

Nonconsolidated Interim Financial Summary
(for the nine months ended December 31, 2005)

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

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

Location: Tokyo

Representative: Makoto Fukuda, President

For inquiry: Hajime Nakai, Managing Director, Head of Planning Group

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Business performance for the nine months ended December 31, 2005 (April 1, 2005 through December 31, 2005)

(note) All amounts have been rounded down to the nearest one million yen.

(1) Operating results

	Operating revenues		Net operating revenues		Operating profit	
	mil. yen	%	mil. yen	%	mil. yen	%
9 months ended December 31, 2005	101,943 (	39.4)	93,968 (	43.8)	46,964 (	69.3)
9 months ended December 31, 2004	73,106 (	19.2)	65,358 (	12.4)	27,732 (	-3.1)
Year ended March 31, 2005	104,417		93,433		40,549	

	Ordinary profit		Net profit		Net profit per share	
	mil. yen	%	mil. yen	%	yen	
9 months ended December 31, 2005	48,104 (	75.1)	6,217 (	-62.6)	1,687 . 30	
9 months ended December 31, 2004	27,479 (	-4.1)	16,623 (	3.3)	5,139 . 66	
Year ended March 31, 2005	40,091		24,191		7,231 . 13	

(note) i. Average number of shares issued and outstanding:

9 month ended Dec. 31, 2005 3,685,000 Shares 9 month ended Dec. 31, 2004 3,234,301 Shares

Year ended Mar. 31, 2005 3,345,432 Shares

ii. Change in accounting policies: No change

iii. The percentage in the columns of operating revenues, net operating revenues, operating profit, ordinary profit and net profit represents percentage of change from the same period in 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	%
As of December 31, 2005	11,344,143	382,715	3.4	103,857 . 60	332.5
As of December 31, 2004	11,039,907	359,637	3.3	97,594 . 90	459.6
As of March 31, 2005	11,634,782	368,809	3.2	100,083 . 97	395.3

(note) i. Number of shares issued and outstanding:

As of December 31, 2005: 3,685,000 Shares As of December 31, 2004: 3,685,000 Shares

As of March 31, 2005: 3,685,000 Shares

ii. Number of shares held as treasury stock:

As of December 31, 2005: — Shares As of December 31, 2004: — Shares

As of March 31, 2005: — Shares

iii. Shareholders' equity ratio = Total shareholders' equity / (Total liabilities and shareholders' equity) x 100

Nonconsolidated Balance Sheets
(As of December 31, 2005)

(Unit: Millions of yen)

Description	As of Dec. 31, 2005	As of Dec. 31, 2004	Change	As of March 31, 2005
Assets				
Current assets	11,093,234	10,838,086	255,148	11,429,667
Cash and deposits	82,274	46,627	35,646	43,205
Cash segregated as deposits	24,398	8,798	15,600	8,137
Trading assets	5,934,069	6,140,411	(206,342)	6,090,476
Trading securities and others	5,807,297	6,089,273	(281,975)	6,029,569
Loan assets	3,596	—	3,596	—
Derivative transactions	123,174	51,138	72,036	60,906
Operating investment securities	16,729	5,779	10,949	5,891
Margin transaction assets	27,811	29,811	(2,000)	8,590
Loans secured by securities	4,901,345	4,565,153	336,191	5,217,800
Payments for subscription	27,531	1,338	26,192	10,193
Guarantee deposits	41,262	16,706	24,555	24,807
Securities: fail to deliver	2	56	(54)	145
Variation margin paid	13,683	5,423	8,260	—
Accrued income	14,422	13,238	1,184	13,170
Short-term deferred tax assets	7,419	2,730	4,689	6,392
Others	2,292	2,013	279	863
Allowance for doubtful accounts	(8)	(4)	(4)	(6)
Fixed assets	250,909	201,820	49,088	205,115
Tangible fixed assets	5,255	5,200	54	5,140
Buildings	2,659	2,662	(3)	2,675
Furniture and fixture	2,596	2,537	58	2,464
Intangible fixed assets	6,234	6,121	113	6,447
Goodwill	135	205	(70)	181
Software	6,044	5,857	186	6,209
Others	55	58	(2)	57
Investments	239,418	190,498	48,920	193,526
Investment securities	89,746	52,032	37,714	57,563
Investment in affiliates	131,190	131,190	—	131,190
Other equity investments	—	2,836	(2,836)	—
Long-term loan to affiliates	13,000	—	13,000	—
Long-term guarantee deposits	3,234	2,941	293	2,839
Long-term prepaid expenses	9	14	(4)	13
Others	2,237	1,483	753	1,919
Total assets	11,344,143	11,039,907	304,236	11,634,782

