

Interim Consolidated Financial Summary (for the half year ended September 30, 2004)

Company's name: **Mizuho Securities Co., Ltd. ("the Company")**

(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

the interim consolidated financial statements: October 27, 2004

Parent company: Mizuho Financial Group, Inc.

(Stock code number: 8411)

The percentage of stock held by the parent company: 81.5%

Application of US GAAP: No

(Including indirect holding by
the parent company: 81.5%)

Business performance for the half year ended September 30, 2004 (April 1, 2004 through September 30, 2004)

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

(1) Consolidated operating results

	Operating revenues		Net operating revenues		Operating profit		Ordinary profit	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
Half year (2004/9)	127,041 (	6.5)	71,677 (	10.2)	26,304 (	11.0)	27,019 (	7.8)
Half year (2003/9)	119,317 (	-31.2)	65,066 (	-7.7)	23,703 (	17.2)	25,065 (	17.6)
Fiscal year (2004/3)	225,023		123,947		37,646		40,234	

	Net profit		Net profit per share	Diluted Net profit per share
	mil. yen	%	yen	yen
Half year (2004/9)	15,862 (	19.2)	5,274 . 01	— . —
Half year (2003/9)	13,304 (	60.1)	4,429 . 02	— . —
Fiscal year (2004/3)	19,622		6,532 . 18	— . —

(note) ① Equity in earnings from investments in affiliates

Half year(2004/9) 34 mil. yen Half year(2003/9) 50 mil. yen Fiscal year(2004/3) 42 mil. yen

② Average number of share outstanding(consolidated):

Half year(2004/9) 3,007,721 Shares Half year(2003/9) 3,004,000 Shares Fiscal year(2004/3) 3,004,000 Shares

③ Change in accounting policies: No change

④ The percentage in the column of operating revenues, net operating revenues, operating profit, ordinary profit and net profit indicate percentage of change from the half year in the previous year.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity to total assets	Shareholders' equity per share
	mil. yen	mil. yen	%	yen
Half year (2004/9)	16,638,371	362,588	2.2	98,395 . 72
Half year (2003/9)	12,206,503	273,122	2.2	90,919 . 58
Fiscal year (2004/3)	12,217,836	289,677	2.4	96,430 . 57

(note) ① Number of share outstanding(consolidated):

Half year(2004/9) 3,685,000 Shares Half year(2003/9) 3,004,000 Shares Fiscal year(2004/3) 3,004,000 Shares

② Shareholders' equity to total assets = Total shareholders' equity ÷ (Liabilities+ Stocks held by Minority Shareholders+ Total shareholders' equity) ×100

(3) Scope of Consolidation and Application of the Equity Method

Number of Consolidated Subsidiaries: 9
 Nonconsolidated subsidiaries accounted for by the Equity Method: -
 Affiliates accounted for by the Equity Method: 6

(4) Change in Scope of Consolidation and Application of the Equity Method

Consolidation		Equity Method	
Newly Consolidated:	1	Newly applied:	2
Excluded:	-	Ceased:	-

【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.

In March 2004, the Company bought stocks of subsidiaries in the UK(Mizuho International plc), Switzerland(Mizuho Bank (Switzerland) Ltd.) and the United States(Mizuho Securities USA Inc.) from Mizuho Corporate Bank, Ltd., Mizuho Bank Ltd. and other group company. As a result, these companies became wholly-owned subsidiaries of the Company.

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

Name of Companies	Location	Capital	Major Operation	Ownership Percentage
(Parent companies)				
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	100.00%
Japan Investor Relations and Investor Support, Inc.	Chiyoda-ku, Tokyo	mil.yen 100	IR consulting services	97.00%
The Bridgeford Group, Inc.	New York, USA	US\$ 1,000,000	M&A business	100.00%
Mizuho Bank (Switzerland)Ltd.	Zurich, Switzerland	mil.SFR 53	Securities, commercial banking and private banking	100.00%
Mizuho International plc	London, UK	mil. £ 257	Securities, commercial banking and custody services	100.00%
Mizuho Securities USA Inc.	Hoboken, New Jersey, USA	US\$ 231,300	Securities and derivatives brokerage	100.00%
(Other affiliates)				
Mobile Internet Capital Inc.	Minato-ku, Tokyo	mil.yen 100	Venture capital	30.00%
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	50.00%
Industrial Decisions, Inc.	Minato-ku, Tokyo	mil.yen 40	Consulting services	50.00%
Polaris Principal Finance Co., Ltd.	Chiyoda-ku, Tokyo	mil.yen 200	Investment advisory services	50.00%
Max Investment Advisory Co., Ltd	Chuo-ku, Tokyo	mil.yen 80	Investment advisory services	25.00%

(note) Polaris Principal Finance Co., Ltd. and Max Investment Advisory Co., Ltd. were established and newly accounted for by the equity method in this half year.

