

Consolidated Financial Summary (for the three months ended June 30, 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: (Country Code81) 3- 5208-2030

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 three months ended June 30, 2006 (April 1, 2006 through June 30, 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	%
3 months ended June 30, 2006	125,027 (	45.2)	38,789 (	18.4)	11,445 (	44.8)	11,631 (	41.4)
3 months ended June 30, 2005	86,135 (	28.8)	32,770 (	-21.7)	7,905 (	-58.5)	8,226 (	-57.5)
Year ended March 31, 2006	454,473		180,553		67,194		71,682	

	Net profit		Net profit per share	Diluted net profit per share
	mil. yen	%	yen	yen
3 months ended June 30, 2006	6,083 (	-0.1)	1,650 . 79	- . -
3 months ended June 30, 2005	6,087 (	-46.5)	1,651 . 84	- . -
Year ended March 31, 2006	20,815		5,648 . 75	- . -

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

3 months ended June 30, 2006 : 11 mil. yen 3 months ended June 30, 2005 : 23 mil. yen
Year ended March 31, 2006 : 7 mil. yen

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

3 months ended June 30, 2006 : 3,685,000 Shares 3 months ended June 30, 2005 : 3,685,000 Shares
Year ended March 31, 2006 : 3,685,000 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	Net assets	Equity ratio	Net assets per share
	mil. yen	mil. yen	%	yen
3 months ended June 30, 2006	18,841,987	399,664	2.1	108,455 . 22
3 months ended June 30, 2005	19,473,896	369,679	1.9	100,320 . 09
Year ended March 31, 2006	18,661,564	413,664	2.2	112,256 . 30

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

As of June 30, 2006 : 3,685,000 Shares As of June 30, 2005 : 3,685,000 Shares
As of March 31, 2006 : 3,685,000 Shares

ii. Equity ratio = (Total net assets - Minority interests) / Total assets 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: 6

(4) Change in scope of consolidation and application of the equity method

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

[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%
Basic Capital Management, Limited	Chiyoda-ku, Tokyo	mil. yen 100	Investment advisory services	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%
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)

Basic Capital Management, Limited, which was accounted for under Equity Method as of March 31, 2006, became a 100% subsidiary of the Company from this period.

Consolidated Balance Sheets
(As of June 30, 2006)

(Unit: Millions of yen)

Description	As of June 30, 2006	As of June 30, 2005	Change	As of March 31, 2006
Assets				
Current assets	18,711,543	19,347,142	(635,598)	18,511,441
Cash and deposits	104,526	134,696	(30,170)	73,277
Cash segregated as deposits	21,167	13,513	7,654	21,525
Securities	8,456	20,559	(12,102)	12,757
Trading assets	6,108,097	7,535,268	(1,427,171)	6,553,019
Trading securities and others	5,880,482	7,376,209	(1,495,726)	6,325,389
Loan assets	4,552	-	4,552	4,588
Derivative transactions	223,062	159,059	64,003	223,041
Operating investment securities	29,721	5,333	24,388	18,672
Margin transaction assets	16,223	9,460	6,762	13,757
Loans secured by securities	12,244,147	11,465,542	778,604	11,621,457
Payments for subscription	6,374	15,105	(8,731)	19,335
Guarantee deposits	69,651	43,210	26,440	56,404
Securities: fail to deliver	30,577	31,521	(943)	820
Variation margin paid	5,226	-	5,226	19,103
Short-term loans receivable	2,521	2,764	(243)	1,873
Accrued income	46,845	42,800	4,045	50,410
Short-term deferred tax assets	4,097	6,114	(2,017)	8,445
Others	13,927	21,267	(7,340)	40,601
Allowance for doubtful accounts	(16)	(15)	(0)	(20)
Fixed assets	130,443	126,754	3,688	150,123
Tangible fixed assets	10,267	12,155	(1,888)	10,325
Buildings	5,674	5,508	166	5,870
Furniture and fixture	4,593	3,489	1,103	4,454
Others	-	3,157	(3,157)	-
Intangible fixed assets	8,345	8,476	(131)	7,688
Goodwill	105	165	(60)	120
Software	8,184	8,253	(68)	7,512
Others	56	58	(2)	56
Investments	111,829	106,121	5,708	132,109
Investment securities	99,187	99,605	(418)	126,110
Other equity investments	858	1,001	(143)	874
Long-term guarantee deposits	3,480	2,957	522	3,317
Long-term prepaid expenses	8	13	(5)	9
Long-term deferred tax assets	7,043	1,452	5,591	684
Others	1,251	1,090	161	1,112
Total assets	18,841,987	19,473,896	(631,909)	18,661,564

