

Nonconsolidated Financial Summary (for the year ended March 31, 2005)

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

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

Location: Tokyo

Representative: Name: Makoto Fukuda

Title: President

For inquiry: Name: Hajime Nakai

Title: Managing Director, Head of Planning Group

Phone: (03) 5208-3212

Date of resolution of Board of Directors with respect to
the non-consolidated financial statements: April 27, 2005

Interim dividend system: Available

Unit of trading: Not employed

Date of General Shareholders' Meeting: June 27, 2005

Business performance for the year ended March 31, 2005 (April 1, 2004 through March 31, 2005)

(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	%
Fiscal year (2005/3)	104,417 (	24.7)	93,433 (	18.1)	40,549 (	9.7)
Fiscal year (2004/3)	83,704 (	42.5)	79,086 (	40.5)	36,969 (	62.9)

	Ordinary profit		Net profit		Net profit per share	
	mil. yen	%	mil. yen	%	yen	
Fiscal year (2005/3)	40,091 (	8.3)	24,191 (	16.3)	7,231 . 13	
Fiscal year (2004/3)	37,005 (	63.3)	20,807 (	414.6)	6,926 . 44	

(note) ① Average number of share outstanding:

Fiscal year (2005/3) 3,345,432 Shares Fiscal year (2004/3) 3,004,000 Shares

② Change in accounting policies: No change

③ The percentage in the column of operating revenues, net operating revenues, operating profit, ordinary profit, and net profit indicate percentage changes from the previous fiscal year.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share	Capital adequacy ratio
	mil. yen	mil. yen	%	yen	%
Fiscal year (2005/3)	11,634,782	368,809	3.2	100,083 . 97	395.3
Fiscal year (2004/3)	6,331,295	286,990	4.5	95,536 . 05	277.7

(note) ① Number of share outstanding:

Fiscal year (2005/3) 3,685,000 Shares Fiscal year (2004/3) 3,004,000 Shares

② Number of share held as treasury stock:

Fiscal year (2005/3) — Shares Fiscal year (2004/3) — Shares

③ Shareholders' equity ratio = Total shareholders' equity ÷ Total liabilities and shareholders' equity × 100

Nonconsolidated Balance Sheets
(As of March 31, 2005)

(Unit : Millions of yen)

Description	As of March 31, 2005	As of March 31, 2004	Change
Assets			
Current assets	11,429,667	6,117,029	5,312,637
Cash and deposits	43,205	35,211	7,993
Cash segregated as deposits	8,137	6,086	2,051
Trading assets	6,090,476	2,889,826	3,200,649
Trading securities and others	6,029,569	2,848,038	3,181,531
Derivative transactions	60,906	41,788	19,118
Operational securities	5,891	4,572	1,318
Receivable-unsettled trades	—	121,534	(121,534)
Margin transaction assets	8,590	4,775	3,815
Loans secured by securities	5,217,800	3,006,454	2,211,345
Payments for subscription	10,193	—	10,193
Guarantee deposits	24,807	15,040	9,766
Securities fails to deliver	145	4,948	(4,803)
Valuation margin paid	—	13,902	(13,902)
Accrued income	13,170	8,876	4,293
Short-term deferred tax assets	6,392	3,815	2,577
Others	863	1,999	(1,135)
Allowance for doubtful accounts	(6)	(13)	6
Fixed assets	205,115	214,265	(9,150)
Tangible fixed assets	5,140	5,405	(265)
Buildings	2,675	2,690	(15)
Furniture and fixture	2,464	2,714	(250)
Intangible fixed assets	6,447	6,243	204
Goodwill	181	277	(96)
Software	6,209	5,905	303
Others	57	60	(2)
Investments	193,526	202,616	(9,089)
Investment securities	57,563	56,928	634
Investment in affiliates	131,190	141,946	(10,756)
Other equity investments	—	403	(403)
Long-term guarantee deposits	2,839	2,770	68
Long-term prepaid expenses	13	8	5
Others	1,919	557	1,362
Total assets	11,634,782	6,331,295	5,303,487

(Unit : Millions of yen)

