

【Overview of Group Structures】

The Company and its subsidiaries and affiliates mainly operate debt and equity securities, M&A, structured finance and other businesses in securities and investment banking field and offer to corporate investors and customers including corporations, financial institutions and public-sector organizations, the high-quality financial products and services by conducting advanced financial technologies suitable for a wide range of customers' needs.

The Company has a presence in major financial centers in the UK, Switzerland, the United States and Hong Kong as a global investment banking firm focusing on trading and underwriting securities.

The Mizuho Financial Group, which the Company belongs to carried out a business reorganization on March 12, 2003. As a result, Mizuho Holdings, Inc. became a wholly-owned subsidiary of Mizuho Financial Group, Inc. and the Company became a wholly-owned subsidiary of Mizuho Corporate Bank, Ltd.

The major companies in the Company's group are as follows:

Name of Companies	Location	Capital	Major Operation	Ownership Percentage
(Parent company)				
Mizuho Financial Group, Inc.	Chiyoda-ku, Tokyo	mil.yen 1,540,965	Bank holding company	—
Mizuho Holdings, Inc.	Chiyoda-ku, Tokyo	mil.yen 1,000,000	Bank holding company	—
Mizuho Corporate Bank, Ltd.	Chiyoda-ku, Tokyo	mil.yen 1,070,965	Commercial banking	—
(Consolidated subsidiaries)				
Mizuho Securities Asia Limited	Hong Kong, People's Republic of China	mil. HK\$ 330	Securities	100.0%
Japan Investor Relations and Investor Support, Inc.	Chiyoda-ku, Tokyo	mil.yen 100	IR consulting services	97.0%
The Bridgeford Group, Inc.	New York, USA	US\$ 1,000,000	M&A business	100.0%
Mizuho Bank (Switzerland)Ltd.	Zurich, Switzerland	mil.SFR 159	Securities, commercial banking and private banking	40.0%
Mizuho International plc	London, UK	mil. £ 257	Securities, commercial banking and custody services	40.0%
Mizuho Securities USA Inc.	Hoboken, New Jersey, USA	US\$ 231,300	Securities and derivatives brokerage	40.0%
(Other affiliates)				
Mobile Internet Capital Inc.	Minato-ku, Tokyo	mil.yen 100	Venture capital	30.0%
Japan Industrial Partners Inc.	Minato-ku, Tokyo	mil.yen 100	Investment advisory services	33.75%
Basic Capital Management, Limited	Chiyoda-ku, Tokyo	mil.yen 100	Investment advisory services	50.0%
Industrial Decisions, Inc.	Minato-ku, Tokyo	mil.yen 40	Consulting services	50.0%

Consolidated 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	13,263,439	11,836,854	1,426,585
Cash and deposits	59,828	75,671	(15,842)
Cash segregated as deposits	2,590	1,481	1,109
Trading assets	5,361,583	4,769,653	591,930
Trading securities and others	5,297,907	4,676,328	621,578
Derivative transactions	63,676	93,324	(29,647)
Operational securities	4,365	3,047	1,317
Margin transaction assets	7,934	7,044	889
Loans secured by securities	7,703,901	6,855,160	848,740
Guarantee deposits	19,524	37,803	(18,279)
Securities fails to deliver	36,328	19,146	17,182
Valuation margin paid	8,331	—	8,331
Short-term loans receivable	4,894	5,375	(481)
Accrued income	36,221	36,571	(350)
Short-term deferred tax assets	3,960	2,530	1,429
Others	13,995	23,399	(9,403)
Allowance for doubtful accounts	(20)	(32)	11
Fixed assets	144,950	130,762	14,187
Tangible fixed assets	10,560	11,588	(1,028)
Buildings	6,342	6,961	(619)
Furniture and fixture	4,218	4,627	(408)
Intangible fixed assets	8,395	8,344	50
Goodwill	56	112	(56)
Software	8,275	8,138	136
Others	62	93	(30)
Investments	125,994	110,829	15,165
Investment Securities	119,996	104,039	15,956
Other equity investments	1,632	303	1,329
Long-term guarantee deposits	2,987	2,871	116
Long-term prepaid expenses	8	11	(2)
Long-term deferred tax assets	890	3,096	(2,205)
Others	478	506	(28)
Total assets	13,408,389	11,967,617	1,440,772