(Unit: Millions of yen)

Description	As of June 30, 2006	As of June 30, 2005	Change	As of March 31, 2006
Liabilities				
Current liabilities	17,799,840	18,660,135	(860,294)	17,657,364
Trading liabilities	5,653,275	5,476,004	177,271	5,308,216
Trading securities and others	5,419,035	5,318,527	100,507	5,109,482
Derivative transactions	234,240	157,476	76,763	198,734
Payable - unsettled trades	435,515	108,944	326,570	388,529
Margin transaction liabilities	9,358	75	9,283	8,776
Borrowings secured by securities	9,428,658	10,645,479	(1,216,821)	9,266,493
Deposits received	38,346	38,437	(91)	35,388
Cash collateral received from customers	66,079	27,093	38,985	60,907
Securities: fails to receive	40,437	51,064	(10,627)	6,046
Variation margin received	-	590	(590)	-
Short-term borrowings	1,665,603	1,872,838	(207,234)	2,132,900
Commercial paper	380,400	340,900	39,500	308,700
Short-term bonds and notes	11,362	18,423	(7,061)	20,646
Accrued expenses	51,243	47,531	3,712	48,694
Income taxes payable	2,497	5,474	(2,977)	22,843
Reserve for bonuses	7,320	5,540	1,779	19,345
Short-term deferred tax liabilities	19	14	4	21
Others	9,723	21,720	(11,997)	29,853
Fixed liabilities	640,668	442,692	197,975	588,829
Bonds and notes	400,026	270,778	129,248	366,301
Long-term borrowings	228,039	159,308	68,731	206,338
Deferred tax liabilities	5,010	6,832	(1,822)	8,949
Reserve for retirement benefits	7,542	5,773	1,769	7,188
Others	48	-	48	50
Statutory reserves	1,814	1,382	431	1,700
Securities transaction liability reserve	1,730	1,299	431	1,616
Futures transaction liability reserve	83	83	-	83
Total liabilities	18,442,323	19,104,210	(661,887)	18,247,894
Minority interests		5		6
Shareholders' equity				
Common stock		195,146		195,146
Capital surplus		125,288		125,288
Retained earnings		37,352		52,081
Unrealized gains on other securities, net of taxes		10,425		35,471
Foreign currency translation adjustments		1,466		5,677
Total shareholders' equity		369,679		413,664
Total liabilities, minority interests and shareholders' equity		19,473,896		18,661,564

(Unit: Millions of yen)

Description	As of June 30, 2006	As of June 30, 2005	Change	As of March 31, 2006
Net assets				
Shareholders' equity	371,965			
Common stock	195,146			
Capital surplus	125,288			
Retained earnings	51,531			
Revaluation / translation difference	27,691			
Unrealized gain on other securities, net of taxes	20,069			
Foreign currency translation adjustmen	7,622			
Minority interests	6			
Total net assets	399,664			
Total liabilities and net assets	18,841,987			

Consolidated Statements of Operations
(for the three months ended June 30, 2006)

(Unit: Millions of yen)

