

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

Company's name: **Mizuho Securities Co., Ltd. ("the Company")**  
(URL <http://www.mizuho-sc.com>) Location: Tokyo  
Representative: Makoto Fukuda, President  
For inquiry: Hajime Nakai, Managing Director, Head of Planning Group Phone: (03) 5208-3212  
Parent company: Mizuho Financial Group, Inc. (Stock code number: 8411)  
The percentage of stock held by the parent company: 81.5% (of which indirect holding: 81.5%)  
Application of US GAAP: No

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) Consolidated operating results

|                                 | Operating revenues |          | Net operating revenues |          | Operating profit |          | Ordinary profit |          |
|---------------------------------|--------------------|----------|------------------------|----------|------------------|----------|-----------------|----------|
|                                 | mil. yen           | %        | mil. yen               | %        | mil. yen         | %        | mil. yen        | %        |
| 9 months ended<br>Dec. 31, 2005 | 326,144            | ( 74.9 ) | 131,591                | ( 35.0 ) | 50,171           | ( 58.0 ) | 51,039          | ( 56.3 ) |
| 9 months ended<br>Dec. 31, 2004 | 186,487            | ( 10.5 ) | 97,465                 | ( 6.1 )  | 31,758           | ( 3.6 )  | 32,648          | ( 0.2 )  |
| Year ended<br>Mar. 31, 2005     | 266,759            |          | 138,956                |          | 48,653           |          | 50,155          |          |

  

|                                 | Net profit |           | Net profit per share | Diluted net profit per share |
|---------------------------------|------------|-----------|----------------------|------------------------------|
|                                 | mil. yen   | %         | yen                  | yen                          |
| 9 months ended<br>Dec. 31, 2005 | 6,889      | ( -64.2 ) | 1,869 . 66           | — . —                        |
| 9 months ended<br>Dec. 31, 2004 | 19,234     | ( 11.4 )  | 5,947 . 13           | — . —                        |
| Year ended<br>Mar. 31, 2005     | 28,060     |           | 8,387 . 66           | — . —                        |

(note) i. Equity in profit of affiliated companies:

9 months ended Dec. 31, 2005 (28) mil. yen 9 months ended Dec. 31, 2004 43 mil. yen  
Year ended Mar. 31, 2005 11 mil. yen

ii. Average number of shares issued and outstanding (consolidated):

9 months ended Dec. 31, 2005 3,685,000 Shares 9 months ended Dec. 31, 2004 3,234,301 Shares  
Year ended Mar. 31, 2005 3,345,432 Shares

iii. Change in accounting policies: No change

iv. The percentage in the column of operating revenues, net operating revenues, operating profit, ordinary profit and net profit indicate percentage of change compared to the same period 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                            |
| As of<br>Dec. 31, 2005 | 20,138,898   | 397,741              | 2.0                                  | 107,935 . 20                   |
| As of<br>Dec. 31, 2004 | 16,891,123   | 367,825              | 2.2                                  | 99,817 . 01                    |
| As of<br>Mar. 31, 2005 | 17,443,448   | 379,926              | 2.2                                  | 103,100 . 71                   |

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

As of Dec. 31, 2005: 3,685,000 Shares As of Dec. 31, 2004: 3,685,000 Shares  
As of March 31, 2005: 3,685,000 Shares

ii. Shareholders' equity to total assets = Total shareholders' equity / ( Liabilities + Minority interests + Total shareholders' equity ) x 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: 7

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

| Consolidation       |   | Equity Method  |   |
|---------------------|---|----------------|---|
| Newly Consolidated: | - | Newly applied: | - |
| Excluded:           | - | Ceased:        | - |

**[Overview of Group Structures]**

The core business areas of the Company and its group are securities and investment banking business, such as debt and equity securities, M&A, structured finance. The Company serves its customer base which includes corporate clients, financial institutions and public sector organizations, by offering high-quality, value-added financial products and services which meet wide variety of customers' needs.

The Company has presence in major financial centers in the UK, Switzerland, the United States and Hong Kong through its subsidiaries, which enables the Company to provide globally its services and products such as equities and underwriting. In March 2004, three subsidiaries of the Company, (Mizuho International plc, Mizuho Bank (Switzerland) Ltd, and Mizuho Securities USA Inc.) became wholly-owned subsidiaries of the Company, when the Company purchased their shares from Mizuho Corporate Bank, Ltd. and Mizuho Bank, Ltd.