(Unit: Millions of yen)

Description	As of December 31, 2003	As of March 31, 2003	Change
Liabilities			
Current liabilities	12,912,157	11,519,032	1,393,124
Trading liabilities	4,346,775	2,690,094	1,656,681
Trading securities and others	4,271,782	2,624,529	1,647,252
Derivative transactions	74,993	65,564	9,428
Payable-unsettled trades	258,789	595,773	(336,983)
Margin transaction liabilities	50	—	50
Borrowings secured by securities	7,376,752	7,490,959	(114,207)
Deposits received	14,010	9,945	4,064
Cash collateral received from customers	34,431	34,761	(329)
Securities fails to receive	41,526	25,791	15,735
Valuation margin received	—	4,463	(4,463)
Short-term borrowings	579,217	515,936	63,280
Commercial paper	188,000	91,400	96,600
Short-term bonds and notes	5,500	—	5,500
Accrued expenses	33,391	29,006	4,384
Income taxes payable	12,412	7,860	4,551
Reserve for bonuses	13,060	16,926	(3,866)
Others	8,239	6,114	2,125
Fixed liabilities	128,666	111,956	16,709
Bonds and notes	103,519	89,863	13,656
Long-term borrowings	14,490	18,180	(3,690)
Deferred tax liabilities	8,122	429	7,692
Reserve for retirement benefits	1,950	954	996
Others	582	2,528	(1,945)
Statutory reserves	703	439	263
Total liabilities	13,041,526	11,631,429	1,410,097
Minority interests	86,177	86,277	(99)
Shareholders' equity			
Common stock	150,200	150,200	-
Capital surplus	95,324	95,324	-
Retained earnings	23,069	5,804	17,264
Unrealized gains (losses) on other securities, net of taxes	13,452	(1,943)	15,395
Foreign currency translation adjustments	(1,361)	523	(1,884)
Total shareholders' equity	280,685	249,910	30,775
Total liabilities, minority interests and shareholders' equity	13,408,389	11,967,617	1,440,772

Consolidated Statements of Operations
(for the nine months ended December 31, 2003)

(Unit: Millions of yen)

Description	Nine months		Year ended Mar.31, 2003 b	comparison (%) a/0.75b
	ended Dec.31, 2003 a			
Operating revenues	168,720		290,379	77.5%
Commission	30,569		40,070	101.7%
Trading profit	36,145		58,696	82.1%
Net gains on operational securities	899		41	—
Financial income	101,106		191,571	70.4%
Financial expenses	76,835		153,932	66.6%
Net operating revenues	91,884		136,446	89.8%
Selling, general and administrative expenses	61,242		95,822	85.2%
Commissions and other transaction-related expenses	14,786		20,071	98.2%
Compensation and benefits	32,506		56,175	77.2%
Real estate expenses	5,174		6,601	104.5%
Data processing and office supplies	2,247		3,315	90.4%
Depreciation	4,420		5,368	109.8%
Taxes and dues other than income taxes	429		569	100.5%
Amortization of consolidation differences	—		1,766	—
Others	1,678		1,953	114.6%
Operating profit	30,641		40,624	100.6%
Non-operating revenues	1,988		4,801	55.2%
Equity in earnings from investments in affiliates	69		12	763.7%
Others	1,919		4,789	53.4%
Non-operating expenses	55		2,193	3.4%
Ordinary profit	32,574		43,232	100.5%
Non-ordinary profits	329		1,137	38.6%
Non-ordinary losses	745		13,930	7.1%
Net profit before income taxes and minority interests	32,157		30,438	140.9%
Income taxes-current	15,400		10,467	196.2%
Income taxes-deferred	(2,254)		(1,906)	157.7%
Minority interests in net profit	1,746		11,428	20.4%
Net profit	17,264		10,448	220.3%

Notes to consolidated financial statements

The Company's interim consolidated financial statements are prepared based on the "Regulations of Interim Consolidated Financial Statements" (Ministry of Finance (MoF) Ordinance No.24, 1999) and its Article 48 and 69, 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 consolidated financial statements

1.Scope of consolidation

Consolidated subsidiaries : 8 Companies

Name of major subsidiaries :

Mizuho Securities Asia Limited
Japan Investor Relations and Investor Support, Inc.
The Bridgeford Group, Inc.
Mizuho Bank (Switzerland) Ltd.
Mizuho International plc
Mizuho Securities USA Inc.

