

## Consolidated Financial Summary

(for the three months ended June 30, 2008)

Company's name: Mizuho Securities Co., Ltd. ("the Company")  
 (URL <http://www.mizuho-sc.com/>)  
 Representative: Keisuke Yokoo, President  
 For inquiry: Kiyokata Somekawa, Managing Director,  
 Head of Risk Management and Finance Group Phone: (Country Code 81) 3- 5208-2030

### 1. Business performance for the three months ended June 30, 2008 (April 1, 2008 through June 30, 2008)

- (note) a. All amounts have been rounded down to the nearest one million yen  
 b. The percentage in the column of operating revenues, net operating revenues, operating profits, ordinary income and net profits indicate percentage of change compared to the same period in the previous year.

#### (1) Consolidated operating results

	Operating revenues		Net operating revenues		Operating profits		Ordinary income	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
Three months ended June 30, 2008	110,503	( - )	28,481	( - )	(3,363)	( - )	(3,004)	( - )
Three months ended June 30, 2007	207,687	( 66.1 )	50,058	( 29.1 )	14,721	( 28.6 )	14,430	( 24.1 )

	Net profits		Net profits per share	Diluted net profits per share
	mil. yen	%	yen	yen
Three months ended June 30, 2008	(7,802)	( - )	(1167 . 23)	- ( - )
Three months ended June 30, 2007	6,125	( 0.7 )	1,662 . 21	- ( - )

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	mil. yen	mil. yen	%	yen
As of June 30, 2008	20,141,889	331,464	1.6	49,514 . 73
As of March 31, 2008	21,122,253	331,031	1.6	49,437 . 93

(note) Net assets As of June 30, 2008 331,005 mil. yen As of March 31, 2008 330,492 mil. yen

### 2. Dividend condition

	Dividend per share				Total Dividends (Annual)
	As of Jun. 30	As of Sep. 30	As of Jan. 31	As of Mar. 31	
Year ended March 31, 2008	yen - . -	yen 0 . 00	yen - . -	yen 0 . 00	yen 0 . 00
Year ended March 31, 2009	- . -				Not yet determined

### 3. Others

- (1) Change in significant subsidiaries during the period None
- (2) Application of accounting principle, procedure and presentation preparing the quarterly consolidated financial statements Yes  
 (Note) Refer to page 10 "Application of simplified accounting method and special accounting method for quarterly consolidated financial statements" for details.
- (3) Change in accounting principle, procedure and presentation preparing the consolidated financial statements  
 (noted in "Change in the basis of consolidated financial statements")  
 a. Change due to revision of accounting standards: Yes  
 b. Other changes: Yes  
 (Note) Refer to page 10 "Change in the basis of consolidated financial statements" for details.

#### (4) Number of shares issued and outstanding (Common stock)

- a. Number of shares issued and outstanding (incl. treasury stock) As of June 30, 2008 6,685,000 shares As of March 31, 2008 6,685,000 shares  
 b. Number of treasury stock As of June 30, 2008 - shares As of March 31, 2008 - shares  
 c. Weighted average number of shares issued and outstanding during the period Three months to June 30, 2008 6,685,000 shares Three months to June 30, 2007 3,685,000 shares

#### Other notes:

1. The company applied from this period "Accounting Standard for quarterly financial statements"(ASBJ Statement No. 12) and "Implementation Guidance for accounting standards for quarterly financial statements" (ASBJ Guidance No. 14).  
 2. The Company's quarterly financial statements are prepared in accordance with the "Regulation for Terminology, Forms and Preparation of Quarterly Consolidated Financial Statements" (Ministry of Finance (MoF) Ordinance No.64, 2007).

## (Note) Summary of nonconsolidated business performance

## 1. Business performance for the three months ended June 30, 2008 (April 1, 2008 through June 30, 2008)

## (1) Nonconsolidated operating results

	Operating revenues		Net operating revenues		Operating profits		Ordinary income	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
Three months ended June 30, 2008	33,739	( - )	22,143	( - )	4,018	( - )	7,599	( - )
Three months ended June 30, 2007	42,446	( 48.7 )	33,693	( 30.0 )	12,888	( 25.1 )	21,223	( 60.9 )

	Net profits		Net profits per share		Diluted net profits per share	
	mil. yen	%	yen		yen	
Three months ended June 30, 2008	3,366	( - )	503	.58	-	.-
Three months ended June 30, 2007	13,280	( 59.1 )	3,604	.02	-	.-

## (2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share	Capital adequacy ratio
	mil. yen	mil. yen	%	yen	%
As of June 30, 2008	10,035,003	330,187	3.3	49,392 .33	286.3
As of March 31, 2008	12,695,032	326,151	2.6	48,788 .55	266.9

(Note) Net Assets As of June 30, 2008 330,187 mil. yen As of March 31, 2008 326,151 mil. yen

## Other notes:

1. The company applied from this period "Accounting Standard for quarterly financial statements"(ASBJ Statement No. 12) and "Implementation Guidance for accounting standards for quarterly financial statements" (ASBJ Guidance No. 14).
2. The Company's quarterly financial statements are prepared in accordance with the "Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements" (Ministry of Finance (MoF) Ordinance No.63, 2007).

