

**Consolidated Financial Summary
(for the year ended March 31, 2006)**

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

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

Location: Tokyo

Representative: Makoto Fukuda, President

For inquiry: Shigeki Matsushima, Managing Director,
Head of Risk Management and Finance Group

Phone: (03) 5208-2030

Date of resolution of Board of Directors with respect to the consolidated financial statements: April 26, 2006

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 year ended March 31, 2006 (April 1, 2005 through March 31, 2006)

(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	%
Fiscal year (2006/3)	454,473 (	70.4)	180,553 (	29.9)	67,194 (	38.1)	71,682 (	42.9)
Fiscal year (2005/3)	266,759 (	18.5)	138,956 (	12.1)	48,653 (	29.2)	50,155 (	24.7)

	Net profit		Net profit per share	Diluted net profit per share
	mil. yen	%	yen	yen
Fiscal year (2006/3)	20,815 (	-25.8)	5,648 . 75	— . —
Fiscal year (2005/3)	28,060 (	43.0)	8,387 . 66	— . —

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

Fiscal 2005 (2006/3) 7 mil. yen Fiscal 2004 (2005/3) 11 mil. yen

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

Fiscal 2005 (2006/3) 3,685,000 Shares Fiscal 2004 (2005/3) 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 changes from the previous fiscal 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 Mar. 31, 2006	18,661,564	413,664	2.2	112,256 . 30
As of Mar. 31, 2005	17,443,448	379,926	2.2	103,100 . 71

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

As of Fiscal: 2005 (2006/3) 3,685,000 Shares As of Fiscal: 2004 (2005/3) 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 Equity Method

Number of Consolidated Subsidiaries: 8
Nonconsolidated subsidiaries accounted for by Equity Method: -
Affiliates accounted for by Equity Method: 8

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

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

[Overview of Group Structure]

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.

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 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	Investor relations consulting service	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	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.	New York, USA	US\$ 231,300	Securities and Futures brokerage	100.00%
(Affiliates)				
Mobile Internet Capital Inc.	Minato-ku, Tokyo	mil. yen 100	Venture capital	30.00%
Japan Industrial Partners Inc.	Chiyoda-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.	Shinagawa-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%
Japan Energy Investment, Inc.	Shinagawa-ku Tokyo	mil. yen 100	Investment advisory services	35.00%

(note)

- i. 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.
- ii. Japan Energy Investment, Inc. is founded and newly accounted for by the equity method in this period.

Consolidated Balance Sheets
(As of March 31, 2006)

(Unit: Millions of yen)

Description	As of Mar. 31, 2006	As of Mar. 31, 2005	Change
Assets			
Current assets	18,511,441	17,305,968	1,205,473
Cash and deposits	73,277	118,925	(45,648)
Cash segregated as deposits	21,525	8,475	13,050
Securities	12,757	18,656	(5,899)
Trading assets	6,553,019	7,271,445	(718,425)
Trading securities and others	6,325,389	7,123,312	(797,923)
Loan assets	4,588	—	4,588
Derivative transactions	223,041	148,132	74,909
Operating investment securities	18,672	5,891	12,781
Margin transaction assets	13,757	10,527	3,230
Loans secured by securities	11,621,457	9,661,601	1,959,855
Payments for subscription	19,335	10,193	9,141
Guarantee deposits	56,404	33,635	22,768
Securities: fail to deliver	820	94,928	(94,107)
Variation margin paid	19,103	9,666	9,436
Short-term loans receivable	1,873	2,175	(301)
Accrued income	50,410	36,622	13,788
Short-term deferred tax assets	8,445	6,816	1,629
Others	40,601	16,423	24,178
Allowance for doubtful accounts	(20)	(15)	(5)
Fixed assets	150,123	137,479	12,643
Tangible fixed assets	10,325	12,146	(1,821)
Buildings	5,870	5,540	330
Furniture and fixture	4,454	3,537	917
Others	—	3,069	(3,069)
Intangible fixed assets	7,688	8,826	(1,137)
Goodwill	120	181	(61)
Software	7,512	8,585	(1,073)
Others	56	59	(2)
Investments	132,109	116,507	15,602
Investment Securities	126,110	110,574	15,535
Other equity investments	874	440	434
Long-term guarantee deposits	3,317	2,888	428
Long-term prepaid expenses	9	14	(5)
Long-term deferred tax assets	684	1,516	(831)
Others	1,112	1,072	39
Total assets	18,661,564	17,443,448	1,218,116

(Unit: Millions of yen)