Description	Three months ended June 30, 2006	Three months ended June 30, 2005	Period to period comparison (%)	Year ended March 31, 2006
Operating revenues	125,027	86,135	145.2%	454,473
Commission	17,218	14,050	122.5%	80,830
Trading profit	18,011	12,475	144.4%	75,196
Net gains on operating investment securities	(110)	388	-	1,698
Interest and dividend income	89,908	59,220	151.8%	296,748
Interest expense	86,238	53,365	161.6%	273,919
Net operating revenues	38,789	32,770	118.4%	180,553
Selling, general and administrative expenses	27,343	24,864	110.0%	113,359
Commissions and other transaction-related expenses	5,494	4,290	128.1%	23,253
Compensation and benefits	14,466	13,074	110.6%	56,957
Occupancy	2,763	2,384	115.9%	10,454
Data processing and office supplies	1,281	1,106	115.8%	4,916
Depreciation	1,439	1,556	92.5%	6,522
Taxes and dues other than income taxes	416	406	102.3%	1,854
Amortization of consolidation differences	679	-	-	-
Others	800	2,044	39.2%	9,399
Operating profit	11,445	7,905	144.8%	67,194
Non-operating revenues	760	884	85.9%	6,886
Equity in profit of affiliated companies	11	23	49.3%	7
Others	748	861	86.9%	6,879
Non-operating expenses	574	563	101.9%	2,399
Ordinary profit	11,631	8,226	141.4%	71,682
Non-ordinary profits	484	2,793	17.3%	8,967
Non-ordinary losses	230	351	65.6%	42,468
Profit before income taxes and minority interests in net profit	11,885	10,668	111.4%	38,182
Income taxes - current	1,173	4,136	28.4%	33,789
Income taxes - deferred	4,628	444	-	(16,423)
Minority interests in net profit	0	0	48.5%	1
Net profit	6,083	6,087	99.9%	20,815

Consolidated statement of changes in net assets - three months ended June 30, 2006

(Unit: Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Beginning balance as of Mar. 31, 2006	195,146	125,288	52,081	372,515
Change in this period				
Dividend paid	-	-	(6,633)	(6,633)
Net profit of the period	-	-	6,083	6,083
Net change in items other than Shareholders' equity	-	-	-	-
Total change in the period	-	-	(549)	(549)
Ending balance as of June 30, 2006	195,146	125,288	51,531	371,965

	Revaluation / translation difference			Minority interest	Total net assets
	Unrealized gains on other securities net of taxes	Translation difference	Total revaluation / translation difference		
Beginning balance as of Mar. 31, 2006	35,471	5,677	41,148	6	413,670
Change in this period					
Dividend paid	-	-	-	-	(6,633)
Net profit of the period	-	-	-	-	6,083
Net change in items other than Shareholders' equity	(15,401)	1,944	(13,457)	0	(13,456)
Total change in the period	(15,401)	1,944	(13,457)	0	(14,006)
Ending balance as of June 30, 2006	20,069	7,622	27,691	6	399,664

Notes to consolidated financial statements

The Company's quarterly 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.

Due to the changes in the "Regulations", Net assets section of June 30, 2006 Balance sheet is presented as per revised "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.

Basic Capital Management, Limited

(Note) Basic Capital Management, Limited, which was accounted for under Equity method as of Mar. 31, 2006 became a 100 % subsidiary of the Company from this period.

2. Application of the equity method

Affiliates accounted for by the equity method : 6 companies

Name of major affiliates:

Mobile Internet Capital Inc.

Japan Industrial Partners Inc.

Industrial Decisions, Inc.

Polaris Principal Finance Co., Ltd.

Max Investment Advisory Co., Ltd.

Japan Energy Investment, Inc.

3. First quarter end of consolidated 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 Net assets 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.
 - Borrowings in foreign currency entered into to hedge exchange risk of foreign currency denominated operating investment securities are accounted for under fair value 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.
- (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 the basis of consolidated financial statements

The Company's quarterly financial statements are prepared in accordance with "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan Statement No.5, December 9, 2005) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Boards of Japan Guidance No.8, December 9, 2005). Amount of shareholders' equity by the former accounting standard is 399,657 million yen.