## [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 Operations	Ownership Percentage
<b>(Parent Companies)</b>				
Mizuho Financial Group, Inc.	Chiyoda-ku, Tokyo	mil. Yen 1,540,965	Financial holding company	-
Mizuho Corporate Bank, Ltd.	Chiyoda-ku, Tokyo	mil. Yen 1,070,965	Commercial banking	-
<b>(Consolidated Subsidiaries)</b>				
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	Consulting services and information providing services	97.00%
The Bridgford 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 fiduciary services	100.00%
Mizuho International plc	London, UK	mil. £ 2,314	Securities and commercial banking	100.00%
Mizuho Securities USA Inc.	New York, USA	US\$ 231,300	Securities	100.00%
Basic Capital Management, Limited	Chiyoda-ku, Tokyo	mil. Yen 100	Financial services	100.00%
Mizuho Investment Consulting (Shanghai) Co., Ltd.	Shanghai, People's Republic of China	mil. CNY 10	Consulting services	100.00%
Industrial Decisions, Inc.	Shinagawa-ku, Tokyo	mil. Yen 40	Consulting services	50.00%
Mizuho Securities Shinko Principal Investment Co., Ltd.	Chiyoda-ku, Tokyo	mil. Yen 1,000	Investment services	90.00%
<b>(Affiliates)</b>				
Mobile Internet Capital Inc.	Minato-ku, Tokyo	mil. Yen 100	Venture capital	30.00%
Japan Industrial Partners Inc.	Chiyoda-ku, Tokyo	mil. Yen 100	Financial services	25.00%
Energy & Environment Investment, Inc.	Shinagawa-ku, Tokyo	mil. Yen 100	Financial services	50.00%

Consolidated Balance Sheets(As of June 30, 2008)

(Unit: Millions of Yen)

Descriptions	As of June 30, 2008	As of March 31, 2008
Assets		
Current assets	20,056,347	21,038,371
Cash and deposits	129,069	148,286
Cash segregated as deposits	24,015	16,915
Securities	7,254	7,967
Trading assets	6,633,113	8,531,592
Trading securities and others	6,100,603	7,850,567
Operating loan assets	38,163	40,279
Derivatives transactions	494,346	640,746
Operating investment securities	77,815	74,157
Operating loan receivables	2,022	2,012
Receivable - unsettled trades	4,002	-
Margin transaction assets	2,096	4,177
Loans secured by securities	12,668,505	11,423,819
Payments for subscription	-	820
Guarantee deposits	283,084	274,601
Securities: fail to deliver	119,250	413,407
Variation margin paid	-	58,051
Short-term loans receivable	34,978	2,076
Accrued income	41,904	48,807
Short-term deferred tax assets	9,329	11,900
Others	19,960	19,830
Allowance for doubtful accounts	(57)	(55)
Fixed assets	85,542	83,882
Tangible fixed assets	14,675	14,822
Buildings	5,812	5,762
Furniture and fixtures	8,862	9,060
Intangible fixed assets	15,229	14,223
Software	15,167	14,163
Others	62	60
Investments	55,637	54,836
Investment securities	21,355	22,664
Other equity investments	628	591
Long-term guarantee deposits	7,361	6,441
Long-term prepaid expenses	1,307	1,397
Long-term deferred tax assets	21,583	20,472
Others	3,401	3,269
Total assets	20,141,889	21,122,253

(Unit: Millions of yen)

Descriptions	As of June 30, 2008	As of March 31, 2008
<b>Liabilities</b>		
Current liabilities	18,756,957	19,713,733
Trading liabilities	4,185,909	4,845,986
Trading securities and others	3,555,906	4,034,648
Derivative transactions	630,002	811,338
Payable - unsettled trades	-	206,352
Margin transaction liabilities	43,016	7,771
Borrowings secured by securities	11,512,515	10,697,060
Deposits received	24,974	20,525
Cash collateral received from customers	176,432	202,727
Securities: fails to receive	175,880	436,170
Variation margin received	34,766	-
Short-term borrowings	2,182,334	2,830,083
Commercial paper	223,200	287,900
Short-term bonds and notes	142,355	104,472
Accrued expenses	39,359	46,783
Income taxes payable	884	1,128
Reserve for bonuses	5,864	21,345
Short-term deferred tax liabilities	2	6
Others	9,460	5,420
Fixed liabilities	1,052,050	1,075,460
Bonds and notes	561,397	597,701
Long-term borrowings	483,000	469,287
Deferred tax liabilities	11	641
Reserve for retirement benefits	7,040	7,315
Reserve for retirement benefits for directors, operating officers and corporate auditors	496	468
Others	102	46
Statutory reserves	1,416	2,027
Financial Instruments Business liability reserve	1,416	-
Securities transaction liability reserve	-	1,922
Futures transaction liability reserve	-	104
<b>Total liabilities</b>	<b>19,810,424</b>	<b>20,791,222</b>
<b>Net Assets</b>		
Shareholders' equity	352,993	360,796
Common stock	250,000	395,146
Capital surplus	75,742	325,288
Retained earnings	27,250	(359,638)
Revaluation / translation difference	(21,987)	(30,303)
Unrealized gains on other securities, net of taxes	901	1,185
Foreign currency translation adjustments	(22,888)	(31,489)
Minority interests	458	538
<b>Total net assets</b>	<b>331,464</b>	<b>331,031</b>
<b>Total liabilities, minority interests and net assets</b>	<b>20,141,889</b>	<b>21,122,253</b>