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

| Name of Companies                                      | Location                                    | Capital               | Major Operation  | Ownership Percentage |
|--|---|-----------------------|--|----------------------|
| <b>(Parent companies)</b>                              |   |                       |  |                      |
| Mizuho Financial Group, Inc.                           | Chiyoda-ku,<br>Tokyo                        | mil. yen<br>1,540,965 | Bank holding company                                   | —                    |
| Mizuho Corporate Bank, Ltd.                            | Chiyoda-ku,<br>Tokyo                        | mil. yen<br>1,070,965 | Commercial banking                                     | —                    |
| <b>(Consolidated subsidiaries)</b>                     |   |                       |  |                      |
| Mizuho Securities Asia Limited                         | Hong Kong,<br>People's Republic of<br>China | mil. HK\$<br>330      | Securities   | 100.00%              |
| Japan Investor Relations and<br>Investor Support, Inc. | Chiyoda-ku,<br>Tokyo                        | mil. yen<br>100       | Investor relations consulting service                  | 97.00%               |
| The Bridgeford Group, Inc.                             | New York,<br>USA                            | US\$<br>1,000,000     | M&A business   | 100.00%              |
| Mizuho Bank (Switzerland) Ltd                          | Zurich,<br>Switzerland                      | mil. SFR<br>53        | Commercial banking and<br>private banking              | 100.00%              |
| Mizuho International plc                               | London,<br>UK                               | mil. £<br>257         | Securities, commercial banking and<br>custody services | 100.00%              |
| Mizuho Securities USA Inc.                             | New York,<br>USA                            | US\$<br>231,300       | Securities and Futures brokerage                       | 100.00%              |
| <b>(Other affiliates)</b>                              |   |                       |  |                      |
| Mobile Internet Capital Inc.                           | Minato-ku,<br>Tokyo                         | mil. yen<br>100       | Venture capital  | 30.00%               |
| Japan Industrial Partners Inc.                         | Chiyoda-ku,<br>Tokyo                        | mil. yen<br>100       | Investment advisory services                           | 33.75%               |
| Basic Capital Management Limited                       | Chiyoda-ku,<br>Tokyo                        | mil. yen<br>100       | Investment advisory services                           | 50.00%               |
| Industrial Decisions, Inc.                             | Shinagawa-ku<br>Tokyo                       | mil. yen<br>40        | Consulting services                                    | 50.00%               |
| Polaris Principal Finance Co., Ltd.                    | Chiyoda-ku,<br>Tokyo                        | mil. yen<br>200       | Investment advisory services                           | 50.00%               |
| Max Investment Advisory Co., Ltd.                      | Chuo-ku,<br>Tokyo                           | mil. yen<br>80        | Investment advisory services                           | 25.00%               |

(note)

Mizuho Holdings, Inc., which was previously our parent company, changed its trade name to "Mizuho Financial Strategy Co., Ltd." as of 2005/10/1. It was also converted from a bank holding company to an advisory company with Mizuho Advisory Inc. transferring its Business Turnaround consulting service to them. As a result, our company ceased being an subsidiary of Mizuho Financial Strategy Co., Ltd.

**Consolidated Balance Sheets**  
**(As of December 31, 2005)**

(Unit: Millions of yen)