Description	As of March 31, 2005	As of March 31, 2004	Change
Liabilities			
Current liabilities	10,969,311	5,928,863	5,040,448
Trading liabilities	4,360,335	2,644,249	1,716,085
Trading securities and others	4,302,353	2,594,253	1,708,100
Derivative transactions	57,981	49,995	7,985
Payable-unsettled trades	210,844	—	210,844
Margin transaction liabilities	457	400	57
Borrowings secured by securities	4,364,950	2,230,988	2,133,962
Deposits received	7,455	3,834	3,621
Cash collateral received from customers	224	291	(67)
Securities fails to receive	1,981	2,410	(428)
Valuation margin received	5,229	—	5,229
Short-term borrowings	1,680,152	767,056	913,096
Commercial paper	297,200	237,800	59,400
Short-term bonds and notes	9,500	12,500	(3,000)
Accrued expenses	12,716	8,000	4,716
Income taxes payable	11,003	15,862	(4,859)
Reserve for bonuses	5,811	4,526	1,284
Others	1,448	941	506
Fixed liabilities	295,392	114,637	180,755
Bonds and notes	138,900	62,900	76,000
Long-term borrowings	144,634	35,500	109,134
Deferred tax liabilities	7,046	12,700	(5,653)
Reserve for retirement benefits	4,811	2,496	2,314
Others	—	1,039	(1,039)
Statutory reserves	1,268	804	464
Total liabilities	11,265,973	6,044,304	5,221,668
Shareholders' equity			
Common stock	195,146	150,200	44,946
Capital surplus	125,288	95,324	29,964
Additional paid-in capital	125,288	95,324	29,964
Retained earnings	34,064	20,387	13,677
Legal earned reserve	870	870	—
Voluntary reserve	1,586	1,611	(24)
Unappropriated retained earnings	31,607	17,905	13,701
Unrealized gains on other securities, net of taxes	14,310	21,078	(6,768)
Total shareholders' equity	368,809	286,990	81,819
Total liabilities and shareholders' equity	11,634,782	6,331,295	5,303,487

Nonconsolidated Statements of Operations
(for the year ended March 31, 2005)

(Unit : Millions of yen)

	Year ended Mar.31, 2005	Year ended Mar.31, 2004	Period to period comparison (%)
Operating revenues	104,417	83,704	124.7%
Commission	49,108	34,162	143.7%
Trading profit	47,891	40,265	118.9%
Net gains on operational securities	813	815	99.6%
Financial income	6,604	8,460	78.1%
Financial expenses	10,983	4,618	237.8%
Net operating revenues	93,433	79,086	118.1%
Selling, general and administrative expenses	52,884	42,117	125.6%
Commissions and other transaction-related expenses	12,844	10,281	124.9%
Compensation and benefits	24,123	20,129	119.8%
Real estate expenses	5,657	4,806	117.7%
Data processing and office supplies	3,385	2,364	143.1%
Depreciation	3,373	3,316	101.7%
Taxes and dues other than income taxes	2,342	479	489.0%
Others	1,157	738	156.8%
Operating profit	40,549	36,969	109.7%
Non-operating revenues	1,790	87	—
Non-operating expenses	2,248	51	—
Ordinary profit	40,091	37,005	108.3%
Non-ordinary profits	257	—	—
Non-ordinary losses	660	771	85.7%
Net profit before income taxes	39,688	36,234	109.5%
Income taxes-current	19,084	18,877	101.1%
Income taxes-deferred	(3,587)	(3,449)	104.0%
Net profit	24,191	20,807	116.3%
Unappropriated retained earnings (deficit) brought forward	7,416	(2,901)	—
Unappropriated retained earnings	31,607	17,905	176.5%

Notes to financial statements

The Company's financial statements are prepared based on the "Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements" (Ministry of Finance (MoF) Ordinance No.59, 1963) and its Article 2, 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 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.

2. Valuation of non-trading securities

Non-trading securities are valued as follows :

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

(2) 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.

3. 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

The straight-line method is applied.

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

4. Deferred assets

Stock issuance costs and bond issuance costs are charged to income when incurred.

5. 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 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 actuarial retirement benefits and plan assets.

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.

6. 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.

7. Accounting for hedging transactions

Gains or losses on forward foreign exchange contracts hedging foreign exchange risk associated with investments in subsidiaries denominated in foreign currencies are deferred as assets or liabilities until related gains or losses of the hedged instruments are recognized.

Special treatment is applied for interest rate swaps hedging the interest rate risk associated with borrowings that meet the required conditions for special treatment.