Consolidated Balance Sheets
(As of September 30, 2004)

(Unit: Millions of yen)

Description	As of September 30, 2004	As of September 30, 2003	Change	As of March 31, 2004
Assets				
Current assets	16,510,587	12,080,012	4,430,574	12,067,577
Cash and deposits	125,135	99,996	25,139	78,624
Cash segregated as deposits	9,573	4,063	5,510	7,276
Securities	10,232	16,878	(6,645)	19,497
Trading assets	6,787,825	5,187,519	1,600,305	4,489,771
Trading securities and others	6,676,425	5,098,828	1,577,597	4,387,170
Derivative transactions	111,399	88,691	22,708	102,600
Operational securities	5,043	1,362	3,681	4,572
Margin transaction assets	4,795	12,387	(7,591)	7,002
Loans secured by securities	9,485,105	6,592,924	2,892,181	7,363,844
Guarantee deposits	23,763	18,911	4,852	23,382
Securities fails to deliver	8,363	80,842	(72,479)	8,504
Valuation margin paid	11	—	11	14,455
Short-term loans receivable	3,727	4,856	(1,129)	5,918
Accrued income	36,954	33,448	3,506	33,923
Short-term deferred tax assets	3,884	3,179	705	5,074
Others	6,184	23,658	(17,474)	5,752
Allowance for doubtful accounts	(14)	(16)	2	(22)
Fixed assets	127,783	126,491	1,292	150,259
Tangible fixed assets	12,365	10,844	1,520	10,107
Buildings	5,859	6,481	(622)	6,045
Furniture and fixture	3,765	4,363	(597)	4,062
Others	2,740	—	2,740	—
Intangible fixed assets	8,694	8,378	315	8,912
Goodwill	229	75	154	277
Software	8,404	8,240	163	8,572
Others	60	62	(2)	62
Investments	106,724	107,267	(543)	131,238
Investment Securities	100,174	101,443	(1,269)	126,119
Other equity investments	983	1,496	(512)	1,090
Long-term guarantee deposits	2,935	2,989	(53)	2,837
Long-term prepaid expenses	17	9	7	8
Long-term deferred tax assets	1,748	932	815	620
Others	864	396	468	562
Total assets	16,638,371	12,206,503	4,431,867	12,217,836

(Unit : Millions of yen)

Description	As of September 30, 2004	As of September 30, 2003	Change	As of March 31, 2004
Liabilities				
Current liabilities	15,938,296	11,763,174	4,175,121	11,715,593
Trading liabilities	4,764,156	3,611,047	1,153,108	3,462,620
Trading securities and others	4,666,268	3,537,916	1,128,352	3,341,236
Derivative transactions	97,887	73,131	24,756	121,383
Payable-unsettled trades	259,573	173,583	85,989	21,187
Margin transaction liabilities	—	2,653	(2,653)	—
Borrowings secured by securities	9,046,557	7,065,436	1,981,120	6,929,820
Deposits received	20,071	14,135	5,936	16,870
Cash collateral received from customers	34,844	9,022	25,821	28,802
Securities fails to receive	8,894	20,646	(11,751)	1,457
Valuation margin received	6,602	33,793	(27,191)	—
Short-term borrowings	1,417,003	580,958	836,044	901,643
Commercial paper	282,500	167,700	114,800	237,800
Short-term bonds and notes	35,711	28,770	6,940	43,266
Accrued expenses	33,533	26,768	6,764	25,791
Income taxes payable	11,448	11,471	(23)	16,366
Reserve for bonuses	9,698	9,511	187	20,154
Others	7,702	7,674	27	9,813
Fixed liabilities	336,443	85,045	251,398	211,756
Bonds and Notes	187,698	57,866	129,832	122,619
Long-term borrowings	137,225	18,871	118,353	71,648
Deferred tax liabilities	7,082	6,256	826	14,430
Reserve for retirement benefits	3,837	1,480	2,357	2,496
Others	599	571	28	561
Statutory reserves	1,037	615	422	804
Total liabilities	16,275,778	11,848,835	4,426,943	11,928,155
Minority interests	4	84,546	(84,541)	4
Shareholders' equity				
Common stock	195,146	150,200	44,946	150,200
Capital surplus	125,288	95,324	29,964	95,324
Retained earnings	30,776	19,109	11,666	25,427
Unrealized gains on other securities, net of taxes	9,333	10,297	(964)	21,262
Foreign currency translation adjustments	2,044	(1,809)	3,853	(2,537)
Total shareholders' equity	362,588	273,122	89,465	289,677
Total liabilities, minority interests and shareholders' equity	16,638,371	12,206,503	4,431,867	12,217,836