**Consolidated Statements of Operations**  
**(for the three months ended June 30, 2008)**

(Unit: Millions of Yen)

Descriptions	Three months ended June 30, 2008
Operating Revenues	110,503
Commission	14,196
Trading profits	2,258
Net gains on operating investment securities	1,589
Interest and dividend income	92,459
Interest expense	82,022
Net operating revenues	28,481
Selling, general and administrative expenses	31,844
Commissions and other transaction-related expenses	5,924
Compensation and benefits	15,720
Occupancy	4,531
Data processing and office supplies	1,445
Depreciation	2,272
Taxes and dues other than income taxes	390
Others	1,557
Operating losses	3,363
Non-operating revenues	362
Equity in profit of affiliated companies	32
Others	330
Non-operating expenses	4
Ordinary losses	3,004
Non-ordinary profits	1,208
Non-ordinary losses	3,059
Losses before income taxes and minority interests in net losses	4,856
Income taxes - current	1,090
Income taxes - deferred	1,906
Minority interests in net profits (losses)	(49)
Net losses	7,802

(Note)

**Consolidated Statements of Operations**  
(for the three months ended June 30, 2007)

(Unit: Millions of Yen)

Descriptions	Three months ended June 30, 2007
Operating revenues	207,687
Commission	17,200
Trading profits	27,434
Net gains on operating investment securities	776
Interest and dividend income	162,276
Interest expense	157,629
Net operating revenues	50,058
Selling, general and administrative expenses	35,336
Commissions and other transaction-related expenses	7,279
Compensation and benefits	17,602
Occupancy	4,412
Data processing and office supplies	2,484
Depreciation	1,714
Amortization of goodwill	15
Taxes and dues other than income taxes	495
Others	1,332
Operating profits	14,721
Non-operating revenues	825
Equity in profit of affiliated companies	28
Others	797
Non-operating expenses	1,116
Ordinary income	14,430
Non-ordinary profits	777
Non-ordinary losses	305
Profits before income taxes and minority interests in net profits	14,902
Income taxes - current	7,946
Income taxes - deferred	828
Minority interests in net profits	1
Net profits	6,125

**Note to consolidated financial statements**

The Company's quarterly consolidated financial statements are prepared in accordance with the "Regulation for Terminology, Forms and Preparation of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No.64, 2007) (the "Regulations"), as well as with the "Cabinet Office Ordinance Concerning Financial Instruments Business" (Cabinet Office Ordinance No.52, 2007), "Uniform Accounting Standards of Securities Companies" (approved by the board of directors of Japan Securities Dealers Association, November 14, 1974), 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 61 and Article 82 of the Regulations.

**Basis of consolidated financial statements**

## 1. Scope of consolidation

Consolidated subsidiaries: 22 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  
 Mizuho Investment Consulting (Shanghai) Co., Ltd.  
 Industrial Decisions, Inc.  
 Mizuho Securities Shinko Principal Investment Co., Ltd.

## 2. Application of equity method

Affiliates accounted for under equity method: 8 companies

## Name of major affiliates

Mobile Internet Capital Inc.  
 Japan Industrial Partners Inc.  
 Energy & Environment Investment, Inc.

## 3. Year ends of subsidiaries

Our subsidiaries have coterminous March 31 year end with the Company, except for Mizuho Investment Consulting (Shanghai) Co., Ltd. and other four subsidiaries, who have December 31 year end. Except for one company, March 31 financial statements are used for these subsidiaries with non-conterminous year end, with necessary adjustments made for the effect of significant transactions or events, if any, that occurred between the reporting date of the subsidiaries and that of the Company.

## 4. Accounting policies

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

The Company and its subsidiaries, through its trading activities, intend to contribute to the market for their liquidity and price discovery process.

The Company holds trading positions for the purpose 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:

- 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 (or losses) on other securities, net of taxes in net assets on the balance sheet.
- B. Other securities without market value  
Recorded at cost using moving average method.
- C. Investment in Investment Associations (Treated as securities by Article 2(2) of Securities and Exchange Law)  
Initially recorded at cost and subsequently adjusted to reflect the Company's share of the net profit or loss of the partnership based on the latest financial reports available.



