



April 28, 2010

Summary of Financial Statements for the Fiscal Year Ended March 31, 2010

Listed company's name: **Mizuho Securities Co., Ltd.**

Listed on: 1st sections of TSE, OSE, NSE

Stock code: 8606

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

Representative: Keisuke Yokoo, President

Contact: Tetsuya Gonda, General Manager of Accounting Dept. on +81 3-5208-3210

Scheduled date of annual shareholders meeting: June 22, 2010

Scheduled date of dividend payment: June 23, 2010

Scheduled date of filing of financial report: June 23, 2010

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(Amounts are rounded down to the nearest million yen)

(1) Consolidated operating results

(Percentage figures represent year-on-year changes)

	Operating revenue		Net operating revenue		Operating income		Ordinary income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2010	312,161	-	250,401	-	30,887	-	33,073	-
Year ended March 31, 2009	107,080	(26.9)	93,500	(27.3)	(15,861)	-	(14,219)	-

	Net income		Net income per share	Net income per share - fully diluted	Return on Equity
	million yen	%	yen	yen	%
Year ended March 31, 2010	127,064	-	83.37	83.33	30.3
Year ended March 31, 2009	(13,468)	-	(17.42)	-	(5.2)

Reference: Equity in net loss of affiliated companies: Year ended March 31, 2010: 293 million yen
Year ended March 31, 2009: 92 million yen

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2010	20,951,031	598,988	2.7	361.84
March 31, 2009	2,713,634	249,921	9.0	315.13

Reference: Equity (i.e. "Shareholders' equity" and "Valuation and translation adjustments"):

March 31, 2010: 574,775 million yen

March 31, 2009: 243,595 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Year ended March 31, 2010	56,574	(30,323)	(72,176)	195,206
Year ended March 31, 2009	11,193	12,167	60,654	171,890

2. Dividends

	Dividend per share					Total Cash dividends	Dividends Pay-out Ratio (Consolidated basis)	Dividends on Net Assets (Consolidated basis)
	As of Jun.30	As of Sep.30	As of Dec.31	As of Mar.31	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2009	-	-	-	3.00	3.00	2,318	-	0.9
Year ended March 31, 2010	-	-	-	5.00	5.00	7,942	6.0	1.5
Year ending March 31, 2011 (forecast)	-	-	-	-	-		-	

Notes1: Breakdown of dividend per share for the year ended March 31, 2010: commemorative dividend 2 yen.

Notes2: Dividend for the year ending March 31, 2011 are yet to be determined.

3. Forecast of Consolidated Earnings for the year ending March 31, 2011 (April 1, 2010 to March 31, 2011)

Because the main business activity of the Mizuho Securities Co., Ltd (the "Company") and its subsidiaries (collectively the "Group") is the securities business, our earnings are strongly influenced by market conditions, therefore we do not announce forecasts of business results.

4. Other Information

- (1) Changes in significant subsidiaries (changes to the scope of consolidation) during the period: Yes
 Newly consolidated: 2 companies (Mizuho Securities UK Holdings Ltd, Mizuho International plc)
 Excluded from the scope of consolidation: None
 Note: For details, see II. Our Corporate Group on page 9.
- (2) Changes in accounting principles, procedures and methods of presentation applicable to the preparation of consolidated financial statements. (To be described in "Changes in Basic Important Matters for Preparation of Consolidated Financial Statements"):
 1) Changes in accordance with revisions of accounting standards: None
 2) Changes other than 1) above: Yes
 Note: For details, see "Changes in Basic Important Matters for Preparation of Consolidated Financial Statements" on page 26.
- (3) Number of shares issued and outstanding (common stock)
 - 1) Number of shares issued at end of the period (treasury stock included):
 March 31, 2010: 1,626,688,683 shares
 March 31, 2009: 811,118,683 shares
 - 2) Number of treasury stock at end of the period:
 March 31, 2010: 38,190,470 shares
 March 31, 2009: 38,116,521 shares
 Note: Please refer to "Per share information" on page 37 for the number of shares, based on which "Net income per share" of common stock (consolidated basis) was calculated.

(Reference) Summary of Non-consolidated Financial Statements for the year ended March 31, 2010

1. Financial highlights for the year ended March 31, 2010

(1) Non-consolidated operating results

(Percentage figures represent year-on-year changes)

	Operating revenue		Net operating revenue		Operating income		Ordinary income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2010	216,979	-	190,658	-	20,967	-	22,998	-
Year ended March 31, 2009	99,960	(26.8)	86,588	(27.3)	(17,002)	-	(14,490)	-

	Net income		Net income per share	Net income per share
	million yen	%	yen	yen
Year ended March 31, 2010	18,195	-	11.97	11.96
Year ended March 31, 2009	(13,130)	-	(16.98)	-

(2) Non-consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share	Capital adequacy requirement ratio
	million yen	million yen	%	yen	%
March 31, 2010	11,253,928	583,425	5.2	367.05	352.3
March 31, 2009	2,687,986	235,053	8.7	304.08	345.5

Reference: Equity: March 31, 2010: 583,058 million yen March 31, 2009: 235,053 million yen

*Appropriate Use of Financial Forecasts and Other Important Matters

- The company's basic dividend policy calls for dividends to be determined flexibly based on earnings. However, producing adequate forecasts of earnings is difficult since the Group is mainly involved in the securities business, and earnings are significantly affected by changes in market conditions and other factors. Dividends forecasts are therefore not available as of the date of this report.
- The consolidated financial statements for this fiscal year (April 1, 2009 to March 31, 2010) were prepared pursuant to the Consolidated Financial Statements Regulation in accordance with the proviso to Article 3, Paragraph 1, Item 1 and 4 of the supplementary provisions of the "Cabinet Office Ordinance for Amendments to the Regulation for Terminology, Forms, and Preparation of Financial Statements" (Cabinet Office Ordinance No. 5, March 24, 2009). And the non-consolidated financial statements for this fiscal year were prepared pursuant to the amended Financial Statements Regulation in accordance with the proviso to Article 2, Paragraph 1, Items 1 of the aforementioned supplementary provisions.

Notes:

1. Results of operations

The Company merged with the former Mizuho Securities on May 7, 2009. Due to the fact that the merger is categorized as a reverse acquisition, the consolidated business results for the year ended March 31, 2010 (April 1, 2009 through March 31, 2010) were prepared by combining the consolidated business results of the former Mizuho Securities for the period from April 1, 2009 through May 6, 2009 with the consolidated business results of the Company for the period from May 7, 2009 through March 31, 2010. As a result, year-on-year comparisons are not provided.

2. Net income per share for the fiscal year ended March 31, 2010

The average number of shares during the period is calculated using the number of issued shares allocated to shareholders of the former Mizuho Securities Co., Ltd. at the time of the merger on May 7, 2009 (from April 1, 2009 to May 6, 2009), and that of shares outstanding by new Mizuho Securities Co., Ltd. (from May 7, 2009 to March 31, 2010).

I. Business Results

1. Analysis of consolidated business results

The Japanese economy embarked on recovery in fiscal 2009, largely by virtue of economic stimulus and inventory cycle dynamics. Economic activity continued to pick up throughout the fiscal year, particularly exports and production. However, with companies continuing to clamp down on capital investment and employment, domestic demand was sluggish. Overall, the pace of economic recovery was subdued. In the equity market, the Nikkei 225 Average rebounded from around 8300 yen at the start of fiscal 2009 to a high of 10639 yen in late August, lifted by economic recovery hopes and US financial stabilization. The equity market subsequently came under pressure from yen appreciation, uncertainty about the new ruling party's policy agenda, and concerns about deterioration in the equity market's supply-demand balance due to a surge in equity offerings. The Nikkei dipped to the vicinity of 9000 yen before rebounding sharply into year-end 2009 as the yen stabilized in response to renewed monetary easing by the Bank of Japan. The equity market rally was interrupted by a correction from January, but it nonetheless remained intact, aided by equity market gains in the US and elsewhere. The Nikkei ended fiscal 2009 at an 18-month high above 11000 yen. In the bond market, the 10-year JGB yield rose to a fiscal 2009 high in the mid 1.5–1.6% range in early June 2009 amid mounting expectations that interest rates were set to rise in the wake of the equity market's recovery rally and rising US long-term interest rates. Although interest rates subsequently encountered temporary upward pressure at times, they generally remained stable for the remainder of the fiscal year by virtue of continued monetary easing by the Bank of Japan and a favorable supply-demand environment. Ten-year JGBs ended fiscal 2009 yielding 1.4%.