Consolidated Statements of Operations
(for the half year ended September 30, 2004)

(Unit: Millions of yen)

Description	Half year ended Sept.30, 2004	Half year ended Sept.30, 2003	Period to period comparison (%)	Year ended Mar.31, 2004
Operating revenues	127,041	119,317	106.5%	225,023
Commission	26,542	21,813	121.7%	42,975
Trading profit	37,290	25,226	147.8%	49,609
Net gains on operational securities	718	52	—	815
Financial income	62,488	72,225	86.5%	131,623
Financial expenses	55,363	54,250	102.1%	101,076
Net operating revenues	71,677	65,066	110.2%	123,947
Selling, general and administrative expenses	45,372	41,362	109.7%	86,300
Commissions and other transaction-related expenses	9,674	11,004	87.9%	20,351
Compensation and benefits	23,182	20,922	110.8%	46,974
Real estate expenses	3,670	3,542	103.6%	6,868
Data processing and office supplies	2,215	1,519	145.8%	3,245
Depreciation	3,264	2,935	111.2%	6,073
Taxes and dues other than income taxes	1,721	290	592.7%	581
Amortization of consolidation differences	—	—	—	525
Others	1,642	1,148	143.0%	1,680
Operating profit	26,304	23,703	111.0%	37,646
Non-operating revenues	1,731	1,406	123.1%	2,844
Equity in earnings from investments in affiliates	34	50	67.4%	42
Others	1,697	1,356	125.1%	2,801
Non-operating expenses	1,016	45	—	255
Ordinary profit	27,019	25,065	107.8%	40,234
Non-ordinary profits	228	341	67.0%	577
Non-ordinary losses	359	740	48.5%	1,250
Net profit before income taxes and minority interests	26,889	24,665	109.0%	39,561
Income taxes-current	10,324	11,133	92.7%	19,657
Income taxes-deferred	701	(1,192)	—	(2,064)
Minority interests in net profit	0	1,420	0.0%	2,346
Net profit	15,862	13,304	119.2%	19,622

Consolidated Statements of Capital Surplus and Retained Earnings
(for the half year ended September 30, 2004)

(Unit: Millions of yen)

Description	Half year ended Sept.30, 2004	Half year ended Sept.30, 2003	Year ended Mar.31, 2004
Capital surplus			
Consolidated capital surplus at beginning	95,324	95,324	95,324
Increase in capital surplus	29,964	—	—
Issuance of common stock for capital increase	29,964	—	—
Consolidated capital surplus at end	125,288	95,324	95,324
Retained earnings			
Consolidated retained earnings at beginning	25,427	5,804	5,804
Increase in retained earnings	15,862	13,304	19,622
Net profit	15,862	13,304	19,622
Decrease in retained earnings	10,514	—	—
Dividends	10,514	—	—
Consolidated retained earnings at end	30,776	19,109	25,427

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).

Certain reclassifications have been made to the prior year's consolidated financial statements to conform them to the current year's presentation.

Basis of consolidated financial statements

1.Scope of consolidation

Consolidated subsidiaries : 9 companies

Name of major subsidiaries :

Mizuho Securities Asia Limited
Japan Investor Relations and Investor Support, Inc.
The Bridgford 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 : 6 companies

Name of the affiliates :

Mobile Internet Capital Inc.
Japan Industrial Partners Inc.
Basic Capital Management, Limited
Industrial Decisions, Inc.
Polaris Principal Finance Co., Ltd.
Max Investment Advisory Co., Ltd.

Polaris Principal Finance Co., Ltd. And Max Investment Advisory Co., Ltd. were established and newly accounted for by the equity method in this half year.

3.Half yearends of subsidiaries

The interim financial statements for consolidated subsidiaries are based on the same half yearend 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 shareholder's 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 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) Deferred assets

Bond issuance cost is charged to income when incurred.

(4) 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 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 based on actual retirement benefits and plan assets as of consolidated fiscal year.

Prior service cost is charged to income in the consolidated fiscal year 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.