(Unit: Millions of yen)

Description	As of Dec. 31, 2005	As of Dec. 31, 2004	Change	As of March 31, 2005
Liabilities				
Current liabilities	10,555,220	10,423,471	131,749	10,969,311
Trading liabilities	4,443,871	3,940,679	503,191	4,360,335
Trading securities and others	4,318,113	3,883,631	434,482	4,302,353
Derivative transactions	125,757	57,048	68,709	57,981
Payable - unsettled trades	78,659	711,465	(632,805)	210,844
Margin transaction liabilities	11,967	20,315	(8,347)	457
Borrowings secured by securities	3,461,260	3,935,539	(474,278)	4,364,950
Deposits received	19,801	6,434	13,367	7,455
Cash collateral received from customers	12,332	123	12,209	224
Securities: fail to receive	19	50	(30)	1,981
Variation margin - received	—	6	(6)	5,229
Short-term borrowings	2,251,062	1,504,352	746,710	1,680,152
Commercial paper	241,600	269,300	(27,700)	297,200
Short-term bonds and notes	1,000	16,700	(15,700)	9,500
Advance receipt	81	197	(115)	586
Accrued expenses	14,768	11,558	3,209	12,716
Income taxes payable	11,538	1,828	9,710	11,003
Reserve for bonuses	5,880	3,874	2,005	5,811
Others	1,375	1,046	328	861
Fixed liabilities	404,611	255,643	148,968	295,392
Bonds and notes	196,900	126,500	70,400	138,900
Long-term borrowings	198,096	118,646	79,449	144,634
Deferred tax liabilities	3,247	6,368	(3,121)	7,046
Reserve for retirement benefits	6,338	4,127	2,210	4,811
Others	28	—	28	—
Statutory reserves	1,596	1,155	441	1,268
Securities transaction liability reserve	1,512	1,071	441	1,185
Futures transaction liability reserve	83	83	—	83
Total liabilities	10,961,428	10,680,269	281,158	11,265,973
Shareholders' equity				
Common stock	195,146	195,146	—	195,146
Capital surplus	125,288	125,288	—	125,288
Additional paid-in capital	125,288	125,288	—	125,288
Retained earnings	28,573	26,496	2,077	34,064
Legal earned reserve	870	870	—	870
Voluntary reserve	1,561	1,586	(24)	1,586
Unappropriated retained earnings	26,141	24,039	2,102	31,607
Unrealized gains on other securities, net of taxes	33,706	12,706	21,000	14,310
Total shareholders' equity	382,715	359,637	23,078	368,809
Total liabilities and shareholders' equity	11,344,143	11,039,907	304,236	11,634,782

Nonconsolidated Statements of Operations
(for the nine months ended December 31, 2005)

(Unit: Millions of yen)