8. Consumption taxes

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

Significant changes in accounting policies

As permitted by "Accounting Standards for Impairment of Fixed Assets" ("Opinion on Establishing Accounting Standards for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and "Guidance on Application of Accounting Standards for Impairment of Fixed Assets" (Application Guidance on Accounting Standards No. 6, issued on October 31, 2003), the Company has complied with these standards since the fiscal year ended on March 31, 2005.

Changes in presentation

Investments in limited partnership which have been reported at Other equity investments are reported at Investment securities since this fiscal year following to amendment of Securities and Exchange Law in 2004. Investments in limited partnership at March 31, 2005 was 3,129 million yen.

Notes to balance sheet

1. Accumulated depreciation of tangible fixed assets

	(millions of yen)
<u>As of Mar.31, 2005</u>	<u>As of Mar.31, 2004</u>
5,724	4,762

2. Subordinated debt

Subordinated debt defined in Article 2 of "The Orders Concerning the Capital Requirement of Securities Companies"(2001 Ordinance No.23 of the Cabinet Office) in Bonds and notes, Long-term borrowings and Short-term borrowings are as follows:

	(millions of yen)
<u>As of Mar.31, 2005</u>	<u>As of Mar.31, 2004</u>
Subordinated bonds(Bonds and notes)	40,000
Subordinated borrowings(Long-term borrowings and Short-term borrowings)	52,000
	32,000

3. Increase in net assets due to changes in fair value of securities and trading assets and liabilities, which is restricted for distribution in accordance with Enforcement Regulations of Commercial Code.

	(millions of yen)
<u>As of Mar.31, 2005</u>	<u>As of Mar.31, 2004</u>
12,753	24,609

Notes to statements of operations

1. Net profit per share

	(yen)
Year ended	Year ended
<u>Mar.31, 2005</u>	<u>Mar.31, 2004</u>
7,231	6,926

2. Details of non-ordinary profits / losses

	(millions of yen)
Year ended	Year ended
<u>Mar.31, 2005</u>	<u>Mar.31, 2004</u>
Non-ordinary profits	
Gain on redemption of depreciated bonds	257
	—
Non-ordinary losses	
Loss on sale or disposition of fixed assets	63
Valuation loss on investment securities	0
Impairment loss	66
Amortization of unrecognized prior service cost for the retirement benefits	30
Valuation loss on golf club memberships	23
Loss on assets placed in employee retirement benefit trusts	—
Additions to statutory reserves	476
Others	—
	332
	364
	0

Financial Data for the Year Ended March 31, 2005

1. Commission Income

(1) Breakdown for accounts

(Unit: Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Period-to-period comparison (%)
Brokerage commission	5,953	5,063	117.6%
(Stocks)	(5,709)	(4,803)	(118.9%)
(Bonds)	(233)	(251)	(92.8%)
Underwriting and selling commissions	16,551	8,473	195.3%
(Stocks)	(10,285)	(3,098)	(332.0%)
(Bonds)	(5,701)	(5,181)	(110.0%)
Offering and selling commissions	2,818	1,605	175.5%
(Bonds)	(1,004)	(1,170)	(85.8%)
(Beneficiary securities)	(301)	(99)	(303.9%)
Other commissions received	23,784	19,019	125.0%
Total	49,108	34,162	143.7%

(2) Breakdown by products

(Unit: Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Period-to-period comparison (%)
Stocks	17,272	8,455	204.3%
Bonds	12,644	12,434	101.7%
Beneficiary securities	2,378	773	307.5%
Others	16,812	12,499	134.5%
Total	49,108	34,162	143.7%

2. Trading profit/loss

(Unit: Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Period-to-period comparison (%)
Stocks	23,320	19,488	119.7%
Bonds	20,824	18,505	112.5%
Others	3,746	2,270	165.0%
(Foreign exchange in the above)	(3,522)	(2,148)	(164.0%)
Total	47,891	40,265	118.9%

3. Trading volume of stocks (excluding futures transaction) (Unit: Millions of stocks, Millions of yen)

	Year ended March 31, 2005		Year ended March 31, 2004		Period-to-period comparison (%)	
	No. of stocks	Amount	No. of stocks	Amount	No. of stocks	Amount
Total	23,373	25,376,650	17,281	16,142,408	135.2%	157.2%
(Dealing) a	(12,543)	(13,244,204)	(9,267)	(8,154,457)	(135.4%)	(162.4%)
(Brokerage) b	(10,829)	(12,132,446)	(8,014)	(7,987,951)	(135.1%)	(151.9%)
b/(a+b)	46.3%	47.8%	46.4%	49.5%		
TSE share	2.8%	3.4%	2.3%	2.5%		