Overseas, the US economy continued to recover from summer 2009, led by the corporate sector, despite continued adverse employment conditions. The US economic recovery was largely driven by massive economic stimulus and the turning of inventory cycle. In Europe, economic conditions likewise improved, albeit slowly and chiefly in the corporate sector. The US equity market remained in an uptrend fueled by resurgent risk appetite amid expectations of recovery in the US economy and corporate earnings and speculation that interest rates will remain low for a prolonged period. European equity markets also continued to recover in parallel with US equities. In the US bond market, the benchmark Treasury yield has remained elevated since last summer, reflecting speculation about the timing of the Fed's exit strategy and concerns about deterioration in the Treasury market's supply-demand balance due to growth in the fiscal deficit. In Europe, government bond yields have diverged markedly among countries, reflecting sovereign risk concerns triggered by Greece's fiscal difficulties.

Under such business environment, for the year ended March 31, 2010, our Group achieved consolidated operating revenue of 312,161 million yen, ordinary income of 33,073 million yen and a net income of 127,064 million yen. An overview of our financial performance is shown below.

(1) Commissions and fees received

Total commissions and fees for the fiscal year ended March 31, 2010, totaled 145,822 million yen. A breakdown appears below.

• Brokerage commissions

Daily trading volume on the First and Second Sections of the Tokyo Stock Exchange averaged 1,535.5 billion yen for the fiscal year ended March 31, 2010. The Company's brokerage trading volume was 14,835 million shares, with an aggregate value of 10,418.2 billion yen and the Group's brokerage commissions on equity trades totaled 27,468 million yen.

• Fees and commissions from underwriting, selling, and solicitations to qualifying investors

In the equity issuance market, we were lead underwriters for public offerings and share placements for 13 companies, including two initial public offerings. As a result, the Group earned 26,531 million yen in equity underwriting/placement fees and commissions.

In the fixed income securities issuance market, we were sole lead or joint lead underwriters for 161 straight corporate bond issues. As a result, we earned 16,854 million yen of bond underwriting/placement fees and commissions.

• Offering, selling, and other fees and commissions, and commissions from solicitation to qualifying investors

These fees and commissions predominately comprise fees and commissions on investment trust sales and secondary

offerings.

With financial jitters receding and expectations of economic recovery mounting, we offered new investment trust products intended to benefit from declining credit risk and favorable income returns. These new products most notably include the Global CB Fund, an investment trusts that invest in convertible bonds internationally, and the Mizuho Hybrid Securities Fund (Currency Select Type), which invests in hybrid securities.

Other notable new fund products that we offered in fiscal 2009 include the Australian Dollar Principal-Protected dbX-Paulson Performance-Linked Fund (2009-10), a foreign investment trust that aims to earn investment returns mainly from event-driven strategies and ensure a full return of principal denominated in Australian dollars at redemption, and the Mizuho World Real Estate Fund (Currency Select Type), which pursues returns from recovery in real estate securities markets and expectations of their future growth.

With Asian markets increasingly garnering attention, we also offered a new Asian Securities Fund. Additionally we offered Mizuho Global Macro Fund (2010-04) that aims to investment return using global macro type strategy.

Meanwhile, we continued to sell our existing investment trust products, mainly funds focused on the financial sector and emerging markets, particularly the BRICs.

For the year ended March 31, 2010, offering, selling and other fees and commissions totaled 22,348 million yen.

• Other commissions and fees

Other commissions and fees include investment trust service fees, sales commissions on wrap accounts and annuities, and M&A and IPO advisory fees. For the fiscal year ended March 31, 2010, other commissions totaled 46,486 million yen.

(2) Gains on trading

Net trading gains on equities were 25,341 million yen, and net trading gains on bonds and others were 38,782 million yen. Net trading gains for the fiscal year ended March 31, 2010 totaled 64,124 million yen.

(3) Financial income and expenses

Financial income amounted to 102,868 million yen, and financial expenses totaled 61,760 million yen, resulting in net financial income of 41,108 million yen.

(4) Selling, general and administrative expenses

Selling, general and administrative expenses totaled 219,513 million yen.

(5) Extraordinary gain and loss

Extraordinary gain of 111,236 million yen includes a 110,219 million yen gain on the negative goodwill. Extraordinary losses include 5,892 million yen in merger-related expenses and a 1,735 million yen loss on disposal of fixed assets. The net resulted in extraordinary gains of 102,844 million yen.

2. Analysis of consolidated financial position

(1) Analysis of assets, liabilities and net assets

Total consolidated assets at March 31, 2010, stood at 20,951,031million yen, an increase of 18,237,396million yen from the end of last fiscal year (March 31, 2009) due to merger with former Mizuho Securities Co., Ltd.

Consolidated current assets at March 31, 2010, stood at 20,690,688million yen, an increase of 18,090,770 million yen from the end of last fiscal year.

Total consolidated liabilities at March 31, 2010, stood at 20,352,043million yen, an increase of 17,888,329million yen from the end of last fiscal year.

Consolidated net assets ended the period at 598,988million yen, an increase of 349,066million yen from the end of last fiscal year. As a result, equity ratio was 2.7%.

(2) Analysis of cash flow

Net cash flow provided by operating activities totaled 56,574 million yen due to a 3,122,706 million yen increase in the collateralized short-term financing agreements (payables), despite a 2,405,121 million yen increase in the collateralized short-term financing agreements (receivable). Net cash used in investing activities totaled 30,323 million yen, reflecting a payment of 7,610 million yen to acquire intangible fixed assets, and a payment of 11,603 million yen to acquire investment securities. Net cash used in financing activities amounted to 72,176 million yen due to a 133,439 million yen decrease in short-term borrowings, despite a 34,100 million yen increase in commercial paper and 47,805 million yen increase in long-term borrowings. As a result of a 150,195 million yen increase in cash and cash equivalents resulting from the merger, cash and cash equivalents at fiscal year-end totaled at 195,206 million yen.

3. Our basic policy regarding profit distribution and dividends for the current/next year

We will continue to maximize our corporate value and pursue steady and higher rates of returns to shareholders by putting more priority on enriching retained earnings in order to prepare for further business development in the turbulent market environment.

In addition to the above policy, we would like to propose a commemorative dividend for the 1st anniversary of the merger to express appreciation to support from shareholders. Therefore a dividend as at end of this fiscal year is planned to be an ordinary dividend of 3 yen per share plus a commemorative dividend of 2 yen per share for, in total, a dividend of 5 yen per share.

4. Risk related to business, etc.

This section describes various risks related to the Group's business that may be of material importance to investors in making investment decisions. In addition, and with a view to actively disclose information related to matters that may be materially important to investors in making investment decisions, we have also disclosed below certain other matters not related to risk factors. The Group, aware of the implications of these risks, endeavors to avoid them, and strives to deal effectively with events arising as a result of such risks and other factors, should they occur. Some of the views presented below are related to potential future events, and it should be noted that such views are based on the Company's best judgment as of the release date of this financial report.

(1) Risk related to fluctuations in securities and other prices

(i) Risk related to trading operations

The Group is involved in the trading of various financial products, including derivatives. Fluctuations in stock prices, interest rates and exchange rates may affect the Group's business results and financial position.

(ii) Risk related to underwriting operations

The Group conducts underwriting operations for equities and bonds. When portions of these securities remain unsubscribed after offerings, this may affect their market price resulting in a loss on sale or appraisal. This has the potential to affect the Group's business results and financial position.

(iii) Operating investment securities

The Group has certain investments in limited partnerships and investments related to its venture capital business. Devaluations or appraisal losses of such investments may occur in conjunction with defaults of investee companies, and this may affect the Group's business results and financial position.

(iv) Investment securities

The Group purchases certain stocks and other investment securities with the intention of holding them for extended periods. Devaluations of investment capital and appraisal losses may occur in conjunction with falls in stock prices, and this may affect the Group's business results and financial position.

(2) Risk related to deteriorating creditworthiness of trading counterparties

Default and other problems at counterparties may result in losses due to nonperformance of swap contracts, impairment of bond principal on bonds held, delays in interest payments, and other factors. This may affect the Group's business results and financial position.

(3) Risk related to reduction in market size

Stock market slumps may result in a decline in transaction volumes and reductions in stock brokerage commissions. The primary market may also be similarly affected and may in turn, affect the Group's business results and financial position.