(3) Depreciation method of significant assets

A. Tangible fixed assets

The Company and its domestic subsidiaries 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 (5-10 years) 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

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 and corporate officers 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 and corporate officers 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.

D. Reserve for retirement benefits for directors, operating officers and corporate auditors

Reserve for retirement benefits for directors, operating officers and corporate auditors is provided for future retirement benefits for them at the amount accrued at the end of the period, based on prescribed calculation method.

(6) Accounting for hedging transactions

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.

Interest rate swaps to hedge interest rate rise of borrowings are, when they qualify for exceptional treatment, accounted for under exceptional method as permitted under Japanese GAAP.

(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.

**Application of simplified accounting method and special accounting method for quarterly consolidated financial statements**

(Simplified accounting method for quarterly financial statements)

1. Depreciation method

Depreciation for tangible fixed assets under declining-balance method is calculated on a pro rata basis.

2. Tax computation

Corporation tax due is calculated on the same basis with annual financial statements . Only material items are included in calculating additions to/deductions from taxable income, and tax deductible items.

3. Assessment of recovery of deferred taxes assets

Deferred tax assets generated from temporary differences are in line with previous period end, and thus assumption for future profit and tax planning then used is applied at this quarter end.

(Special accounting methods for quarterly financial statements)

None

**Change in the basis of consolidated financial statements**

1. Accounting basis for quarterly financial statements

The company applied from this period "Accounting Standard for quarterly financial statements"(ASBJ Statement No. 12) and "Implementation Guidance for accounting standards for quarterly financial statements" (ASBJ Guidance No. 14). The effect on the consolidated financial statement is immaterial.

2. Accounting basis for lease transactions

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

The company applied from this period "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and "the Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No. 16), which is applicable to the fiscal period commencing on or after April 1, 2009, but early adoption is allowed.

Depreciation of assets under financing leases other than those for which the ownership of the leased property transfers to the lessee is calculated on declining-balance method over the period equal to lease period with the residual value of nil. Impact of change on such lease transactions commenced before adoption of this new rule is accounted for as non-ordinary profits or losses, and is not material.

3. Accounting for reserves under statutory requirements

With the introduction of Financial Instruments and Exchange Act, reserves previously provided for under "Securities transaction liability reserve" and "Futures transaction liability reserve" are now provided under "Financial Instruments Business liability reserve". This resulted in reduction of net losses for the quarter by 113 million yen.

4. Interest expenses on subordinated debt

Interest expenses on subordinated debts are previously reported as non-operating expenses . In order to reflect changes in the use of funds, they are now reported as interest expense.

Operating losses would have been smaller by 1,019 million yen if we had accounted it for as we have done previously. There is no impact on ordinary losses and net losses for the period.

**Notes**

(Notes on going concern)

None

(Notes on material change in Shareholders' equity)

On June 30, 2008, the Company reduced its common stock to 250,000 million yen, reduction of 145,146 million yen, its additional paid-in capital to 75,742 million yen, reduction of 325,288 million yen, and its Legal earned reserve to 27,250 million yen, reduction of 870 million yen to cover deficit in unappropriated retained earnings.

**Consolidated Financial Data**  
**(for three months ended June 30, 2008)**

## 1. Commission Income

## (1) Breakdown by categories

(Unit: Millions of yen)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Period-to-period comparison(%)	Year ended March 31, 2008
Brokerage commission	6,132	5,314	86.7%	20,039
(Stocks)	( 3,991 )	( 3,135 )	( 78.6% )	( 13,326 )
(Bonds)	( 2,139 )	( 2,177 )	( 101.7% )	( 6,701 )
Underwriting and selling commission	4,830	3,913	81.0%	16,345
(Stocks)	( 978 )	( 299 )	( 30.6% )	( 4,790 )
(Bonds)	( 3,852 )	( 3,518 )	( 91.3% )	( 10,651 )
Subscription and distribution commission	217	219	100.6%	2,134
(Stocks)	( - )	( - )	( - )	( 855 )
(Bonds)	( 10 )	( - )	( - )	( 371 )
(Investment trusts)	( 170 )	( 67 )	( 39.5% )	( 500 )
Other commissions received	6,018	4,749	78.9%	36,722
Total	17,200	14,196	82.5%	75,241

## (2) Breakdown by products

(Unit: Millions of yen)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Period-to-period comparison(%)	Year ended March 31, 2008
Stocks	4,994	3,491	69.9%	19,591
Bonds	6,696	5,928	88.5%	20,197
Investment trusts	1,012	721	71.3%	4,959
Others	4,496	4,055	90.2%	30,492
Total	17,200	14,196	82.5%	75,241

## 2. Trading profit / loss

(Unit: Millions of yen)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Period-to-period comparison(%)	Year ended March 31, 2008
Stocks	8,406	3,215	38.2%	(16,077)
Bonds, Foreign exchange and Others	19,027	(957)	-	(397,182)
Total	27,434	2,258	8.2%	(413,259)