Description	As of Mar. 31, 2006	As of Mar. 31, 2005	Change
Liabilities			
Current liabilities	17,657,364	16,635,217	1,022,147
Trading liabilities	5,308,216	5,365,107	(56,890)
Trading securities and others	5,109,482	5,227,932	(118,450)
Derivative transactions	198,734	137,174	61,560
Payable - unsettled trades	388,529	214,560	173,968
Margin transaction liabilities	8,776	—	8,776
Borrowings secured by securities	9,266,493	8,593,468	673,024
Deposits received	35,388	20,946	14,441
Cash collateral received from customers	60,907	49,931	10,975
Securities: fails to receive	6,046	102,186	(96,139)
Variation margin received	—	0	(0)
Short-term borrowings	2,132,900	1,878,591	254,308
Commercial paper	308,700	297,200	11,500
Short-term bonds and notes	20,646	26,121	(5,474)
Accrued expenses	48,694	37,040	11,654
Income taxes payable	22,843	12,541	10,301
Reserve for bonuses	19,345	16,942	2,402
Short-term deferred tax liabilities	21	7	14
Others	29,853	20,571	9,282
Fixed liabilities	588,829	427,031	161,798
Bonds and notes	366,301	252,291	114,009
Long-term borrowings	206,338	159,973	46,364
Deferred tax liabilities	8,949	9,954	(1,004)
Reserve for retirement benefits	7,188	4,811	2,376
Others	50	—	50
Statutory reserves	1,700	1,268	431
Securities transaction liability reserve	1,616	1,185	431
Futures transaction liability reserve	83	83	—
Total liabilities	18,247,894	17,063,517	1,184,377
Minority interests	6	5	1
Shareholders' equity			
Common stock	195,146	195,146	—
Capital surplus	125,288	125,288	—
Retained earnings	52,081	42,973	9,107
Unrealized gains on other securities, net of taxes	35,471	14,427	21,043
Foreign currency translation adjustments	5,677	2,090	3,587
Total shareholders' equity	413,664	379,926	33,738
Total liabilities, minority interests and shareholders' equity	18,661,564	17,443,448	1,218,116

Consolidated Statements of Operations
(for the year ended March 31, 2006)

(Unit: Millions of yen)

Description	Year ended Mar.31, 2006	Year ended Mar.31, 2005	Period to period comparison (%)
Operating revenues	454,473	266,759	170.4%
Commission	80,830	57,919	139.6%
Trading profit	75,196	64,011	117.5%
Net gains on operating investment securities	1,698	813	208.9%
Interest and dividend income	296,748	144,016	206.1%
Interest expense	273,919	127,803	214.3%
Net operating revenues	180,553	138,956	129.9%
Selling, general and administrative expenses	113,359	90,303	125.5%
Commissions and other transaction-related expenses	23,253	18,534	125.5%
Compensation and benefits	56,957	47,540	119.8%
Occupancy	10,454	7,945	131.6%
Data processing and office supplies	4,916	4,319	113.8%
Depreciation	6,522	6,579	99.1%
Taxes and dues other than income taxes	1,854	2,409	77.0%
Others	9,399	2,974	316.0%
Operating profit	67,194	48,653	138.1%
Non-operating revenues	6,886	4,012	171.6%
Equity in profit of affiliated companies	7	11	65.7%
Others	6,879	4,001	171.9%
Non-operating expenses	2,399	2,509	95.6%
Ordinary profit	71,682	50,155	142.9%
Non-ordinary profits	8,967	799	—
Non-ordinary losses	42,468	3,424	—
Profit before income taxes and minority interests in net profit	38,182	47,530	80.3%
Income taxes - current	33,789	22,101	152.9%
Income taxes - deferred	(16,423)	(2,632)	623.8%
Minority interests in net profit	1	0	139.8%
Net profit	20,815	28,060	74.2%

Consolidated Statements of Capital Surplus and Retained Earnings
(for the year ended March 31, 2006)

(Unit: Millions of yen)

Description	Year ended Mar.31, 2006	Year ended Mar.31, 2005
Capital surplus		
Consolidated capital surplus at beginning	125,288	95,324
Increase in capital surplus	—	29,964
Issuance of shares due to increase in capital	—	29,964
Consolidated capital surplus at end	125,288	125,288
Retained earnings		
Consolidated retained earnings at beginning	42,973	25,427
Increase in retained earnings	20,815	28,060
Net profit	20,815	28,060
Decrease in retained earnings	11,708	10,514
Dividends paid	11,708	10,514
Consolidated retained earnings at end	52,081	42,973

Notes to consolidated financial statements

The Company's consolidated financial statements are prepared in accordance with the "Regulations of Consolidated Financial Statements" (Ministry of Finance (MoF) Ordinance No.28, 1976) as well as 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 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 46 and 68 of the Regulations.