| Description                     | As of<br>Dec. 31, 2005 | As of<br>Dec. 31, 2004 | Change    | As of<br>March 31, 2005 |
|---------------------------------|------------------------|------------------------|-----------|-------------------------|
| Assets                          |                        |                        |           |                         |
| Current assets                  | 19,988,255             | 16,757,286             | 3,230,968 | 17,305,968              |
| Cash and deposits               | 164,912                | 106,376                | 58,535    | 118,925                 |
| Cash segregated as deposits     | 24,906                 | 9,225                  | 15,680    | 8,475                   |
| Securities                      | 17,398                 | 18,586                 | (1,187)   | 18,656                  |
| Trading assets                  | 7,392,062              | 7,377,480              | 14,582    | 7,271,445               |
| Trading securities and others   | 7,163,970              | 7,247,309              | (83,338)  | 7,123,312               |
| Loan assets                     | 3,596                  | —                      | 3,596     | —                       |
| Derivative transactions         | 224,495                | 130,171                | 94,324    | 148,132                 |
| Operating investment securities | 16,729                 | 5,779                  | 10,949    | 5,891                   |
| Margin transaction assets       | 30,720                 | 31,559                 | (839)     | 10,527                  |
| Loans secured by securities     | 12,126,754             | 8,941,797              | 3,184,957 | 9,661,601               |
| Payments for subscription       | 27,531                 | 1,338                  | 26,192    | 10,193                  |
| Guarantee deposits              | 56,669                 | 26,225                 | 30,443    | 33,635                  |
| Securities: fail to deliver     | 3,224                  | 179,463                | (176,238) | 94,928                  |
| Variation margin paid           | 25,804                 | 5,115                  | 20,688    | 9,666                   |
| Short-term loans receivable     | 1,866                  | 2,560                  | (694)     | 2,175                   |
| Accrued income                  | 46,428                 | 37,736                 | 8,692     | 36,622                  |
| Short-term deferred tax assets  | 7,589                  | 3,329                  | 4,260     | 6,816                   |
| Others                          | 45,675                 | 10,725                 | 34,949    | 16,423                  |
| Allowance for doubtful accounts | (18)                   | (13)                   | (4)       | (15)                    |
| Fixed assets                    | 150,642                | 133,836                | 16,806    | 137,479                 |
| Tangible fixed assets           | 12,632                 | 12,247                 | 385       | 12,146                  |
| Buildings                       | 5,621                  | 5,750                  | (128)     | 5,540                   |
| Furniture and fixture           | 3,860                  | 3,635                  | 225       | 3,537                   |
| Others                          | 3,149                  | 2,861                  | 288       | 3,069                   |
| Intangible fixed assets         | 8,440                  | 8,499                  | (59)      | 8,826                   |
| Goodwill                        | 135                    | 205                    | (70)      | 181                     |
| Software                        | 8,247                  | 8,234                  | 13        | 8,585                   |
| Others                          | 57                     | 60                     | (2)       | 59                      |
| Investments                     | 129,570                | 113,089                | 16,481    | 116,507                 |
| Investment Securities           | 123,345                | 104,051                | 19,293    | 110,574                 |
| Other equity investments        | 1,028                  | 3,263                  | (2,235)   | 440                     |
| Long-term guarantee deposits    | 3,316                  | 2,989                  | 327       | 2,888                   |
| Long-term prepaid expenses      | 10                     | 16                     | (6)       | 14                      |
| Long-term deferred tax assets   | 728                    | 1,786                  | (1,057)   | 1,516                   |
| Others                          | 1,140                  | 981                    | 158       | 1,072                   |
| Total assets                    | 20,138,898             | 16,891,123             | 3,247,775 | 17,443,448              |

(Unit: Millions of yen)