(Reference Data)

Quarterly Trends in Consolidated Statements of Operations

(Unit: Millions of yen)

Description	Three months ended Jun. 30, 2007	Three months ended Sep. 30, 2007	Three months ended Dec. 31, 2007	Three months ended Mar. 31, 2008	Three months ended June 30, 2008
Operating Revenues	207,687	135,114	4,465	(123,590)	110,503
Commissions	17,200	17,827	16,108	24,105	14,196
Trading profits (losses)	27,434	(43,427)	(174,992)	(222,274)	2,258
Net gains (losses) on operating investment	776	3,258	(887)	241	1,589
Interest and dividend income	162,276	157,455	164,237	74,337	92,459
Interest Income	157,629	148,913	156,265	57,436	82,022
Net operating revenues (losses)	50,058	(13,799)	(151,799)	(181,026)	28,481
Selling, general and administrative expenses	35,336	33,447	34,315	30,626	31,844
Commissions and other transaction-related expenses	7,279	8,174	4,908	7,209	5,924
Compensation and benefits	17,602	16,847	18,944	11,404	15,720
Occupancy	4,412	4,133	4,626	4,609	4,531
Data processing and office supplies	2,484	1,495	1,843	2,054	1,445
Depreciation	1,714	1,737	2,159	2,059	2,272
Amortization of goodwill	15	15	15	7	-
Taxes and dues other than income taxes	495	367	507	725	390
Others	1,332	676	1,311	2,557	1,557
Operating Profits (losses)	14,721	(47,246)	(186,115)	(211,652)	(3,363)
Non-operating Revenues	825	847	625	729	362
Equity in profit of affiliated companies	28	358	185	(181)	32
Others	797	488	439	910	330
Non-operating expenses	1,116	1,456	1,781	2,051	4
Ordinary income (losses)	14,430	(47,856)	(187,272)	(212,974)	(3,004)
Non-ordinary profits	777	935	18,358	(190)	1,208
Non-ordinary losses	305	5,914	771	6,169	3,059
Profits (losses) before income taxes and minority interests in net profits (losses)	14,902	(52,834)	(169,685)	(219,334)	(4,856)
Income taxes - current	7,946	(5,864)	1,502	1,215	1,090
Income taxes - deferred	828	(13,782)	(1,543)	1,453	1,906
Minority interests in net profits (losses)	1	(0)	3	(43)	(49)
Net profits (losses)	6,125	(33,186)	(169,647)	(221,960)	(7,802)

## Reference

**Nonconsolidated Balance Sheets**  
**(As of June 30, 2008)**

(Unit: Millions of yen)

Descriptions	As of June 30, 2008	As of March 31, 2008
Assets		
Current assets	9,813,352	12,476,240
Cash and deposits	12,612	39,462
Cash segregated as deposits	24,020	16,915
Trading assets	5,635,920	7,543,860
Trading securities and others	5,185,972	7,002,202
Loan assets	38,163	40,279
Derivative transactions	411,785	501,379
Operating investment securities	30,370	33,433
Operating loan receivables	2,022	2,012
Margin transaction assets	122	1,974
Loans secured by securities	3,914,894	4,657,424
Payments for subscription	-	820
Guarantee deposits	94,785	99,606
Variation margin paid	-	8,644
Short-term loans	64,346	27,915
Accrued income	15,380	22,460
Tax refundable	7,267	5,949
Short-term deferred tax assets	8,823	11,497
Others	2,786	4,267
Allowance for doubtful accounts	(0)	(4)
Fixed assets	221,650	218,791
Tangible fixed assets	10,248	10,435
Buildings	2,836	2,846
Furniture and fixtures	7,412	7,588
Intangible fixed assets	13,382	12,370
Software	13,334	12,320
Others	48	49
Investments and other assets	198,018	195,986
Investment securities	7,913	7,260
Investment in affiliates	148,571	148,781
Long-term loan to affiliates	8,970	8,970
Long-term guarantee deposits	7,059	6,197
Long-term prepaid expenses	1,307	1,397
Long-term deferred tax assets	22,816	22,018
Others	1,379	1,361
Allowance for doubtful accounts	(0)	(0)
<b>Total assets</b>	<b>10,035,003</b>	<b>12,695,032</b>

(Unit: Millions of yen)