(4) Risk originating from subsidiaries

The Company maintains certain subsidiaries, the performance and financial position of these subsidiaries may be negatively affected by changes in the securities market conditions, real estate market, or by other factors, and this has the potential to affect the business results and financial position of the Group.

(5) Systems risk and other operational risks

In accordance with its basic policy on systems risk management, the Group works to bolster security with the objective of preventing systems malfunction, improper or unauthorized computer use, and other incidents. However, incidents such as unauthorized access from external sources; fires, problems with electrical or communication lines, and other

problems, depending on their scale, may interfere with the operations of the Group, and thus may affect our business results and financial position.

The Company works to ensure the availability of thorough operating manuals in all business areas, as well as to strengthen and enhance its compliance systems. However, negligence by executives and employees in carrying out responsibilities, accidents, improper dealings, or other negative incidents caused by executives or employees have the potential to generate losses and interfere with the operations of the Group. This may affect our business results and financial position.

(6) Risk related to legal compliance

The Group regards compliance as one of its most crucial managerial issues, and makes constant efforts to strengthen it. However, the violation of laws and regulations by executives or employees, whether intentional or unintentional, may damage our relationship of trust with clients. Moreover, the violation of laws and regulations by the Group as a corporation may result in orders from regulatory authorities that restrict or force us to cease our operations, and this may result in lawsuits being brought against us by clients as well as the payment of damages. Such occurrences have the potential to affect our business results and financial position.

(7) Risk related to the management of client and other information

The Group strives to enhance awareness about how personal and confidential information should be managed among its executives and employees by establishing internal regulations and by providing education and knowledge. However, the leaking of client and other information has the potential to significantly damage the Group's reputation, and such a situation may affect our business results and financial position.

(8) Risk related to the lowering of credit ratings and the worsening of credit terms

The lowering of our credit rating by a rating agency could cause restrictions to be applied on terms for obtaining credit and increase costs associated with procuring capital and funds. This has the potential to affect our business results and financial position.

(9) Risk related to the capital adequacy ratio

Pursuant to the Financial Instruments and Exchange Act, financial instruments business operators are required to maintain capital adequacy ratios of 120% or higher. In the event that the Company is unable to maintain this capital adequacy ratio, it may be ordered to cease operations or be subject to other measures. Furthermore, should our capital adequacy ratio decrease significantly due to, for example, the posting of a loss as a result of a deterioration in the business environment, this may inhibit our ability to actively take risks in the pursuit of earnings and result in the Company foregoing profitable opportunities. The Company's operating activities may be affected as a result, and this has the potential to affect our business results and financial position.

(10) Changes in the legal system

The Group conducts its operations in accordance with regulations in effect at the time. Future changes to laws, regulations, political policies, customary practices, interpretations, or other social standards could result in situations that affect the execution of the Group's operations, and may affect our business results and financial position.

(11) Competition

In financial and capital markets in Japan, the shift from saving to investing is steadily accelerating and there is a transition toward market-based financial systems. This has led to the entry of companies from other industries into the market, adding to competition from within the securities industry, thus further intensifying competition. In the event that the Group is unable to establish a competitive edge in such an environment, the Group's business results and financial position may be affected.

(12) Retirement benefit obligations

The Group's employee retirement benefit costs and obligations are calculated according to certain assumptions regarding the discount rate and expected rate of return on pension assets, and other factors relevant to the calculation. In the event that actual results differ from assumptions due to, for example, a reduction in the yield on pension assets or a decline in their market values, or in the event that initial assumptions are altered, this will affect the future value of these costs and obligations.

(13) Event risk

The Group conducts business activities at branch and business offices both within Japan and overseas. Acts of terrorism,

disasters, or other events may force the Group to discontinue part or all of its business activities. This may cause changes in the Group's business results and financial position.

(14) Stock exchange listings

In conjunction with the merger between the former Mizuho Securities and Shinko Securities effective May 7, 2009, the Tokyo Stock Exchange, Osaka Securities Exchange, and Nagoya Stock Exchange are each requiring the combined company to submit to an examination to determine whether it complies with their new listing criteria by March 31, 2013, on the grounds that the merger resulted in an effective loss of continuity.

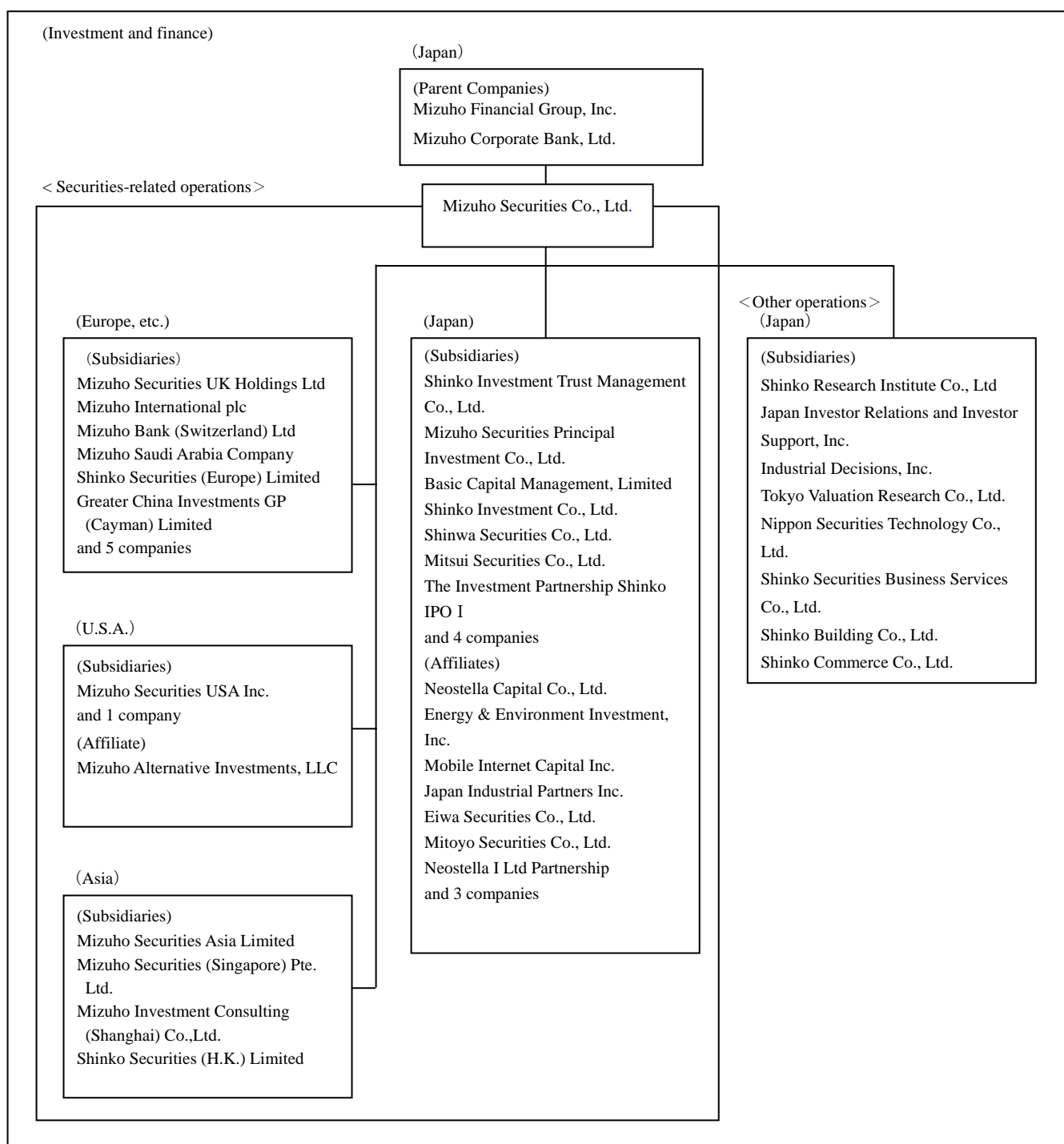
The Company is currently undergoing the exchanges' respective examination processes. The examinations' outcome could have an impact on the Company's operating performance and/or financial condition.