Basis of consolidated financial statements

1. Scope of consolidation

Consolidated subsidiaries : 8 companies

Name of major subsidiaries :

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

2. Application of equity method

Affiliates accounted for by equity method : 8 companies

Name of 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.
Japan Energy Investment, Inc.

Japan Energy Investment, Inc. is newly accounted for by the equity method in this period.

3. Year ends 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 attributable to the year of the future payments estimated based on the company's internal rules.
 - 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.

6. Appropriation of earnings

Consolidated statement of capital surplus and retained earnings are prepared based on appropriation of earnings settled by the end of year.

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 year ended March 31, 2006

1. Commission Income

(1) Breakdown by categories

(Unit: Millions of yen)

	Year ended March 31, 2006	Year ended March. 31, 2005	Comparison (%)
Brokerage commission	23,000	17,414	132.1%
(Stocks)	(16,837)	(11,711)	(143.8%)
(Bonds)	(6,154)	(5,680)	(108.3%)
Underwriting and selling commissions	24,262	16,551	146.6%
(Stocks)	(16,184)	(10,285)	(157.3%)
(Bonds)	(6,984)	(5,701)	(122.5%)
Subscription and distribution commissions	1,711	2,818	60.7%
(Bonds)	(1,207)	(1,004)	(120.2%)
(Investment trusts)	(324)	(301)	(107.5%)
Other commissions received	31,856	21,134	150.7%
Total	80,830	57,919	139.6%

(2) Breakdown by products

(Unit: Millions of yen)

	Year ended March 31, 2006	Year ended March. 31, 2005	Comparison (%)
Stocks	33,678	22,424	150.2%
Bonds	17,169	15,010	114.4%
Investment trusts	3,866	2,370	163.1%
Others	26,115	18,113	144.2%
Total	80,830	57,919	139.6%

2. Trading profit/loss

(Unit: Millions of yen)

	Year ended March 31, 2006	Year ended March. 31, 2005	Comparison (%)
Stocks	53,174	27,241	195.2%
Bonds and others	22,021	36,769	59.9%
Total	75,196	64,011	117.5%

Quarterly trends in Consolidated Statements of Operations

(Unit: Millions of yen)

	Three months ended Mar. 31, 2005	Three months ended June 30, 2005	Three months ended Sep. 30, 2005	Three months ended Dec. 31, 2005	Three months ended Mar. 31, 2006
Operating revenues	80,271	86,135	113,050	126,959	128,328
Commission	19,197	14,050	17,428	26,176	23,174
Trading profit	18,084	12,475	22,307	20,911	19,501
Net gains on operating investment securities	(80)	388	1,395	(39)	(45)
Interest and dividend income	43,069	59,220	71,918	79,911	85,698
Interest expense	38,780	53,365	64,122	77,064	79,366
Net operating revenues	41,490	32,770	48,927	49,894	48,961
Selling, general and administrative expenses	24,596	24,864	27,551	29,005	31,938
Commissions and other transaction-related expenses	4,764	4,290	6,139	5,483	7,340
Compensation and benefits	13,681	13,074	14,117	15,658	14,106
Occupancy	2,247	2,384	2,360	2,368	3,340
Data processing and office supplies	1,139	1,106	1,103	1,065	1,641
Depreciation	1,685	1,556	1,582	1,683	1,700
Taxes and dues other than income taxes	373	406	457	431	559
Others	704	2,044	1,790	2,315	3,249
Operating profit	16,894	7,905	21,376	20,889	17,023
Non-operating revenues	1,586	884	1,127	547	4,327
Equity in profit of affiliated companies	(31)	23	41	(64)	7
Others	1,618	861	1,086	611	4,320
Non-operating expenses	973	563	513	613	708
Equity in losses of affiliated companies	—	—	—	28	(28)
Others	973	563	513	584	737
Ordinary profit	17,507	8,226	21,990	20,823	20,642
Non-ordinary profits	280	2,793	1,142	344	4,687
Non-ordinary losses	2,947	351	116	40,865	1,134
Profit before income taxes and minority interests in net profit	14,841	10,668	23,015	(19,697)	24,195
Income taxes - current	9,544	4,136	9,591	9,599	10,461
Income taxes - deferred	(3,528)	444	41	(16,717)	(192)
Minority interests in net profit	(0)	0	0	0	0
Net profit	8,825	6,087	13,382	(12,579)	13,925