(5) 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 mainly charged to income when incurred.

(6) Accounting for hedging transactions

Gains or losses resulting from forward foreign exchange transactions entered into in order to hedge the foreign exchange risk of foreign currency denominated equity investments in subsidiaries is accounted for as foreign currency translation adjustments to the extent that the hedge is effective.

(7) Other significant accounting policies

Consumption taxes

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

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.

Financial Data for the half year ended September 30, 2004

1. Commission Income

(1) Breakdown for accounts

(Unit : Millions of yen)

	Half year ended Sept. 30, 2004	Half year ended Sept. 30, 2003	Comparison (%)	Year ended March 31, 2004
Brokerage commission	9,029	9,385	96.2%	16,959
(Stocks)	(5,969)	(3,255)	(183.4%)	(8,042)
(Bonds)	(3,037)	(6,099)	(49.8%)	(8,712)
Underwriting and selling commissions	6,796	5,122	132.7%	8,473
(Stocks)	(3,582)	(1,709)	(209.6%)	(3,098)
(Bonds)	(3,196)	(3,264)	(97.9%)	(5,181)
Offering and selling commissions	1,910	252	756.7%	1,605
(Bonds)	(440)	(229)	(191.5%)	(1,170)
(Beneficiary securities)	(166)	(22)	(742.9%)	(99)
Other commissions received	8,806	7,052	124.9%	15,936
Total	26,542	21,813	121.7%	42,975

(2) Breakdown by products

(Unit : Millions of yen)

	Half year ended Sept. 30, 2004	Half year ended Sept. 30, 2003	Comparison (%)	Year ended March 31, 2004
Stocks	9,703	5,816	166.8%	11,359
Bonds	8,094	9,748	83.0%	17,859
Beneficiary securities	1,114	322	345.7%	766
Others	7,630	5,925	128.8%	12,989
Total	26,542	21,813	121.7%	42,975

2. Trading profit/loss

(Unit : Millions of yen)

	Half year ended Sept. 30, 2004	Half year ended Sept. 30, 2003	Comparison (%)	Year ended March 31, 2004
Stocks	14,966	7,600	196.9%	20,852
Bonds and others	22,324	17,626	126.7%	28,756
Total	37,290	25,226	147.8%	49,609

Quarterly trends in Consolidated Statements of Operations

(Unit : Millions of yen)

	Three months ended Sep.30, 2003	Three months ended Dec.31, 2003	Three months ended Mar.31, 2004	Three months ended Jun.30, 2004	Three months ended Sep.30, 2004
Operating revenues	53,466	49,402	56,303	66,895	60,145
Commission	9,759	8,755	12,406	13,100	13,442
Trading profit	16,840	10,918	13,463	24,417	12,873
Net gains on operational securities	52	846	(83)	750	(31)
Financial income	26,813	28,881	30,516	28,628	33,860
Financial expenses	18,887	22,584	24,240	25,058	30,305
Net operating revenues	34,578	26,817	32,062	41,837	29,839
Selling, general and administrative expenses	19,504	19,879	25,058	22,775	22,597
Commissions and other transaction-related expenses	3,918	3,781	5,564	4,730	4,944
Compensation and benefits	10,936	11,584	14,467	12,285	10,897
Real estate expenses	1,712	1,631	1,694	1,782	1,888
Data processing and office supplies	773	728	998	817	1,398
Depreciation	1,592	1,485	1,652	1,572	1,692
Taxes and dues other than income taxes	164	138	152	978	743
Amortization of consolidation differences	—	—	525	—	—
Others	406	529	2	608	1,034
Operating profit	15,074	6,938	7,004	19,062	7,241
Non-operating revenues	348	581	856	921	809
Equity in earnings from investments in affiliates	21	18	(26)	—	34
Others	327	563	882	921	775
Non-operating expenses	28	10	199	624	391
Equity in losses from investments in affiliates	—	—	—	14	(14)
Others	28	10	199	610	405
Ordinary profit	15,394	7,508	7,660	19,359	7,660
Non-ordinary profits	303	(12)	248	0	228
Non-ordinary losses	592	4	505	101	257
Net profit before income taxes and minority interests	15,104	7,492	7,403	19,258	7,630
Income taxes-current	7,761	4,267	4,256	6,371	3,953
Income taxes-deferred	(1,860)	(1,062)	189	1,504	(803)
Minority interests in net profit	1,053	326	599	0	(0)
Net profit	8,151	3,959	2,358	11,381	4,481