II. Our Corporate Group

Our corporate group is composed of 36 subsidiaries and 11 affiliates. The business activities of our company and of 28 of the subsidiaries and 11 of the affiliates consist mainly of trading securities, the commissioning of securities trading, the underwriting and selling of securities, offering and selling of securities, handling of private offerings, and other securities- and finance-related activities. We offer a wide range of services in the areas of raising and operating funds for customers. The other companies provide services related to and supportive of our company's activities, conduct market surveys and research, manage real estate, and more. Therefore, our corporate group's business activities all come under the single business segment of "investment and financial services."

All of our subsidiaries are consolidated companies, and the equity method is applied for all of our affiliates.

Organizational Diagram of Corporate Group



*On May 7, 2009, the Company merged with former Mizuho Securities Co., Ltd. As a result of the merger, there was no significant negative effect to our business.

III. Management policies

1. Basic management policies

Based on a philosophy of being “Fair & Positive,” Mizuho Securities has adopted a Mission Statement of becoming a full-service securities brokerage and investment bank with global reach that is trusted by clients, always offering the best professional services, and contributing to society’s perpetual development as a responsible capital markets player. In accord with such management principles, we have formulated a two-pronged business strategy of building a client-oriented business model and realizing a strong management base resilient to changes in the business environment. We will pursue growth by implementing various initiatives to strengthen our management structure (financial foundation, risk management and internal controls, etc.) and enhance our profitability and product and service capabilities with respect to client transactions.

2. Benchmark management target

We will implement medium-term management measures in the aim of earning consolidated ordinary income of 60–75 billion yen in fiscal 2011.

3. Medium/long-term management strategy

We are currently implementing various medium-term management measures in accord with our vision of joining the ranks of the top-three domestic investment banks and becoming a flagship company that plays a key leadership role in Asian capital markets by successfully executing our two-pronged business strategy.

These medium-term management measures aimed at realizing our business strategy comprise comprehensive improvements in the following four areas.

(1) Regulatory compliance

The financial and securities industries’ regulatory environment is undergoing major changes in the wake of the recent financial crisis. We will build a solid management structure by anticipating future regulatory trends (e.g., increased domestic and international capital requirements) and achieving compliance with regulatory changes ahead of their effective date.

(2) Realization of synergies

The merger of the former Shinko Securities and Mizuho Securities has yielded synergies from the combined company’s initial fiscal year, as exemplified by our success at winning lead manager mandates for major equity underwriting deals. However, we believe that we still have the potential to realize additional synergies in terms of both revenues and costs. We aim to reap additional merger synergies by continuing to streamline operations and improve operating efficiency and further strengthening cooperation among organizational units. We will also aggressively endeavor to amplify synergies between banking and securities operations through cooperation with other Mizuho Financial Group companies.

(3) Strategic initiatives to strengthen sales force

We will continue to endeavor to strengthen front-office sales units’ earnings power. We will pursue strategic initiatives across our entire front-office operations, including by building a global network and global business model with an emphasis on Asia, implementing cross-organizational measures to radically strengthen the retail sales force’s foundation, improving electronic equity trade execution capabilities, and strengthening global institutional investor sales capabilities by expanding offerings of incidental services.

(4) Development of operational infrastructure

We will upgrade our operational infrastructure to a level befitting Japan’s leading full-service securities brokerage and investment bank. We will strengthen our management structure through such means as staffing branch offices with institutional sales personnel, strengthening risk management and internal controls on a global basis, preparing to adopt international accounting standards, integrating and consolidating IT systems, and streamlining our organization.

Among these four areas, we believe that we made substantial progress in fiscal 2009 with respect to regulatory compliance and development of operational infrastructure in particular. In fiscal 2010, we plan to implement a variety of measures along the same lines, but in light of our progress to date, we have identified improving core earnings power, improving internal controls, and strengthening global capabilities as our three key priorities. While intensifying efforts to realize synergies and pursue strategic initiatives to strengthen sales capabilities, we will advance toward our targets of joining the ranks of top-three domestic investment banks and becoming a flagship company that plays a key leadership

role in Asian capital markets.

4. Issues to be addressed

With economic recovery initially spearheaded by emerging market economies now spreading to developed countries also, economic sentiment is improving globally. In parallel with such improvement, global equity and commodity markets are in distinct recovery trends. Investors' funds have started to flow back in to risk assets. Nonetheless, the outlook remains fraught with uncertainty. In Europe, concerns about fiscal strains in Mediterranean countries continue to linger. In Japan as well, improvement in economic sentiment to date has been lackluster.

In the financial and securities industries, regulatory authorities are moving forward with plans to adopt new regulatory frameworks. Meanwhile, competition is intensifying, with European and US financial institutions recovering and Japanese competitors also embarking on new strategies.

Amid such an environment, we recognize the importance of steadily and expeditiously implementing the medium-term management measures described in section 3. above to achieve the management targets set forth above. We aim to steadily strengthen the foundation of sales operations and expand our market share by maximizing merger synergies and intra-group cooperative synergies and continuing to build a solid sales force while strengthening the foundation of sales operations through various front-office initiatives.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets		
Cash on hand and bank deposits	172,838	162,392
Cash segregated as deposits related to customer assets	42,297	96,812
Trading assets	1,317,692	7,595,671
Trading securities and others	1,294,088	6,848,579
Operating loan assets	-	26,448
Derivatives	23,603	720,643
Receivables - unsettled trades	39,289	-
Operating investment securities	9,551	88,957
Operating loan receivables	-	5,772
Receivables related to margin transactions	31,502	58,031
Loans receivable under margin transactions	13,075	30,349
Collateral for borrowed securities under margin transactions	18,426	27,682
Collateralized short-term financing agreements	948,137	12,369,779
Deposits paid for securities borrowed	796,087	3,960,261
Securities purchased under agreements to resell	152,050	8,409,518
Advances	739	4,188
Securities: fail to deliver	-	14,477
Short-term loans receivable	70	7,775
Securities	7,627	47,469
Deferred tax assets	4,130	17,691
Other current assets	26,571	221,745
Less: Allowance for doubtful accounts	(530)	(76)
Total current assets	2,599,918	20,690,688
Fixed assets		
Tangible fixed assets		
Buildings	12,009	15,013
Equipments	2,568	9,478
Land	18,379	18,746
Lease Assets	441	871
Intangible fixed assets		
Software	24,100	32,999
Customer related assets	-	70,756
Other	4,121	401
Investments and other assets		
Investment securities	52,094	112,074
Long-term loans	30,605	76,780
Long-term deposits	9	12,657
Long-term deposits	10,453	15,187
Deferred tax assets	791	1,013
Other	13,161	10,250
Less: Allowance for doubtful accounts	(2,926)	(3,815)
Total fixed assets	113,716	260,342
Total assets	2,713,634	20,951,031

(Millions of yen)

As of March 31, 2009 As of March 31, 2010

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities		
Trading liabilities	636,694	3,610,332
Trading securities and others	609,335	2,923,830
Derivatives	27,358	686,502
Payable – unsettled trades	—	591,810
Payables related to margin transactions	12,286	21,354
Loans payable under margin transactions	7,193	12,578
Collateral for loaned securities under margin transactions	5,092	8,775
Collateralized short-term financing agreements	1,014,579	11,267,090
Deposits received for securities loaned	667,767	2,019,454
Securities sold under agreements to repurchase	346,811	9,247,635
Deposits received	31,976	272,610
Received margins	17,527	210,970
Securities: fail to receive	—	16,022
Short-term borrowings	571,770	2,766,084
Commercial paper	81,500	331,700
Short-term bonds and notes	—	80,755
Lease obligation	96	937
Income taxes payable	487	1,654
Accrued employee's bonuses	2,754	22,434
Accrued directors' bonuses	23	38
Deferred tax liabilities	—	119
Allowance for bonus points redemption	1,136	376
Other current liabilities	6,680	39,203
Total current liabilities	2,377,514	19,233,494
Long-term liabilities		
Corporate bonds	33,000	508,122
Long-term borrowings	40,300	578,563
Lease obligation	351	1,191
Deferred tax liabilities	3,452	11,093
Reserve for retirement benefits	5,604	14,765
Reserve for directors' retirement benefits	796	355
Reserve for executive officers' retirement benefits	1,059	199
Other long-term liabilities	1,212	2,373
Total long-term liabilities	85,776	1,116,664
Statutory reserve		
Reserve for financial instrument transaction liabilities	422	1,883
Total statutory reserve	422	1,883
Total liabilities	2,463,713	20,352,043