Financial Data for the three months ended June 30, 2006

1. Commission Income

(1) Breakdown by categories

(Unit: Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2005	Period-to-period comparison (%)	Year ended March 31, 2006
Brokerage commission	5,902	4,288	137.6%	23,000
(Stocks)	(4,501)	(2,896)	(155.4%)	(16,837)
(Bonds)	(1,398)	(1,390)	(100.6%)	(6,154)
Underwriting and selling commissions	4,272	2,303	185.5%	24,262
(Stocks)	(2,300)	(661)	(348.0%)	(16,184)
(Bonds)	(1,875)	(1,642)	(114.2%)	(6,984)
Subscription and distribution commissions	355	597	59.5%	1,711
(Bonds)	(146)	(440)	(33.2%)	(1,207)
(Investment trusts)	(136)	(17)	(794.0%)	(324)
Other commissions received	6,687	6,860	97.5%	31,856
Total	17,218	14,050	122.5%	80,830

(2) Breakdown by products

(Unit: Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2005	Period-to-period comparison (%)	Year ended March 31, 2006
Stocks	6,849	3,593	190.6%	33,678
Bonds	4,074	4,108	99.2%	17,169
Investment trusts	956	709	134.8%	3,866
Others	5,337	5,638	94.7%	26,115
Total	17,218	14,050	122.5%	80,830

2. Trading profit/loss

(Unit: Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2005	Period-to-period comparison (%)	Year ended March 31, 2006
Stocks	5,768	7,491	77.0%	53,174
Bonds and others	12,243	4,983	245.7%	22,021
Total	18,011	12,475	144.4%	75,196

Quarterly trends in Consolidated Statements of Operations

(Unit: Millions of yen)

Description	Three months	Three months	Three months	Three months	Three months
	ended Jun. 30, 2005	ended Sep. 30, 2005	ended Dec. 31, 2005	ended Mar. 31, 2006	ended Jun. 30, 2006
Operating revenues	86,135	113,050	126,959	128,328	125,027
Commission	14,050	17,428	26,176	23,174	17,218
Trading profit	12,475	22,307	20,911	19,501	18,011
Net gains on operating investment securities	388	1,395	(39)	(45)	(110)
Interest and dividend income	59,220	71,918	79,911	85,698	89,908
Interest expense	53,365	64,122	77,064	79,366	86,238
Net operating revenues	32,770	48,927	49,894	48,961	38,789
Selling, general and administrative expenses	24,864	27,551	29,005	31,938	27,343
Commissions and other transaction-related expenses	4,290	6,139	5,483	7,340	5,494
Compensation and benefits	13,074	14,117	15,658	14,106	14,466
Occupancy	2,384	2,360	2,368	3,340	2,763
Data processing and office supplies	1,106	1,103	1,065	1,641	1,281
Depreciation	1,556	1,582	1,683	1,700	1,439
Taxes and dues other than income taxes	406	457	431	559	416
Amortization of consolidation differences	-	-	-	-	679
Others	2,044	1,790	2,315	3,249	800
Operating profit	7,905	21,376	20,889	17,023	11,445
Non-operating revenues	884	1,127	547	4,327	760
Equity in profit of affiliated companies	23	41	(64)	7	11
Others	861	1,086	611	4,320	748
Non-operating expenses	563	513	613	708	574
Equity in losses of affiliated companies	-	-	28	(28)	-
Others	563	513	584	737	574
Ordinary profit	8,226	21,990	20,823	20,642	11,631
Non-ordinary profits	2,793	1,142	344	4,687	484
Non-ordinary losses	351	116	40,865	1,134	230
Profit before income taxes and minority interests in net profit	10,668	23,015	(19,697)	24,195	11,885
Income taxes - current	4,136	9,591	9,599	10,461	1,173
Income taxes - deferred	444	41	(16,717)	(192)	4,628
Minority interests in net profit	0	0	0	0	0
Net profit	6,087	13,382	(12,579)	13,925	6,083