Descriptions	As of June 30, 2008	As of March 31, 2008
<b>Liabilities</b>		
Current liabilities	8,931,233	11,561,216
Trading liabilities	3,495,422	4,155,816
Trading securities and others	3,117,981	3,655,375
Derivative transactions	377,441	500,440
Payable - unsettled trades	28,531	197,253
Margin transaction liabilities	43,016	7,771
Borrowings secured by securities	3,047,777	4,118,380
Deposits received	19,473	14,974
Cash collateral received from customers	24,324	34,789
Securities: fails to receive	0	6
Variation margin received	8,974	-
Short-term borrowings	1,925,553	2,658,236
Commercial paper	223,200	287,900
Short-term bonds and notes	99,000	65,700
Advance receipt	0	11
Accrued expenses	14,828	16,698
Reserve for bonuses	850	3,243
Others	278	433
Fixed liabilities	772,164	805,636
Bonds and notes	284,600	331,100
Long-term borrowings	258,026	244,878
Long-term borrowings from affiliates	222,000	222,000
Reserve for retirement benefits	6,949	7,189
Reserve for retirement benefits for directors, operating officers and corporate auditors	496	468
Others	92	-
Statutory reserves	1,416	2,027
Financial Instruments Business liability reserve	1,416	-
Securities transaction liability reserve	-	1,922
Futures transaction liability reserve	-	104
<b>Total liabilities</b>	<b>9,704,815</b>	<b>12,368,880</b>
<b>Net Assets</b>		
Shareholders' equity	329,108	325,742
Common stock	250,000	395,146
Capital surplus	75,742	325,288
Additional paid-in capital	-	325,288
Other capital surplus	75,742	-
Retained earnings	3,366	(394,692)
Legal earned reserve	-	870
Voluntary reserve	3,366	(395,562)
Other reserve	-	1,500
Unappropriated retained earnings	3,366	(397,062)
Revaluation/translation difference	1,079	409
Net unrealized gains on other securities, net of taxes	1,079	409
<b>Total net assets</b>	<b>330,187</b>	<b>326,151</b>
<b>Total liabilities and net assets</b>	<b>10,035,003</b>	<b>12,695,032</b>

Nonconsolidated Statements of Operations(for the three months ended June 30, 2008)

(Unit: Millions of yen)

Descriptions	Three months ended June 30, 2008
Operating Revenues	33,739
Commissions	9,427
Trading profits	10,977
Net gains on operating investment securities	474
Interest and dividend income	12,858
Interest expenses	11,595
Net operating revenues	22,143
Selling, general and administrative expenses	18,125
Commissions and other transaction-related expenses	3,504
Compensation and benefits	7,290
Occupancy	3,888
Data processing and office supplies	785
Depreciation	1,729
Taxes and dues other than income taxes	360
Others	567
Operating profits	4,018
Non-operating revenues	3,582
Non-operating expenses	1
Ordinary income	7,599
Non-ordinary profits	1,210
Non-ordinary losses	3,055
Profits before income taxes	5,755
Income taxes - current	29
Income taxes - deferred	2,359
Net profits	3,366

Nonconsolidated Statements of Operations(for the three months ended June 30, 2007)

(Unit: Millions of yen)

Descriptions	Three month ended June 30, 2007
Operating revenues	42,446
Commissions	14,109
Trading profits	18,213
Net gains on operating investment securities	937
Interest and dividend income	9,185
Interest expenses	8,752
Net operating revenues	33,693
Selling, general and administrative expenses	20,805
Commissions and other transaction-related expenses	5,572
Compensation and benefits	8,002
Occupancy	3,639
Data processing and office supplies	1,449
Depreciation	1,077
Amortization of goodwill	15
Taxes and dues other than income taxes	489
Others	558
Operating profits	12,888
Non-operating revenues	9,351
Non-operating expenses	1,016
Ordinary income	21,223
Non-ordinary profit	6
Non-ordinary loss	187
Profits before income taxes	21,042
Income taxes - current	6,798
Income taxes - deferred	962
Net profits	13,280



**Notes to nonconsolidated balance sheets**

1. Accumulated depreciation of tangible fixed assets	As of Jun. 30, 2008	(Unit: millions of yen) As of Mar. 31, 2008
	<u>9,749</u>	<u>9,266</u>
2. Subordinated debt		
Bonds, notes, long-term borrowings, and long-term borrowings from affiliates include Subordinated debts provided in Article 176 of "Cabinet Office Ordinance Concerning Financial Instruments Business " (Cabinet Office Ordinance No.52, 2007), and the amounts are as follows.	As of Jun. 30, 2008	(Unit: millions of yen) As of Mar. 31, 2008
Subordinated bonds (Bonds and notes)	<u>40,000</u>	<u>40,000</u>
Subordinated borrowings (Long-term and Short-term borrowings, Long-term borrowings from affiliates)	236,000	236,000
3. Loan balance as per "Money Lending Business Law" (Law 32, 1983)	As of Jun. 30, 2008	(Unit: millions of yen) As of Mar. 31, 2008
	<u>3,523</u>	<u>2,028</u>

**Notes to nonconsolidated statements of operations**

1. Net profits or losses per share	(Unit: yen) Three months ended Jun. 30, 2008
	<u>503.58</u>
2. Details of non-ordinary income / losses	(Unit: millions of yen) Three months ended Jun. 30, 2008
Non-ordinary profits	<u>595</u>
Gain from sales of investment securities	610
Release of Financial Instruments Business liability reserve	3
Release of allowance for doubtful accounts	
Non-ordinary losses	Three months ended Jun. 30, 2008
Loss on sale or disposal of fixed assets	<u>69</u>
Loss on sale of leased assets	40
Loss on sale of investment securities	0
Merger-related expenses	1,063
Early retirement plan benefit	1,880