| Description   | As of<br>Dec. 31, 2005 | As of<br>Dec. 31, 2004 | Change           | As of<br>March 31, 2005 |
|---|------------------------|------------------------|------------------|-------------------------|
| <b>Liabilities</b>  |                        |                        |                  |                         |
| Current liabilities   | 19,181,617             | 16,133,605             | 3,048,011        | 16,635,217              |
| Trading liabilities   | 5,654,646              | 4,866,622              | 788,024          | 5,365,107               |
| Trading securities and others   | 5,455,782              | 4,726,188              | 729,594          | 5,227,932               |
| Derivative transactions   | 198,863                | 140,434                | 58,429           | 137,174                 |
| Payable - unsettled trades  | 279,988                | 750,895                | (470,907)        | 214,560                 |
| Margin transaction liabilities  | 8,512                  | 20,057                 | (11,544)         | —                       |
| Borrowings secured by securities  | 10,343,179             | 8,270,104              | 2,073,074        | 8,593,468               |
| Deposits received   | 36,969                 | 21,375                 | 15,594           | 20,946                  |
| Cash collateral received from customers                                     | 54,598                 | 30,953                 | 23,645           | 49,931                  |
| Securities: fails to receive  | 3,636                  | 193,696                | (190,060)        | 102,186                 |
| Variation margin received   | —                      | 6                      | (6)              | 0                       |
| Short-term borrowings   | 2,423,441              | 1,607,629              | 815,811          | 1,878,591               |
| Commercial paper  | 241,600                | 269,300                | (27,700)         | 297,200                 |
| Short-term bonds and notes  | 17,475                 | 38,724                 | (21,249)         | 26,121                  |
| Accrued expenses  | 58,377                 | 36,930                 | 21,446           | 37,040                  |
| Income taxes payable  | 13,203                 | 3,618                  | 9,584            | 12,541                  |
| Reserve for bonuses   | 14,572                 | 11,967                 | 2,604            | 16,942                  |
| Short-term deferred tax liabilities   | 12                     | 3                      | 8                | 7                       |
| Others  | 31,403                 | 11,718                 | 19,684           | 20,571                  |
| Fixed liabilities   | 557,938                | 388,531                | 169,406          | 427,031                 |
| Bonds and notes   | 332,566                | 226,025                | 106,541          | 252,291                 |
| Long-term borrowings  | 211,399                | 148,881                | 62,518           | 159,973                 |
| Deferred tax liabilities  | 7,105                  | 8,872                  | (1,766)          | 9,954                   |
| Reserve for retirement benefits   | 6,837                  | 4,127                  | 2,709            | 4,811                   |
| Others  | 28                     | 624                    | (595)            | —                       |
| 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                      |
| <b>Total liabilities</b>  | <b>19,741,151</b>      | <b>16,523,292</b>      | <b>3,217,859</b> | <b>17,063,517</b>       |
| Minority interests  | 5                      | 5                      | 0                | 5                       |
| <b>Shareholders' equity</b>   |                        |                        |                  |                         |
| Common stock  | 195,146                | 195,146                | —                | 195,146                 |
| Capital surplus   | 125,288                | 125,288                | —                | 125,288                 |
| Retained earnings   | 38,155                 | 34,148                 | 4,006            | 42,973                  |
| Unrealized gains on other securities,<br>net of taxes                       | 33,964                 | 12,369                 | 21,594           | 14,427                  |
| Foreign currency translation adjustments                                    | 5,186                  | 873                    | 4,313            | 2,090                   |
| <b>Total shareholders' equity</b>   | <b>397,741</b>         | <b>367,825</b>         | <b>29,915</b>    | <b>379,926</b>          |
| <b>Total liabilities, minority interests and<br/>  shareholders' equity</b> | <b>20,138,898</b>      | <b>16,891,123</b>      | <b>3,247,775</b> | <b>17,443,448</b>       |

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

(Unit: Millions of yen)

| Description   | Nine months<br>ended<br>Dec. 31<br>2005 | Nine months<br>ended<br>Dec. 31<br>2004 | Period to period<br>comparison<br>(%) | Year<br>ended<br>Mar.31,<br>2005 |
|---|---|---|---------------------------------------|----------------------------------|
| Operating revenues  | 326,144                                 | 186,487                                 | 174.9%                                | 266,759                          |
| Commission  | 57,655                                  | 38,721                                  | 148.9%                                | 57,919                           |
| Trading profit  | 55,694                                  | 45,926                                  | 121.3%                                | 64,011                           |
| Net gains on operating investment securities                    | 1,743                                   | 894                                     | 195.0%                                | 813                              |
| Interest and dividend income                                    | 211,050                                 | 100,946                                 | 209.1%                                | 144,016                          |
| Interest expense  | 194,552                                 | 89,022                                  | 218.5%                                | 127,803                          |
| Net operating revenues  | 131,591                                 | 97,465                                  | 135.0%                                | 138,956                          |
| Selling, general and administrative expenses                    | 81,420                                  | 65,707                                  | 123.9%                                | 90,303                           |
| Commissions and other transaction-related expenses              | 15,913                                  | 13,769                                  | 115.6%                                | 18,534                           |
| Compensation and benefits                                       | 42,850                                  | 33,859                                  | 126.6%                                | 47,540                           |
| Occupancy   | 7,113                                   | 5,698                                   | 124.8%                                | 7,945                            |
| Data processing and office supplies                             | 3,275                                   | 3,179                                   | 103.0%                                | 4,319                            |
| Depreciation  | 4,822                                   | 4,893                                   | 98.5%                                 | 6,579                            |
| Taxes and dues other than income taxes                          | 1,295                                   | 2,035                                   | 63.6%                                 | 2,409                            |
| Others  | 6,149                                   | 2,269                                   | 270.9%                                | 2,974                            |
| Operating profit  | 50,171                                  | 31,758                                  | 158.0%                                | 48,653                           |
| Non-operating revenues  | 2,559                                   | 2,425                                   | 105.5%                                | 4,012                            |
| Equity in profit of affiliated companies                        | —                                       | 43                                      | —                                     | 11                               |
| Others  | 2,559                                   | 2,382                                   | 107.4%                                | 4,001                            |
| Non-operating expenses  | 1,690                                   | 1,535                                   | 110.1%                                | 2,509                            |
| Equity in loss of affiliated companies                          | 28                                      | —                                       | —                                     | —                                |
| Others  | 1,662                                   | 1,535                                   | 108.2%                                | 2,509                            |
| Ordinary profit   | 51,039                                  | 32,648                                  | 156.3%                                | 50,155                           |
| Non-ordinary profits  | 4,280                                   | 518                                     | 826.0%                                | 799                              |
| Non-ordinary losses   | 41,333                                  | 477                                     | —                                     | 3,424                            |
| Profit before income taxes and minority interests in net profit | 13,986                                  | 32,688                                  | 42.8%                                 | 47,530                           |
| Income taxes - current  | 23,327                                  | 12,557                                  | 185.8%                                | 22,101                           |
| Income taxes - deferred   | (16,230)                                | 896                                     | —                                     | (2,632)                          |
| Minority interests in net profit                                | 0                                       | 0                                       | 88.7%                                 | 0                                |
| Net profit  | 6,889                                   | 19,234                                  | 35.8%                                 | 28,060                           |