	Nine months ended Dec. 31 2005	Nine months ended Dec. 31 2004	Period to period comparison (%)	Year ended March 31, 2005
Operating revenues	101,943	73,106	139.4%	104,417
Commission	45,984	32,065	143.4%	49,108
Trading profit	47,846	36,261	132.0%	47,891
Net gains on operating investment securities	1,743	894	195.0%	813
Interest and dividend income	6,368	3,885	163.9%	6,604
Interest expense	7,974	7,748	102.9%	10,983
Net operating revenues	93,968	65,358	143.8%	93,433
Selling, general and administrative expenses	47,004	37,625	124.9%	52,884
Commissions and other transaction-related expenses	12,135	8,657	140.2%	12,844
Compensation and benefits	22,399	17,189	130.3%	24,123
Occupancy	5,269	4,044	130.3%	5,657
Data processing and office supplies	2,575	2,485	103.6%	3,385
Depreciation	2,490	2,493	99.9%	3,373
Taxes and dues other than income taxes	1,277	1,986	64.3%	2,342
Others	855	768	111.3%	1,157
Operating profit	46,964	27,732	169.3%	40,549
Non-operating revenues	2,944	1,450	203.0%	1,790
Non-operating expenses	1,805	1,703	106.0%	2,248
Ordinary profit	48,104	27,479	175.1%	40,091
Non-ordinary profits	2,547	213	—	257
Non-ordinary losses	41,116	465	—	660
Profit before income taxes	9,535	27,227	35.0%	39,688
Income taxes - current	21,453	10,106	212.3%	19,084
Income taxes - deferred	(18,135)	497	—	(3,587)
Net profit	6,217	16,623	37.4%	24,191
Unappropriated retained earnings brought forward	19,923	7,416	268.7%	7,416
Unappropriated retained earnings	26,141	24,039	108.7%	31,607

Notes to financial statements

The Company's interim financial statements are prepared in accordance with the "Regulations Concerning the Terminology, Forms and Preparation Methods of Interim Financial Statements" (Ministry of Finance (MoF) Ordinance No.38, 1977) (the "Regulations"), as well as with the "Cabinet Office Ordinance Concerning Securities Companies" (Prime Minister's Office and MoF Ordinance No.32, 1998), "Uniform Accounting Standards of Securities Companies" (Approved by the board of directors of the Japan Securities Dealers Association, September 28, 2001), and the "Cabinet Office Ordinance Concerning Financial Accounting and Reporting for Special Finance Company" (Prime Minister's Office and MoF Ordinance No.32, 1999), subject to the provision of article 38 and 57 of the Regulations.

Basis of financial statements

1. Valuation of trading account

The Company, through its trading activities, intends to contribute to the markets for their liquidity and price discovery process.

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, using the moving average method.
- (2) Other securities
 - (a) Securities with market value
Recorded at market value. Difference between the cost, using the moving average method, and market value is recorded as Net unrealized gains on investment securities in Shareholders' equity on the balance sheet.
 - (b) Securities without market value
Recorded at cost using 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, for which the straight-line method is used.
- (2) Intangible fixed assets
The straight-line method is applied.
The amortization period of software for internal use is determined based on estimated internal useful lives.

4. Deferred assets

Bond issuance cost is charged to income when incurred.

5. Accounting policies for reserves

- (1) Allowance for doubtful accounts
The Company provides the allowance for possible losses on doubtful accounts. For performing assets, allowance is calculated based on the past loss experience. For non-performing assets, it is based on the management's assessment of recoverability of the assets, and amount expected to be non-recoverable is provided for.
- (2) Reserve for bonuses
Reserve is provided for bonus payments to employees at the amount accrued at the end of the period, based on the estimated future payments and service periods.
- (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 at end of year.
Prior service cost is charged to income in the period which the cost is recognized.
Net actuarial gains or losses are recognized as income or expenses from the following fiscal year under the straight-line method over a certain term within the average remaining service period of the current employees.

6. Accounting for lease transactions

Financing leases other than those for which the ownership of the leased property transfers to the lessee are accounted for as ordinary rental transactions.

7. Accounting for hedging transactions

Gain or loss resulting from forward foreign exchange transactions entered into in order to hedge the exchange risk of foreign currency denominated equity investments in subsidiaries is deferred when they qualify for hedge accounting. For interest rate swap contracts which are used as hedges for the interest rate risk of the subordinated loans, the net amount to be paid or received under the contract is added to or deducted from the interest on the loans subject to the hedge. This treatment is allowed under Japanese GAAP provided the transactions meet certain criteria for hedge accounting, and assessment of hedge effectiveness is not required in this case.

8. Consumption taxes

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

Change in presentation

Investments in limited partnerships, which were previously classified under Other equity investments, are now classified under Investment securities. This is due to the change in Securities Exchange Act.