**Nonconsolidated Financial Data**  
**(for the three months ended June 30, 2008)**

## 1. Commission Income

## (1) Breakdown by categories

(Unit: Millions of yen)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Period-to-period comparison(%)	Year ended March 31, 2008
Brokerage commission	1,810	1,299	71.8%	6,274
( Stocks )	( 1,670 )	( 1,228 )	( 73.5% )	( 5,823 )
( Bonds )	( 135 )	( 67 )	( 49.7% )	( 431 )
Underwriting and selling commission	4,128	2,914	70.6%	14,725
( Stocks )	( 978 )	( 76 )	( 7.9% )	( 4,537 )
( Bonds )	( 3,150 )	( 2,742 )	( 87.0% )	( 9,284 )
Subscription and distribution commission	217	219	100.6%	2,145
( Stocks )	( - )	( - )	( - )	( 866 )
( Bonds )	( 10 )	( - )	( - )	( 371 )
( Investment trusts )	( 170 )	( 67 )	( 39.5% )	( 500 )
Other commissions received	7,951	4,994	62.8%	36,668
Total	14,109	9,427	66.8%	59,813

## (2) Breakdown by products

(Unit: Millions of yen)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Period-to-period comparison(%)	Year ended March 31, 2008
Stocks	3,408	1,925	56.5%	13,976
Bonds	5,780	4,046	70.0%	18,108
Investment trusts	1,015	723	71.2%	4,968
Others	3,904	2,732	70.0%	22,759
Total	14,109	9,427	66.8%	59,813

## 2. Trading profit / loss

(Unit: Millions of yen)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Period-to-period comparison(%)	Year ended March 31, 2008
Stocks	6,372	2,980	46.8%	(12,362)
Bonds	11,748	6,677	56.8%	(26,813)
Others	92	1,319	-	12,783
(of which Foreign exchange)	( -912 )	( 3,654 )	( - )	( 13,737 )
Total	18,213	10,977	60.3%	(26,393)

## 3. Capital adequacy ratio

(Unit: Millions of yen)

		Three months ended June 30, 2007	Three months ended June 30, 2008	Year ended March 31, 2008
Basic capital	(A)	376,883	329,108	325,742
Supplementary Capital	Unrealized gain on other securities, net of taxes	23,684	1,079	409
	Statutory reserves	2,027	1,416	2,027
	Allowance for doubtful accounts	2	0	4
	Long-term subordinated debt	89,000	151,000	153,000
	Short-term subordinated debt	89,000	125,000	123,000
	Total	(B) 203,715	278,496	278,441
Deduction: Disallowed assets	(C)	244,082	231,295	228,333
Capital after deductior	(A) + (B) - (C)	(D) 336,516	376,310	375,849
Amount of risks	Market risk	97,501	84,228	90,833
	Counterparty risk	11,940	18,013	21,171
	Basic risk	23,105	29,182	28,802
	Total	(E) 132,547	131,423	140,808
Capital adequacy ratio	(D)/(E)	253.8%	286.3%	266.9%

(note) 1. Market risk is calculated with internal market risk model.

2. Details of long-term and short-term subordinated debts are as below:

(Unit: Millions of yen)

	Date of issue/borrowing	Maturity/Due date	Amount	Short/Long	Notes
Subordinated bonds	March 19, 2004	March 19, 2009	40,000	Short-term	Lump sum
Subordinated borrowings	March 19, 2004	March 19, 2009	11,000	Short-term	Final payment
	March 29, 2005	April 20, 2015	20,000	Long-term	Lump sum
	May 30, 2006	May 30, 2016	10,000	Long-term	Lump sum
	May 30, 2006	March 31, 2010	5,000	Short-term	Installment
		March 31, 2011	5,000		
		March 31, 2012	2,000	Short-term	
			3,000	Long-term	
	March 31, 2013	3,000	Short-term	Final payment	
		15,000			Long-term
		12,000	Long-term		
		12,000	Long-term		
	September 28, 2006	September 28, 2010	5,000	Short-term	Installment
		September 28, 2011	5,000		
		September 28, 2012	1,000	Short-term	
			4,000	Long-term	
	September 28, 2013	15,000	Long-term	Final payment	
	January 31, 2007	January 31, 2011	5,000	Short-term	Installment
		January 31, 2012	5,000		
		January 31, 2013	1,000	Short-term	
			4,000	Long-term	
January 31, 2014	15,000	Long-term	Final payment		
July 20, 2007	July 20, 2011	5,000	Short-term	Installment	
	July 20, 2012	5,000			
	July 20, 2013	5,000	Long-term		
		35,000			Final payment
March 28, 2008	April 28, 2013	2,000	Short-term	Installment	
		8,000			
	April 28, 2014	10,000	Long-term		
April 28, 2015	10,000	Long-term	Final payment		
March 28, 2008	February 28, 2012	10,000	Short-term	Installment	
	February 28, 2013	15,000		Final payment	
Long-term subordinated debts total			151,000		
Short-term subordinated debts total			125,000		