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	82,973	389,662
Retained earnings	41,570	127,621
Treasury stock	(7,426)	(7,450)
Total shareholders' equity	<u>242,284</u>	<u>635,000</u>
Valuation and translation adjustments		
Net unrealized gains on other securities, net of taxes	1,214	4,628
Foreign currency translation adjustments	95	(64,853)
Total valuation and translation adjustments	<u>1,310</u>	<u>(60,225)</u>
Stock subscription rights	—	367
Minority interests	6,325	23,845
Total net assets	<u>249,921</u>	<u>598,988</u>
Total net assets and liabilities	<u>2,713,634</u>	<u>20,951,031</u>

(2) Consolidated Statements of Operations

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Operating revenues		
Commissions and fees	52,999	145,822
Brokerage commissions	16,944	33,236
Underwriting and selling fees, and commissions from solicitation to qualifying investors	2,197	43,751
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	14,051	22,348
Other commissions and fees	19,805	46,486
Gain on trading, net	39,544	64,124
Loss on sales of operating investment securities	(1,256)	(653)
Interest and dividends income	15,793	102,868
Total operating revenues	107,080	312,161
Financial expenses	13,579	61,760
Net operating revenues	93,500	250,401
Selling, general and administrative expenses	109,362	219,513
Transaction expenses	15,603	34,495
Personnel expenses	49,297	103,829
Real estate expenses	15,259	26,787
Office expenses	9,803	19,707
Depreciation and amortization	13,700	23,838
Taxes and dues	1,030	2,537
Provision of allowance for doubtful accounts	530	—
Amortization of goodwill	—	591
Other	4,136	7,725
Operating income (loss)	(15,861)	30,887
Non-operating revenues	3,940	4,266
Dividends income	847	749
Other	3,093	3,516
Non-operating expenses	2,297	2,080
Equity in net loss of affiliated companies	92	293
Other	2,205	1,787
Ordinary income (loss)	(14,219)	33,073

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Extraordinary gain	6,430	111,236
Gain on sale of fixed assets	99	8
Gain on sale of investment securities	5,648	971
Gain on liquidation of affiliates	61	—
Gain on negative goodwill	—	110,219
Reversal of foreign currency translation adjustments due to liquidation of overseas subsidiaries	357	—
Reversal of allowance for doubtful accounts	—	36
Reversal of reserve for financial instruments transaction liabilities	263	—
Extraordinary loss	5,243	8,392
Loss on sale of fixed assets	6	0
Loss on disposal of fixed assets	293	1,735
Loss on sale of investment securities	126	16
Loss on valuation of investment securities	2,996	246
Loss on valuation of golf club membership	11	35
Impairment loss	50	—
Expenses related to merger	1,595	5,892
Non-recurring depreciation	164	420
Provision for reserve for financial instrument transaction liabilities	—	44
Income (loss) before income taxes and minority interest	(13,033)	135,917
Income taxes - current	523	4,165
Income taxes - deferred	(225)	4,536
Total income taxes	297	8,701
Income before minority interests	—	127,215
Minority interests	137	151
Net income (loss)	(13,468)	127,064

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Common stock		
Balance as of previous fiscal year	125,167	125,167
Amounts of changes during the period		
Balance as of previous fiscal year of acquired company	—	(125,167)
Balance as of previous fiscal year of acquiring company	—	250,000
Amounts of increase due to merger	—	(124,832)
Total change during the period	—	—
Balance at the end of the period	125,167	125,167
Capital surplus		
Balance as of previous fiscal year	82,969	82,973
Amounts of changes during the period		
Balance as of previous fiscal year of acquired company	—	(82,973)
Balance as of previous fiscal year of acquiring company	—	75,742
Disposal of treasury stock	3	4
Amounts of increase due to merger	—	313,916
Total change during the period	3	306,689
Balance at the end of the period	82,973	389,662
Retained earnings		
Balance as of previous fiscal year	62,771	41,570
Amounts of changes during the period		
Balance as of previous fiscal year of acquired company	—	(41,570)
Balance as of previous fiscal year of acquiring company	—	556
Distribution of surplus	(7,731)	—
Net income	(13,468)	127,064
Total Amounts of changes during the period	(21,200)	86,050
Balance at the end of the period	41,570	127,621
Treasury stock		
Balance as of previous fiscal year	(7,373)	(7,426)
Amounts of changes during the period		
Balance as of previous fiscal year of acquired company	—	7,426
Balance as of previous fiscal year of acquiring company	—	—
Acquisition of treasury stocks	(63)	(26)
Disposal of treasury stock	10	6
Amounts of increase due to merger	—	(7,431)
Amounts of changes during the period	(52)	(24)
Balance at the end of the period	(7,426)	(7,450)

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Total shareholders' equity		
Balance as of previous fiscal year	263,534	242,284
Amounts of changes during the period		
Balance as of previous fiscal year of acquired company	—	(242,284)
Balance as of previous fiscal year of acquiring company	—	326,298
Distribution of surplus	(7,731)	—
Net income	(13,468)	127,064
Acquisition of treasury stocks	(63)	(26)
Disposal of treasury stock	14	11
Amounts of increase due to merger	—	181,652
Amounts of changes during the period	(21,249)	392,715
Balance at the end of the period	242,284	635,000
Valuation and translation adjustments		
Net unrealized gains (losses) on other securities, net of taxes		
Balance as of previous fiscal year	10,334	1,214
Amounts of changes during the period		
Balance as of previous fiscal year of acquired company	—	(1,214)
Balance as of previous fiscal year of acquiring company	—	3
Net amounts of changes during the period except for shareholder's equity	(9,119)	4,625
Total amounts of changes during the period	(9,119)	3,414
Balance at the end of the period	1,214	4,628
Foreign currency translation adjustment		
Balance as of previous fiscal year	519	95
Amounts of changes during the period		
Balance as of previous fiscal year of acquired company	—	(95)
Balance as of previous fiscal year of acquiring company	—	(63,124)
Net amounts of changes during the period except for shareholder's equity	(424)	(1,729)
Amounts of changes during the period	(424)	(64,949)
Balance at the end of the period	95	(64,853)
Total Valuation and translation adjustments		
Balance as of previous fiscal year	10,854	1,310
Amounts of changes during the period		
Balance as of previous fiscal year of acquired company	—	(1,310)
Balance as of previous fiscal year of acquiring company	—	(63,120)
Net amounts of changes during the period except for shareholder's equity	(9,544)	2,895
Amounts of changes during the period	(9,544)	(61,535)
Balance at the end of the period	1,310	(60,225)

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Stock subscription rights		
Balance as of previous fiscal year	—	—
Amounts of changes during the period		
Net amounts of changes during the period except for shareholder's equity	—	367
Total amounts of changes during the period	—	367
Balance at the end of the period	—	367
Minority interests		
Balance as of previous fiscal year	6,675	6,325
Balance at the end of the period		
Balance as of previous fiscal year of acquired company	—	(6,325)
Balance as of previous fiscal year of acquiring company	—	15,864
Net amounts of changes during the period except for shareholder's equity	(349)	7,980
Total amounts of changes during the period	(349)	17,519
Balance at the end of the period	6,325	23,845
Total net assets		
Balance as of previous fiscal year	281,064	249,921
Amounts of changes during the period		
Balance as of previous fiscal year of acquired company	—	(249,921)
Balance as of previous fiscal year of acquiring company	—	279,043
Distribution of surplus	(7,731)	—
Net income (loss)	(13,468)	127,064
Acquisition of treasury stocks	(63)	(26)
Disposal of treasury stocks	14	11
Amounts of increase due to merger	—	181,652
Net amounts of changes during the period except for shareholder's equity	(9,893)	11,243
Total amounts of changes during the period	(31,143)	349,066
Balance at the end of the period	249,921	598,988