4. Volume of underwriting, offering and selling

(Unit: Millions of stocks, Millions of yen)

			Year ended March 31, 2005	Year ended March 31, 2004	Period-to-period comparison (%)
Volume of underwriting	Stocks	(No. of stocks)	230	36	635.8%
	Stocks	(Amount)	320,922	76,458	419.7%
	Bonds	(Face amount)	6,739,575	4,812,417	140.0%
Volume of offering and selling *	Stocks	(No. of stocks)	213	36	587.1%
	Stocks	(Amount)	326,690	79,590	410.5%
	Bonds	(Face amount)	1,807,434	1,513,941	119.4%
	Beneficiary Securities	(Face amount)	569,032	101,410	561.1%

* The volumes of selling and private offering included

5. Capital adequacy ratio

(Unit: Millions of yen)

		As of March 31, 2005	As of March 31, 2004
Basic capital	(A)	342,790	255,397
Supplemental capital	Unrealized gain on other securities, net of taxes	14,310	21,078
	Reserve for transaction responsibility, and others	1,268	804
	Allowance for doubtful accounts	4	3
	Long-term subordinated debt	20,000	—
	Short-term subordinated debt	72,000	72,000
	Total (B)	107,583	93,886
Deduction: Disallowed assets	(C)	157,841	162,528
Capital after deduction	(A)+(B)-(C) (D)	292,531	186,756
Amount of risks	Amount of market risk	49,613	50,032
	Amount of customer risk	10,346	7,288
	Amount of fundamental risk	14,038	9,922
	Total (E)	73,998	67,243
Capital adequacy ratio	(D)/(E)	395.3%	277.7%

(Note) ①Market risk is measured by internal risk measurement method since this period.

②Long-term subordinated debt as of March 31,2005 is subordinated borrowings.

Amount: 20,000 mil. yen Date of borrowing: March 29, 2005 Expiry date: April 20, 2015

③Short-term subordinated debt as of March 31, 2005 and March 31, 2004 are subordinated borrowings and subordinated bonds.

[Subordinated borrowings]

Amount: 32,000 mil. yen Date of borrowing: March 19, 2004 Expiry date: March 19, 2009

[Subordinated bonds]

Amount: 40,000 mil. yen Date of issue: March 19, 2004 Date of redemption: March 19, 2009

6. Number of directors and employees

	As of March 31, 2005	As of March 31, 2004
Number of directors	7	7
Number of employees	1,463	1,255

Quarterly trends in Nonconsolidated Statements of Operations

(Unit : Millions of yen)

	Three months ended Mar. 31, 2004	Three months ended Jun. 30, 2004	Three months ended Sep. 30, 2004	Three months ended Dec. 31, 2004	Three months ended Mar. 31, 2005
Operating revenues	22,391	31,577	20,620	20,909	31,310
Commission	10,917	10,973	10,831	10,260	17,042
Trading profit	9,436	18,971	7,774	9,515	11,630
Net gains on operational securities	(83)	750	(31)	175	(80)
Financial income	2,120	881	2,046	957	2,718
Financial expenses	1,459	2,508	3,050	2,189	3,234
Net operating revenues	20,932	29,068	17,570	18,719	28,075
Selling, general and administrative expenses	12,574	12,430	13,419	11,775	15,258
Commissions and other transaction-related expenses	3,619	2,859	2,933	2,864	4,186
Compensation and benefits	5,576	5,755	6,170	5,263	6,933
Real estate expenses	1,328	1,243	1,310	1,490	1,613
Data processing and office supplies	812	580	1,156	749	899
Depreciation	932	807	837	848	880
Taxes and dues other than income taxes	103	962	725	298	356
Others	201	221	286	261	388
Operating profit	8,358	16,637	4,150	6,944	12,816
Non-operating revenues	0	1,350	98	2	340
Non-operating expenses	(1)	551	592	559	544
Ordinary profit	8,360	17,436	3,656	6,387	12,612
Non-ordinary profits	—	0	157	55	43
Non-ordinary losses	134	91	255	119	194
Net profit before income taxes	8,226	17,344	3,558	6,323	12,461
Income taxes-current	4,963	5,288	2,581	2,237	8,977
Income taxes-deferred	(1,454)	1,264	(1,146)	379	(4,084)
Net profit	4,717	10,792	2,124	3,706	7,568