## **Notes to consolidated financial statements**

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

### **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 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 : 7 companies

Name of the major 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.

#### 3. Third quarter closing dates of subsidiaries

All the consolidated subsidiaries have coterminous year-end with the parent company.

#### 4. Accounting policies

##### (1) Valuation of securities and trading account

###### A. Valuation of trading account

The Company and its subsidiaries, through its trading activities, intend 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.

###### B. Valuation of non-trading securities

Non-trading securities are valued as follows :

###### (a) Other 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) Other securities without market value

Recorded at cost using the moving average method.

- (2) Depreciation method of significant assets
  - A. Tangible fixed assets  
The Company and its domestic subsidiary apply the declining-balance method except for buildings (excluding leasehold improvement) acquired after March 31, 1998, for which the straight-line method is used.  
Overseas subsidiaries mainly apply the straight-line method.
  - B. Intangible fixed assets  
The straight-line method is primarily applied.  
The amortization period of software for internal use is determined based on estimated internal useful lives.
- (3) Deferred assets  
Bond issuance cost is charged to income when incurred.
- (4) Accounting policies for reserves
  - A. 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.
  - B. 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.
  - C. 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.
- (5) Accounting for lease transactions  
Financing leases other than those for which the ownership of the leased property transfers to the lessee are mainly accounted for as ordinary rental transactions.
- (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.  
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.
- (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.

### **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 Consolidated statements of operations**

Non-ordinary losses include 40,739 million of loss incurred from the execution error at Tokyo Stock Exchange on December 8, 2005.

## Financial Data for the nine months ended December 31, 2005

### 1. Commission Income

#### (1) Breakdown by categories

(Unit: Millions of yen)

|  | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Period-to-period<br>comparison (%) | Year ended<br>March 31, 2005 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------|
| Brokerage commission                         | 15,927                             | 12,871                             | 123.8%                             | 17,414                       |
| (Stocks)                                     | ( 11,292 )                         | ( 8,931 )                          | ( 126.4% )                         | ( 11,711 )                   |
| (Bonds)                                      | ( 4,627 )                          | ( 3,909 )                          | ( 118.4% )                         | ( 5,680 )                    |
| Underwriting and<br>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<br>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                   | 22,906                             | 12,901                             | 177.6%                             | 21,134                       |
| Total  | 57,655                             | 38,721                             | 148.9%                             | 57,919                       |

#### (2) Breakdown by products

(Unit: Millions of yen)

|                   | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Period-to-period<br>comparison (%) | Year ended<br>March 31, 2005 |
|-------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------|
| Stocks            | 22,369                             | 15,217                             | 147.0%                             | 22,424                       |
| Bonds             | 13,299                             | 10,944                             | 121.5%                             | 15,010                       |
| Investment trusts | 2,518                              | 1,688                              | 149.1%                             | 2,370                        |
| Others            | 19,468                             | 10,869                             | 179.1%                             | 18,113                       |
| Total             | 57,655                             | 38,721                             | 148.9%                             | 57,919                       |