(4) Consolidated Cash Flow Statements

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash flow from operating activities		
Income (loss) before income taxes and minority interests	(13,033)	135,917
Depreciation	13,817	23,838
Amortization of goodwill	—	591
Increase (decrease) in allowance for doubtful accounts	(77)	(1,283)
Increase (decrease) in accrued employee's bonuses	(1,755)	1,061
Increase (decrease) in reserve for retirement benefits	662	(965)
Increase (decrease) in reserve for directors' retirement benefits	—	(742)
Increase (decrease) in reserve for financial instrument transaction liabilities	(263)	44
Foreign exchange loss	—	435
Interest and dividends income	(16,641)	(103,951)
Interest expense	13,579	62,209
Equity in loss of non-consolidated subsidiaries and affiliates	92	293
Loss (gain) on sale of fixed assets	(92)	(7)
Loss on disposal of fixed assets	293	1,735
Non-recurring depreciation	164	420
Impairment loss	50	—
Loss (gain) on sale of investment securities, net	(5,522)	(954)
Loss (gain) on valuation of investment securities, net	2,996	246
Loss on valuation of golf club membership	11	35
Loss (gain) on reversal of foreign currency translation adjustments due to liquidation of overseas subsidiaries	(357)	—
Gain on negative goodwill	—	(110,219)
Decrease (increase) in loans receivable	12	—
Decrease (increase) in trust cash fund for customer assets	7,097	—
Decrease (increase) in cash segregated as deposits related to customer assets	—	(30,486)
(Increase) decrease in trading assets, net of trading liabilities	(127,491)	(910,110)
(Increase) decrease in receivables related to margin transactions	25,870	(24,446)
Increase (decrease) in payables related to margin transactions	(5,837)	5,225
(Increase) decrease in collateralized short-term financing agreements - receivable	1,331,542	(2,405,121)
Increase (decrease) in collateralized short-term financing agreements - payable	(1,175,472)	3,122,706
Increase (decrease) in advances and deposits received	(8,350)	218,954
Other, net	(35,458)	29,717
Subtotal	5,836	15,143
Interest and dividends received	17,121	104,893
Interest paid	(13,948)	(59,234)
Income taxes paid	(1,624)	(4,228)
Income taxes refunded	3,807	—
Net cash provided by (used in) operating activities	11,193	56,574

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash flow from investing activities		
Payments for time deposits	(10,613)	(9,655)
Proceeds from withdrawals from time deposits	12,298	5,952
Payments for purchase of securities	—	(1,918)
Proceeds from sale and redemption of securities	—	5,847
Payments for acquisition of tangible fixed assets	(1,504)	(6,718)
Proceeds from sale of tangible fixed assets	294	128
Payments for acquisition of intangible fixed assets	(5,832)	(7,610)
Payments for purchase of investment securities	(2,572)	(11,603)
Proceeds from sale and redemption of investment securities	19,761	2,845
Payments for long-term loans receivable	—	(8,749)
Collection of long-term loans receivable	—	1,557
Decrease (increase) in short-term loans receivable	—	(1,504)
Payments for long-term deposits	(315)	(2,094)
Proceeds from long-term deposits	958	3,560
Other	(306)	(361)
Net cash provided by (used in) investing activities	12,167	(30,323)
Cash flow from financing activities		
Increase (decrease) in short-term borrowings	111,050	(133,439)
Increase (decrease) in commercial papers	(43,000)	34,100
Proceeds from long-term borrowings	8,000	91,749
Repayments of long-term borrowings	(7,350)	(43,944)
Proceeds from issuance of corporate bonds	—	157,712
Payments for redemption of corporate bonds	—	(174,945)
Purchase of treasury stocks	(63)	(26)
Proceeds from reissuance of treasury stock	14	6
Dividends paid	(7,698)	(2,318)
Proceeds from minority shareholders	—	540
Cash dividends to minority shareholders	(297)	(175)
Other	—	(1,434)
Net cash provided by (used in) financing activities	60,654	(72,176)
Effect of foreign exchange rate changes on cash and cash equivalents	220	1,376
Increase (decrease) in cash and cash equivalents	84,235	(44,549)
Cash and cash equivalents at beginning of the period	87,654	171,890
Beginning balance of cash and cash equivalents: Acquired company	—	(171,890)
Beginning balance of cash and cash equivalents: Acquiring company	—	89,560
Increase in cash and cash equivalents from merger	—	150,195
Cash and cash equivalents at end of the period	171,890	195,206

[Note on the going-concern assumption]
Not applicable

[Consolidated Financial Statements]

1. These consolidated financial statements were prepared pursuant to "Regulation for Terminology, Forms, and Preparation of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No.28 of 1976, the "Regulation") and in accordance with Article 46 and 68 of the Regulation, pursuant to the "Cabinet Office Ordinance on the Financial Instruments and Exchange Business" (Cabinet Office Ordinance No. 52 of 2007) and the "Regulations Concerning the Unification of Accounting for Securities-Related Business" (Self-regulatory Regulation of Japan Securities Dealers Association, November 14, 1974). The above statements for the last fiscal year were prepared pursuant to the pre-amended Regulation, and the statements for this fiscal year were prepared pursuant to the amended Regulation.
The Company merged with the former Mizuho Securities on May 7, 2009. As the merger is accounted for as a reverse acquisition, the consolidated business results for this fiscal year were prepared by combining the consolidated business results of the former Mizuho Securities for the period from April 1, 2009 through May 6, 2009 with the consolidated business results of the Company for the period from May 7, 2009 through March 31, 2010.
2. On May 7, 2009, the Company merged with former Mizuho Securities Co., Ltd. Because the merger was accounted for as a reverse acquisition under the accounting standards for business combinations, the consolidated results for the Fiscal year ended March 31, 2010 were calculated as the sum of the consolidated results of the former Mizuho Securities Co., Ltd. for up to May 6, 2009 of the fiscal year and the consolidated results of new Mizuho Securities Co., Ltd for after May 7, 2009 of the fiscal year.

[Matters regarding the scope of consolidation]

1. Consolidated subsidiaries (36 subsidiaries)
Major subsidiaries
Mizuho Securities UK Holdings Ltd
Mizuho International plc
Mizuho Bank (Switzerland) Ltd
Mizuho Saudi Arabia Company
Greater China Investments GP (Cayman) Limited
Mizuho Securities USA Inc.
Mizuho Securities Asia Limited
Mizuho Securities (Singapore) Pte. Ltd
Mizuho Investment Consulting (Shanghai) Co., Ltd.
Shinko Investment Trust Management Co., Ltd.
Mizuho Securities Principal Investment Co., Ltd.
Tokyo Basic Capital Management Limited
Shinko Investment Co., Ltd.
Shinko Research Institute Co., Ltd.
Japan Investor Relations and Investor Support, Inc.
Industrial Decisions, Inc.
Tokyo Valuation Research Co., Ltd
Nippon Securities Technology Co., Ltd.
Shinko Securities Business Services Co., Ltd.
Shinko Building Co., Ltd.
Shinko Commerce Co., Ltd.
Shinwa Securities Co., Ltd.
Mitsui Securities Co., Ltd.
The Investment Partnership Shinko IPO I
Other 12 companies

Newly consolidated:

Mizuho Securities UK Holdings Ltd
Mizuho International plc
Mizuho Bank (Switzerland) Ltd
Mizuho Saudi Arabia Company
Greater China investments GP (Cayman) Limited
Mizuho Securities USA Inc.
Mizuho Securities Asia Limited
Mizuho Securities (Singapore) Pte. Ltd.
Mizuho Investment Consulting (Shanghai) Co., Ltd.
Tokyo Basic Capital Management Limited
Mizuho Securities Principal Investment Co., Ltd.
Tokyo Valuation Research Co., Ltd
Industrial Decisions, Inc.
Other 12 companies

Excluded from the scope of consolidation:

Shinko Securities Holdings Inc.
Big Horn Structured funding CDO 2007-1 Ltd.
The Bridgeford Group
Tigris CDO 2007-1, Ltd.
Hoplon Trust

2. Matters concerning the application of equity method

Equity-method affiliates (11 affiliates)

Mizuho Alternative Investments, LLC
Neostella Capital Co., Ltd.
Energy & Environment Investment, Inc.
Mobile Internet Capital Inc.
Japan Industrial Partners Inc.
Eiwa Securities Co., Ltd.
Mitoyo Securities Co., Ltd.
The Neostella I Ltd Partnership
Other 3 companies

Newly applied:

Mizuho Alternative Investment, LLC
Energy & Environment Investment, Inc.
Mobile Internet Capital Inc
Japan Industrial Partners Inc.
Other 3 companies

Excluded from the scope of application:

Japan Industrial Fund I

3. Matters concerning the period of consolidated subsidiaries

The closing dates of consolidated subsidiaries are as follows:

End of March	28 subsidiaries
End of December	8 subsidiaries

For eight consolidated subsidiaries with different closing dates to the consolidated closing date, financial statements as of each subsidiary's closing date were used. However, for important transactions that took place between the last closing date of each company and the consolidated closing date, adjustments necessary for the consolidation were performed.