Notes to balance sheets

1. Accumulated depreciation of tangible fixed assets			(millions of yen)
	<u>As of Dec. 31, 2005</u>	<u>As of Dec. 31, 2004</u>	<u>As of Mar. 31, 2005</u>
	6,507	5,581	5,724

2. Subordinated debt

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

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

Notes to statements of operations

			(yen)
1. Net profit per share			
	Nine months ended	Nine months ended	Year ended
	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2004</u>	<u>March 31, 2005</u>
	1,687	5,139	7,231
2. Details of non-ordinary profits / losses			(millions of yen)
	Nine months ended	Nine months ended	Year ended
	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2004</u>	<u>March 31, 2005</u>
Non-ordinary profits			
Gain from sales of Investment Securities	5	—	—
Gain on recovery of securities written off	2,542	212	257
Release of allowance for doubtful accounts	—	1	—
Non-ordinary losses			
Loss on sale or disposal of fixed assets	1	4	63
Valuation loss on investment securities	—	0	0
Loss on impairment of fixed assets	—	66	66
Amortization of prior service cost	—	—	30
Valuation loss on golf club memberships	19	33	23
Provision for Securities transaction liability reserv	352	356	470
Provision for Futures transaction liability reserve	—	5	5
Loss due to execution error	40,739	—	—
Others	2	—	—

Financial Data for the Nine Months Ended December 31, 2005

1. Commission Income

(1) Breakdown by categories

(Unit: Millions of yen)

	Nine months ended Dec 31, 2005	Nine months ended Dec 31, 2004	Period-to-period comparison (%)	Year ended March 31,2005
Brokerage commission	5,775	4,345	132.9%	5,953
(Stocks)	(5,380)	(4,155)	(129.5%)	(5,709)
(Bonds)	(378)	(180)	(210.1%)	(233)
Underwriting and selling commissions	17,158	10,837	158.3%	16,551
(Stocks)	(10,809)	(6,065)	(178.2%)	(10,285)
(Bonds)	(5,388)	(4,436)	(121.4%)	(5,701)
Subscription and distribution commissions	1,662	2,112	78.7%	2,818
(Bonds)	(1,183)	(572)	(206.7%)	(1,004)
(Investment trusts)	(264)	(236)	(111.6%)	(301)
Other commissions received	21,387	14,771	144.8%	23,784
Total	45,984	32,065	143.4%	49,108

(2) Breakdown by products

(Unit: Millions of yen)

	Nine months ended Dec 31, 2005	Nine months ended Dec 31, 2004	Period-to-period comparison (%)	Year ended March 31,2005
Stocks	17,615	11,002	160.1%	17,272
Bonds	11,639	9,555	121.8%	12,644
Investment trusts	2,527	1,695	149.1%	2,378
Others	14,202	9,812	144.7%	16,812
Total	45,984	32,065	143.4%	49,108

2. Trading profit/loss

(Unit: Millions of yen)

	Nine months ended Dec 31, 2005	Nine months ended Dec 31, 2004	Period-to-period comparison (%)	Year ended March 31,2005
Stocks	32,448	17,722	183.1%	23,320
Bonds	11,380	15,229	74.7%	20,824
Others	4,017	3,309	121.4%	3,746
(of which Foreign exchange)	(1,553)	(3,141)	(49.4%)	(3,522)
Total	47,846	36,261	132.0%	47,891

3. Trading volume of stocks (excluding futures transaction)

(Unit: Millions of stocks, Millions of yen)

	Nine months ended Dec. 31, 2005		Nine months ended Dec. 31, 2004		Period-to-period comparison (%)		Year ended March 31, 2005	
	No. of stocks	Amount	No. of stocks	Amount	No. of stocks	Amount	No. of stocks	Amount
Total	17,101	21,105,640	16,805	18,256,371	101.8%	115.6%	23,373	25,376,650
(Proprietary) a	(8,362)	(10,235,983)	(8,823)	(9,415,889)	(94.8%)	(108.7%)	(12,543)	(13,244,204)
(Brokerage) b	(8,738)	(10,869,657)	(7,982)	(8,840,482)	(109.5%)	(123.0%)	(10,829)	(12,132,446)
b/(a+b)	51.1%	51.5%	47.5%	48.4%			46.3%	47.8%
TSE share	1.8%	2.4%	2.8%	3.4%			2.8%	3.4%