### 2. Trading profit/loss

(Unit: Millions of yen)

|                  | Nine months ended<br>Dec. 31, 2005 | Nine months ended<br>Dec. 31, 2004 | Period-to-period<br>comparison (%) | Year ended<br>March 31, 2005 |
|------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------|
| Stocks           | 40,546                             | 20,718                             | 195.7%                             | 27,241                       |
| Bonds and others | 15,148                             | 25,207                             | 60.1%                              | 36,769                       |
| Total            | 55,694                             | 45,926                             | 121.3%                             | 64,011                       |



**Quarterly trends in Consolidated Statements of Operations**

(Unit: Millions of yen)

|  | Three months<br>ended<br>Dec. 31,<br>2004 | Three months<br>ended<br>Mar. 31,<br>2005 | Three months<br>ended<br>June 30,<br>2005 | Three months<br>ended<br>Sep. 30,<br>2005 | Three months<br>ended<br>Dec. 31,<br>2005 |
|--|---|---|---|---|---|
| Operating revenues   | 59,446                                    | 80,271                                    | 86,135                                    | 113,050                                   | 126,959                                   |
| Commission   | 12,178                                    | 19,197                                    | 14,050                                    | 17,428                                    | 26,176                                    |
| Trading profit   | 8,635                                     | 18,084                                    | 12,475                                    | 22,307                                    | 20,911                                    |
| Net gains on operating<br>investment securities                    | 175                                       | (80)                                      | 388                                       | 1,395                                     | (39)                                      |
| Interest and dividend income                                       | 38,457                                    | 43,069                                    | 59,220                                    | 71,918                                    | 79,911                                    |
| Interest expense   | 33,658                                    | 38,780                                    | 53,365                                    | 64,122                                    | 77,064                                    |
| Net operating revenues   | 25,788                                    | 41,490                                    | 32,770                                    | 48,927                                    | 49,894                                    |
| Selling, general and administrative<br>expenses                    | 20,334                                    | 24,596                                    | 24,864                                    | 27,551                                    | 29,005                                    |
| Commissions and other<br>transaction-related expenses              | 4,095                                     | 4,764                                     | 4,290                                     | 6,139                                     | 5,483                                     |
| Compensation and benefits  | 10,676                                    | 13,681                                    | 13,074                                    | 14,117                                    | 15,658                                    |
| Occupancy  | 2,027                                     | 2,247                                     | 2,384                                     | 2,360                                     | 2,368                                     |
| Data processing and office supplies                                | 964                                       | 1,139                                     | 1,106                                     | 1,103                                     | 1,065                                     |
| Depreciation   | 1,629                                     | 1,685                                     | 1,556                                     | 1,582                                     | 1,683                                     |
| Taxes and dues other than income<br>taxes                          | 314                                       | 373                                       | 406                                       | 457                                       | 431                                       |
| Others   | 627                                       | 704                                       | 2,044                                     | 1,790                                     | 2,315                                     |
| Operating profit   | 5,453                                     | 16,894                                    | 7,905                                     | 21,376                                    | 20,889                                    |
| Non-operating revenues   | 694                                       | 1,586                                     | 884                                       | 1,127                                     | 547                                       |
| Equity in profit of affiliated<br>companies                        | 8   | (31)                                      | 23  | 41  | (64)                                      |
| Others   | 685                                       | 1,618                                     | 861                                       | 1,086                                     | 611                                       |
| Non-operating expenses   | 519                                       | 973                                       | 563                                       | 513                                       | 613                                       |
| Equity in losses of affiliated<br>companies                        | —   | —   | —   | —   | 28  |
| Others   | 519                                       | 973                                       | 563                                       | 513                                       | 584                                       |
| Ordinary profit  | 5,628                                     | 17,507                                    | 8,226                                     | 21,990                                    | 20,823                                    |
| Non-ordinary profits   | 289                                       | 280                                       | 2,793                                     | 1,142                                     | 344                                       |
| Non-ordinary losses  | 118                                       | 2,947                                     | 351                                       | 116                                       | 40,865                                    |
| Profit before income taxes and<br>minority interests in net profit | 5,799                                     | 14,841                                    | 10,668                                    | 23,015                                    | (19,697)                                  |
| Income taxes - current   | 2,232                                     | 9,544                                     | 4,136                                     | 9,591                                     | 9,599                                     |
| Income taxes - deferred  | 194                                       | (3,528)                                   | 444                                       | 41  | (16,717)                                  |
| Minority interests in net profit                                   | 0   | (0)                                       | 0   | 0   | 0   |
| Net profit   | 3,372                                     | 8,825                                     | 6,087                                     | 13,382                                    | (12,579)                                  |