4. Matters concerning the accounting standard

(1) Valuation method for significant assets

1) Valuation method for securities classed as trading products (securities held for trading purpose):

Securities and derivative contracts classed as trading products and held by the parent company and subsidiaries are

recorded at fair value.

2) Valuation method for securities not classed as trading products:

The following valuation methods are applied to securities that are not held for trading purposes:

a) Bonds that are to be held to maturity

The amortized cost (straight-line) method is used.

b) Other securities

Other securities with fair value:

Those are recorded at fair value on the consolidated balance sheets. Difference between the cost, using the moving average method, and fair value is recorded as net unrealized gains (or losses) on other securities.

Other securities that is difficult to calculate fair value:

Those are recorded at cost using moving average method.

Moreover, with regard to contributions to investment business limited partnerships and similar partnerships (according to Article 2, Paragraph 2 of the Financial Instruments and Exchange Law, such contributions are regarded as negotiable securities), we use, as the book value, the value of our holdings of partnership assets as designated on the partnership's most recent statement of accounts that we are able to obtain as of the day - stipulated in the partnership agreement - on which the latest statement of accounts is reported. With regard to profit and loss obtained from the operations of the partnership, etc., we use a method whereby we record the value of our holdings.

(2) Depreciation methods used for significant depreciable assets

1) Tangible fixed assets

Both our company and domestic consolidated subsidiaries use mainly fixed-percentage depreciation.

However, buildings acquired after 1 April 1998 (excluding the equipment, etc. they contain) are depreciated using the straight-line method.

2) Intangible fixed assets and long-term prepaid expenses

The straight-line method is used.

Moreover, software for our own use is depreciated using a straight-line method being determined by the duration of its potential internal use (up to 5 years).

3) Lease Assets

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.

(3) Accounting standards for significant reserves and allowances

1) Allowance for doubtful accounts

In preparation for possible loss from bad debt in loans receivables, etc., allowance for general receivables is provided based on the ratio of past loss experience and also specific receivables such as non-recoverable receivables is provided for the estimated uncollectible amounts after reviewing collectability of receivables individually.

2) Accrued employee's bonuses

To prepare for the payment of bonuses to employees, we calculated the estimated value of future payments and charged an appropriate portion of this obligation to the period.

3) Accrued directors' bonuses

To prepare for the payment of bonuses to directors, we calculated the estimated value of future payments and charged an appropriate portion of this obligation to the period.

4) Allowance for bonus points redemption

To prepare for the cost burden for use of the Mizuho Point Service in the future, the expected required amount is calculated for this period based on the usage rate.

5) Reserve for retirement benefits

To prepare for the payment of employee retirement benefits, the amount considered to have arisen within the period was charged to the period on the basis of the estimated value of projected retirement benefit obligations and our pension assets at the end of this period.

Prior service cost is charged to expenses using the lump-sum or the straight-line method based on determined years (10 years) within average remaining service year of the employees when incurred.

Actuarial differences are also charged to expenses from the following fiscal year using the straight-line method based on determined years (10 years) within average remaining service year of the employees when incurred.

6) Reserve for directors' retirement benefits

To prepare for the payment of retirement benefits for directors, the necessary amount for the end of this period was posted in accordance with the inhouse regulations.

7) Reserve for executive officers' retirement benefits

To prepare for the payment of retirement benefits for executive officers, the necessary amount for the end of this period was posted in accordance with the inhouse regulations.

8) Reserve for financial instrument transaction liabilities

Reserve for financial instruments transaction liabilities is provided for potential loss from accidents in security transactions in accordance with Article 46, Paragraph 5 of the Financial Instruments and Exchange Act, and Article 175 of "Cabinet Office Ordinance on the Financial Instruments and Exchange Business"

(4) Standards for translating significant assets or liabilities denominated in foreign currencies into Japanese yen

Foreign currency denominated claims and obligations are translated into Japanese yen at the spot rate prevailing on the closing day of this period. Currency translation losses or gains are recorded on the income statement as such.

The assets, liabilities, revenues, and expenses of foreign subsidiaries are also translated into Japanese yen at the spot rate prevailing on the closing day of this period. Any translation losses or gains are recorded in the net assets under the account "Foreign currency translation adjustment".

(5) Method of significant hedge accounting

Gains or losses resulting from forward foreign exchange transactions entered into in order to hedge the exchange risk of foreign currency denominated equity investments in subsidiaries are recycled to foreign exchange translation adjustments in Net assets section when they qualify for hedge accounting. Borrowings in foreign currency undertaken in order to hedge against the risk of fluctuations in exchange rate on foreign currency denominated operating investments securities are accounted for under fair value hedge accounting. For interest rate swap contracts that are used as hedges for the interest rate risk of borrowings, the net amount to be paid or received under the contract is added to or deducted from the interest on the borrowings subject to the hedge.

(6) Accounting for consumption tax

The tax exclusion method is applied.

5. Scope of cash and cash equivalents included in the consolidated cash flow statement

The cash movements recorded in the consolidated cash flow statement are those of cash and cash equivalents. Assets classed as cash or cash equivalents are cash on hand, deposits for which no notice of withdrawal is required, and highly liquid short-term investments that carry next to no price risk and have a maturity of less than three months.

[Changes in Basic Important Matters for Preparation of Consolidated Financial Statements]

1. Accounting Standard for Business Combinations (ASBJ Statement No.21 December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 December 26, 2008), Partial amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No.23 December 26, 2008), Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7 December 26, 2008), Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No.16 December 26, 2008) and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10 December 26, 2008) are issued and are permitted to be applied to business combinations or business divestitures taking effect in fiscal year starting on or after April 1, 2009. The Company began applying these standards and guidance statements from this fiscal year.
2. "Cabinet Office Ordinance for Amendments to the Regulations on the Terminology, Format, and Preparation of Financial Statements" (Cabinet Office Ordinance No. 5, March 24, 2009) is applicable to the fiscal year starting on or after April 1, 2009 as per Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 December 26, 2008). As a result "Income before minority interests" is shown in statement of operations from this fiscal year.

[Notes to Consolidated Balance Sheets]

	Year ended March 31, 2009	Year ended March 31, 2010 (Millions of yen)
1. Accumulated depreciation deducted from tangible fixed assets	17,989	41,486
2. Obligations under guarantees	721	763
(potential guarantee obligation)	(656)	(578)

In accordance with Report No. 61 of the Auditing Committee of the Japanese Institute of Certified Public Accountants, titled "Auditing Procedures Concerning the Accounting for Guarantee Obligations and Quasi-Guarantees," those obligations of the Company deemed to cause the Company to be held liable as a guarantor are to be treated as quasi-guarantees and stated in notes.

3. The amounts of balance for affiliate companies are as follows:

	March 31, 2009	March 31, 2010 (Millions of yen)
Investment Securities	2,065	3,290

[Notes to Consolidated Statements of Change in Net Assets]

Fiscal Year Ended March 31, 2009 (April 1, 2008 - March 31, 2009)

1. Matters related to issued shares

(Thousands of shares)

	Shares at end of previous year	Shares increased in this year	Shares decreased in this year	Shares at end of this year
Shares outstanding Common stock	811,118	—	—	811,118
Total	811,118	—	—	811,118

2. Matters related to treasury stock

(Thousands of shares)

	Shares at end of previous year	Shares increased in this year	Shares decreased in this year	Shares at end of this year
Treasury stock Common stock	37,935	236	55	38,116
Total	37,935	236	55	38,116

(Notes)

1. The number of common stock held in treasury stock increased by 236,000 shares. This increase resulted from the purchase of odd-lot shares.
2. The number of common stock held in treasury stock decreased by 55,000 shares. A decrease of 51,000 shares resulted from a request to increase a purchase of odd-lot shares, while a decrease of 4,000 shares resulted from the exercise of stock option rights.

3. Matters related to dividends

(1) Dividends paid

Date of resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (yen)	Record date	Effective date
Annual shareholders' meeting held on June 27, 2008	Common shares	7,731	10.00	March 31, 2008	June 30, 2008

(2) Dividends for which the record date falls within the current period (April 1, 2008 through March 31, 2009) and the effective date falls in the next period.