2.Application of the equity method

Affiliates accounted for by the equity method : 4 Companies

Name of the affiliates :

Mobile Internet Capital Inc.
Japan Industrial Partners Inc.
Basic Capital Management, Limited
Industrial Decisions, Inc.

3.Third quarter closing dates of subsidiaries

The interim financial statements for consolidated subsidiaries are based on the same third quarter closing date as the parent company uses.

4.Accounting policies

(1) Valuation of securities and trading account

① Valuation of trading account

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

The Company and subsidiaries hold trading positions for the purpose of :

1) responding to customers' needs to invest or hedge risk, and 2) gaining profits or mitigating losses 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) 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.
- (b) Other securities, which do not have readily determinable fair value are stated at cost determined by the moving average method.

(2) Depreciation method of significant assets

① Tangible fixed assets

The Company and domestic consolidated subsidiary mainly apply the declining-balance method except for buildings (excluding leasehold improvement) acquired after March 31, 1998, which are applied the straight-line method. Overseas subsidiaries mainly apply the straight-line method.

② Intangible fixed assets

The straight-line method is primarily applied to amortization of intangible asset. 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 allowance is provided for impaired loans and accounts at the amount estimated based on the management's assessments of asset quality and 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 as of consolidated fiscal year end.

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

Net actuarial gain or loss is amortized in the years following the consolidated fiscal year of incurrence 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.

5.Valuation of assets and liabilities of subsidiaries acquired

All assets and liabilities of consolidated subsidiaries are valued at fair value and included in the consolidated financial statements when acquired.

6.Amortization of consolidation differences

Consolidation differences are charged to income in the consolidated fiscal year of the acquisition due to immaterial amount.

Quarterly trends in Consolidated 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	290,379	65,705	51,906	51,108	168,720
Commission	40,070	12,053	9,759	8,755	30,569
Trading profit	58,696	8,240	15,280	12,624	36,145
Net gains on operational securities	41	—	52	846	899
Financial income	191,571	45,411	26,813	28,881	101,106
Financial expenses	153,932	35,363	18,887	22,584	76,835
Net operating revenues	136,446	30,342	33,018	28,523	91,884
Selling, general and administrative expenses	95,822	21,858	19,504	19,879	61,242
Commissions and other transaction- related expenses	20,071	7,086	3,918	3,781	14,786
Compensation and benefits	56,175	9,985	10,936	11,584	32,506
Real estate expenses	6,601	1,830	1,712	1,631	5,174
Data processing and office supplies	3,315	745	773	728	2,247
Depreciation	5,368	1,342	1,592	1,485	4,420
Taxes and dues other than income taxes	569	126	164	138	429
Amortization of consolidation differences	1,766	—	—	—	—
Others	1,953	741	406	529	1,678
Operating profit	40,624	8,483	13,514	8,644	30,641
Non-operating revenues	4,801	1,204	1,908	(1,124)	1,988
Equity in earnings from investments in affiliates	12	29	21	18	69
Others	4,789	1,174	1,887	(1,142)	1,919
Non-operating expenses	2,193	16	28	10	55
Ordinary profit	43,232	9,671	15,394	7,508	32,574
Non-ordinary profits	1,137	38	303	(12)	329
Non-ordinary losses	13,930	148	592	4	745
Net profit before income taxes and minority interests	30,438	9,561	15,104	7,492	32,157
Income taxes-current	10,467	3,371	7,761	4,267	15,400
Income taxes-deferred	(1,906)	668	(1,860)	(1,062)	(2,254)
Minority interests in net profit	11,428	366	1,053	326	1,746
Net profit	10,448	5,153	8,151	3,959	17,264