4. Volume of underwriting, subscription and distribution

(Unit: Millions of stocks, Millions of yen)

		Nine months ended Dec. 31, 2005	Nine months ended Dec. 31, 2004	Period-to-period comparison (%)	Year ended March 31, 2005
Underwriting	Stocks (No. of stocks)	90	114	78.6%	230
	Stocks (Amount)	309,744	193,061	160.4%	320,922
	Bonds (Face amount)	5,258,598	5,344,690	98.4%	6,739,575
Subscription and Distribution *	Stocks (No. of stocks)	98	96	102.1%	213
	Stocks (Amount)	329,588	193,464	170.4%	326,690
	Bonds (Face amount)	1,718,687	1,379,652	124.6%	1,807,434
	Investment Trusts (Face amount)	1,174,293	454,710	258.3%	569,032

* Including selling and distribution of private placement.

5. Capital adequacy ratio

(Unit: Millions of yen)

		As of Dec. 31, 2005	As of Dec. 31, 2004	As of March 31, 2005
Basic capital	(A)	349,008	346,931	342,790
Supplementary capital	Unrealized gain on other securities, net of taxes	33,706	12,706	14,310
	Statutory Reserves	1,596	1,155	1,268
	Allowance for doubtful accounts	8	2	4
	Long-term subordinated debt	20,000	-	20,000
	Short-term subordinated debt	72,000	72,000	72,000
	Total	(B) 127,311	85,863	107,583
Deduction: Disallowed assets	(C)	183,315	157,571	157,841
Capital after deduction	(A)+(B)-(C)	(D) 293,004	275,222	292,531
Amount of risks	Market risk	59,590	38,015	49,613
	Counterparty risk	12,589	8,784	10,346
	Basic risk	15,937	13,078	14,038
	Total	(E) 88,118	59,879	73,998
Capital adequacy ratio	(D)/(E)	332.5%	459.6%	395.3%

(Note) i. Market risk is calculated with internal market risk model.

ii. Long-term subordinated debt as of December 31, 2005 is subordinated borrowings.

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

iii Short-term subordinated debts as of December 31, 2005 are subordinated borrowings and subordinated bonds.

[Subordinated borrowings]

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

[Subordinated bonds]

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

Quarterly trends in Nonconsolidated Statements of Operations

(Unit: Millions of yen)

	Three months ended Dec. 31, 2004	Three months ended Mar. 31, 2005	Three months ended June 30, 2005	Three months ended Sep. 30, 2005	Three months ended Dec. 31, 2005
Operating revenues	20,909	31,310	25,172	39,173	37,598
Commission	10,260	17,042	10,412	14,217	21,354
Trading profit	9,515	11,630	13,025	20,059	14,762
Net gains on operating investment securities	175	(80)	388	1,395	(39)
Interest and dividend income	957	2,718	1,346	3,501	1,521
Interest expense	2,189	3,234	2,088	3,085	2,800
Net operating revenues	18,719	28,075	23,083	36,087	34,797
Selling, general and administrative expenses	11,775	15,258	13,725	16,266	17,012
Commissions and other transaction-related expenses	2,864	4,186	2,964	4,280	4,891
Compensation and benefits	5,263	6,933	6,636	7,771	7,991
Occupancy	1,490	1,613	1,774	1,769	1,725
Data processing and office supplies	749	899	876	865	833
Depreciation	848	880	807	832	850
Taxes and dues other than income taxes	298	356	395	451	430
Others	261	388	270	295	289
Operating profit	6,944	12,816	9,358	19,821	17,785
Non-operating revenues	2	340	2,427	456	60
Non-operating expenses	559	544	622	599	582
Ordinary profit	6,387	12,612	11,163	19,678	17,262
Non-ordinary profits	55	43	2,542	5	(0)
Non-ordinary losses	119	194	140	117	40,858
Profit before income taxes	6,323	12,461	13,565	19,566	(23,596)
Income taxes - current	2,237	8,977	4,123	8,680	8,649
Income taxes - deferred	379	(4,084)	673	(892)	(17,916)
Net profit	3,706	7,568	8,768	11,778	(14,329)