduction: Disallowed assets	(C)	73,535	73,371
Capital after deduction	(A)+(B)-(C) (D)	201,573	169,929
Amount of risks	Amount of market risk	43,270	33,135
	Amount of customer risk	4,251	2,945
	Amount of fundamental risk	9,416	7,988
	Total (E)	56,938	44,069
Capital adequacy ratio	(D)/(E)	354.0%	385.5%

Quarterly trends in Nonconsolidated Statement of Operations

(Unit : Millions of yen)

	Year ended Mar.31, 2003	Three months ended Jun.30, 2003	Three months ended Sep.30, 2003	Three months ended Dec.31, 2003	Nine months ended Dec.31, 2003
Operating revenues	58,747	18,165	24,915	18,232	61,312
Commission	32,747	7,266	8,591	7,387	23,245
Trading profit	16,406	7,910	13,762	9,155	30,828
Net gains on operational securities	39	—	52	846	899
Financial income	9,553	2,988	2,509	842	6,339
Financial expenses	2,461	568	1,137	1,453	3,159
Net operating revenues	56,285	17,596	23,778	16,778	58,153
Selling, general and administrative expenses	33,589	8,901	10,527	10,113	29,542
Commissions and other transaction-related expenses	7,406	2,037	2,481	2,142	6,662
Compensation and benefits	15,965	4,216	5,162	5,173	14,553
Real estate expenses	3,763	1,103	1,238	1,136	3,478
Data processing and office supplies	2,499	472	523	556	1,552
Depreciation	2,908	763	796	824	2,384
Taxes and dues other than income taxes	422	105	149	120	375
Others	623	202	174	158	536
Operating profit	22,696	8,695	13,251	6,664	28,610
Non-operating revenues	22	37	44	5	87
Non-operating expenses	63	1	37	14	53
Ordinary profit	22,654	8,730	13,258	6,655	28,644
Non-ordinary profits	33	—	—	—	—
Non-ordinary losses	13,621	47	491	98	636
Net profit before income taxes	9,067	8,683	12,766	6,557	28,007
Income taxes-current	5,767	3,199	7,029	3,686	13,914
Income taxes-deferred	(742)	500	(1,680)	(815)	(1,995)
Net profit	4,043	4,984	7,418	3,686	16,089