Quarterly Trends in Nonconsolidated States of Operations

(Unit: Millions of yen)

Descriptions	Three months ended Jun. 30, 2007	Three months ended Sep. 30, 2007	Three months ended Dec. 31, 2007	Three months ended Mar. 31, 2008	Three months ended Jun. 30, 2008
Operating Revenues	42,446	15,290	26,718	9,460	33,739
Commission	14,109	15,402	12,227	18,074	9,427
Trading profits (losses)	18,213	(16,132)	1,022	(29,496)	10,977
Net gains (losses) on operating investment securities	937	3,311	(843)	2,220	474
Interest and dividend income	9,185	12,710	14,311	18,662	12,858
Interest expense	8,752	10,027	12,297	13,122	11,595
Net operating revenues (losses)	33,693	5,263	14,420	(3,661)	22,143
Selling, general and administrative expenses	20,805	20,004	19,172	19,986	18,125
Commissions and other transaction- related expenses	5,572	6,700	4,838	4,544	3,504
Compensation and benefits	8,002	6,214	6,791	7,006	7,290
Occupancy	3,639	3,362	3,923	4,197	3,888
Data processing and office supplies	1,449	1,545	1,166	1,244	785
Depreciation	1,077	1,193	1,474	1,740	1,729
Amortization of goodwill	15	15	15	15	-
Taxes and dues other than income taxes	489	343	482	697	360
Others	558	630	480	541	567
Operating profits (losses)	12,888	(14,741)	(4,751)	(23,648)	4,018
Non-operating revenues	9,351	207	306	923	3,582
Non-operating expenses	1,016	1,214	1,812	2,125	1
Ordinary income (losses)	21,223	(15,748)	(6,258)	(24,850)	7,599
Non-ordinary profits (losses)	6	(0)	18,362	83	1,210
Non-ordinary losses	187	460	191,379	247,047	3,055
Profits (losses) before income taxes	21,042	(16,209)	(179,275)	(271,813)	5,755
Income taxes - current	6,798	(6,475)	771	(116)	29
Income taxes - deferred	962	(126)	(1,619)	(8,591)	2,359
Net profits (losses)	13,280	(9,607)	(178,427)	(263,106)	3,366

## [Reference] Breakdown of securitization products (Mizuho Securities (including overseas subsidiaries))

(JPY Bn, round figures)  
[Managerial accounting basis]

		Balances as of Mar. 31, 2008	Marks (%) as of Mar. 31, 2008	Balances as of Jun. 30, 2008	Marks (%) as of Jun. 30, 2008	Realized Gains/Losses for 1Q
		(Fair Value)	(=Fair Value/Face Value)	(Fair Value)	(=Fair Value/Face Value)	
1	<b>Foreign currency denominated securitization products</b>	<b>105</b>	<b>22</b>	<b>47</b>	<b>13</b>	<b>-9</b>
2	<b>A B S C D O s, C D O s (*1)</b>	<b>50</b>	<b>18</b>	<b>12</b>	<b>5</b>	<b>-10</b>
3	C D O s backed by R M B S	24	10	(*2) 12	5	-10
4	Hedged by C D S with a non-investment grade financial guarantor	11	17	6	8	-5
5	C D O s except above (*3)	26	83	-	-	0
6	C D O s backed by C M B S	0	8	-	-	0
7	Hedged by C D S with a non-investment grade financial guarantor	-	-	-	-	-
8	<b>R M B S</b>	<b>53</b>	<b>27</b>	<b>7</b>	<b>11</b>	<b>0</b>
9	R M B S backed by US subprime mortgage loans	15	31	1	15	-0
10	R M B S except above (R M B S backed by mid-prime loans, prime loans and others)	38	26	6	10	0
11	<b>A B S, C L O s and others</b>	<b>2</b>	<b>67</b>	<b>28</b>	<b>91</b>	<b>0</b>
12	C L O s (*3)	2	73	27	92	0
13	C M B S	0	43	0	45	0
14	<b>Foreign currency denominated securitization products + JPY denominated securitization products</b>	<b>351</b>		<b>272</b>		<b>-11</b>

(\*1) CDO exposures hedged by CDS with a non-investment grade\* US financial guarantor (monoline), net of allowances.

\*based on external ratings as of Mar. 31, 2008 or Jun. 30, 2008

(\*2) The proportion of US subprime mortgage loan-related assets to the total underlying assets was approximately 20%.

(\*3) Re-classified the securitization products, which had been categorized in line 5 in the above table as of Mar. 31, 2008, to line 12 as of Jun. 30, 2008, after a review of the definition of each category.