Date of resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of funds	Dividends per share (yen)	Record date	Effective date
Annual shareholders' meeting held on June 25, 2009	Common shares	2,318	Retained earnings	3.00	March 31, 2009	June 26, 2009

Fiscal Year Ended March 31, 2010 (April 1, 2009 - March 31, 2010)

The Company merged with the former Mizuho Securities Co., Ltd. on May 7, 2009. Because the merger is accounted for as a reverse acquisition under the accounting standards for business combinations, the beginning balance of consolidated shareholders' equity at April 1, 2009, is that of the former Mizuho Securities Co., Ltd. Consequently, the ending balance of consolidated shareholders' equity at March 31, 2009, does not correspond to the beginning balance of consolidated shareholders' equity at April 1, 2009.

- (1) "Acquired company's beginning balance" is the Company's (consolidated) ending balance for the previous fiscal year.
(2) "Acquiring company's beginning balance" is the former Mizuho Securities' (consolidated) ending balance for the previous fiscal year.
(3) "Increase due to merger" resulted from the application of the acquisition method for the acquisition of the Company (acquired company) by the former Mizuho Securities (acquiring company).
(4) An amount of -2,318 million yen for dividends paid from retained earnings was included in "Increase due to merger" under "Retained earnings" as the Company's dividend record date is March 31, 2009 (effective June 26, 2009).

1. Matters related to issued shares

(Thousands of shares)				
	Shares at end of previous year	Shares increased in this year	Shares decreased in this year	Shares at end of this year
Shares outstanding				
Common stock	6,685	1,620,003	—	1,626,688
Total	6,685	1,620,003	—	1,626,688

(Notes)

- As the merger is categorized as a reverse acquisition, the number of shares at the end of previous fiscal year is that of former Mizuho Securities.
- The number of shares outstanding (common stock) increased by 1,620,003 thousand shares due to the merger.

2. Matters related to treasury stock

(Thousands of shares)				
	Shares at end of previous year	Shares increased in this year	Shares decreased in this year	Shares at end of this year
Treasury stock				
Common stock	-	38,226	35	38,190
Total	-	38,226	35	38,190

(Notes)

- As the merger is categorized as a reverse acquisition, the number of shares at the end of previous fiscal year is that of former Mizuho Securities.
- The number of common stock held in treasury stock increased by 38,226 thousand shares. This increase is mainly resulting from a 38,135 thousand shares of increase due to merger and resulted from a 90 thousand shares of increase due to the purchase of odd-lot shares.
- The number of common stock held in treasury stock decreased by 35 thousand shares. A decrease of 5 thousand shares resulted from a request to increase a purchase of odd-lot shares, while a decrease of 30 thousand shares resulted from the exertion of stock option rights.

3. Matters related to dividends

(1) Dividends paid

Date of resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (yen)	Record date	Effective date
Annual shareholders' meeting held on June 25, 2009	Common shares	2,318	3.00	March 31, 2009	June 26, 2009

(2) Dividends for which the record date falls within the current period (April 1, 2009 through March 31, 2010) and the effective date falls in the next period.

Date of resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of funds	Dividends per share (yen)	Record date	Effective date
Annual shareholders' meeting held on June 22, 2010 (scheduled)	Common shares	7,942	Retained earnings	5.00	March 31, 2010	June 23, 2010

(Notes)

1. A dividend per share includes ordinary dividend 3 yen and commemorative dividend 2 yen.

[Notes to Consolidated Cash Flow Statements]

The Company merged with the former Mizuho Securities on May 7, 2009. Because the merger is accounted for as a reverse acquisition under the accounting standards for business combinations, the beginning balance of consolidated cash and cash equivalents at April 1, 2009, is that of the former Mizuho Securities Co., Ltd.. Consequently, the ending balance of consolidated cash and cash equivalents at March 31, 2009, does not correspond to the beginning balance of consolidated cash and cash equivalents at April 1, 2009.

- (1) "Acquired company's beginning balance of cash and cash equivalents" is the Company's (consolidated) ending balance for the previous fiscal year.
- (2) "Acquiring company's beginning balance of cash and cash equivalents" is the former Mizuho Securities' (consolidated) ending balance for the previous fiscal year.
- (3) The ending balance of cash and cash equivalents for the previous fiscal year (171,890 million yen) is included in "Increase in cash and cash equivalents due to merger of subsidiaries".

Relationship between the balance of cash and cash equivalents at the end of this period and balances of account items recorded on the consolidated balance sheets

	Year ended March 31, 2009	Year ended March 31, 2010 (Millions of yen)
Cash and due from banks	172,838	162,392
Time deposits more than 3 months	(948)	(8,635)
MMF	—	41,449
Cash and cash equivalents	171,890	195,206

Segment Information

The company started to disclose “geographical segment information” and “Overseas sales” (Net operating revenues) because the transaction volume with overseas subsidiaries increased due to merger.

1. Business segment information

For the year ended March 31, 2009 and 2010 (April 1 through March 31, 2009 and 2010)

Business operations of the Company and its consolidated subsidiaries (collectively, the “Companies”), conducted on a global basis, encompass 1) securities trading, 2) securities brokerage, 3) underwriting and distribution of securities, 4) offering and distribution of securities, and 5) the private placement of securities. These businesses, together with ancillary financial services, comprise the Companies’ source of earnings. Thus, the Companies’ businesses all fall under the “investment/financial services” category. Business segment information is therefore omitted.

2. Geographical segment information

For the year ended March 31, 2009 (April 1, 2008 through March 31, 2009)

Geographical segments information is omitted as operating revenues and assets in Japan accounted for more than 90% of the respective consolidated amounts.

For the year ended March 31, 2010 (April 1, 2009 through March 31, 2010)

(Millions of yen)

	Japan	Asia	Europe	North America	Subtotal	Elimination	Consolidated
Net operating revenues							
(1) Net operating revenues from third parties	189,195	2,661	28,248	30,296	250,401	—	250,401
(2) Inter-segment net operating revenues	6,369	2,126	4,223	1,580	14,300	(14,300)	—
Total	195,564	4,788	32,472	31,877	264,701	(14,300)	250,401
Operating income (loss)	20,923	(1,106)	4,427	6,960	31,206	(318)	30,887

(Notes)

1. Criteria for classification of countries and regions into geographical segments: geographical proximity
2. Major countries or regions in segments other than Japan:
 - (1) Asia: China, Singapore
 - (2) Europe: the United Kingdom, Switzerland, etc.
 - (3) North America: the United States of America

3. Overseas sales (Net operating revenues)

For the year ended March 31, 2009 (April 1, 2008 to March 31, 2009)

A breakdown of overseas operating revenues is omitted as overseas net operating revenues accounted for less than 10% of consolidated net operating revenues.

For the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(Millions of yen)

	Asia	Europe	North America	Total
Overseas net operating revenues	2,520	25,216	30,366	58,104
Consolidated net operating revenues				250,401
Overseas net operating revenues as a percentage of consolidated net operating revenues	1.0%	10.1%	12.1%	23.2%

(Note)

1. Criteria for classification of countries and regions into geographical segments: geographical proximity
2. Major countries or regions in segments other than Japan:
 - (1) Asia: China, Singapore
 - (2) Europe: the United Kingdom, Switzerland, etc.
 - (3) North America: United States of America
3. Overseas net operating revenues consist of the net operating revenues of the Company and its consolidated subsidiaries in countries and regions other than Japan.

Fair Values of Securities and Derivatives

(As of March 31, 2009 and 2010)

1. Trading activities

(1) Fair value of trading securities and others (trading assets and trading liabilities)

(Millions of yen)

Type	As of March 31, 2009		As of March 31, 2010	
	Assets	Liabilities	Assets	Liabilities
Equities and warrants	59,925	15,568	242,662	56,317
Bonds	1,125,487	593,387	6,298,389	2,867,492
Commercial paper and certificates of deposit	106,410	—	150,608	—
Beneficiary certificates	2,265	379	19,358	20
Other	—	—	164,008	—

(2) Notional amounts and fair value of derivative contracts

(Millions of yen)

Type	As of March 31, 2009				As of March 31, 2010			
	Assets		Liabilities		Assets		Liabilities	
	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Option contracts	84,687	5,235	38,163	3,483	2,353,468	148,131	2,460,238	177,808
Forward exchange contracts	36,528	405	40,290	2,758	91,359	757	248,547	6,364
Future/forward contracts	69,228	462	43,018	2,469	440,431	3,099	379,158	4,459
Swap contracts	76,932	17,499	93,826	18,647	20,769,335	577,882	20,127,658	497,868
Mark-to-market reserve	—	—	—	—	—	(9,227)	—	—

Note: Valuation gain or loss of futures and forward contracts are recorded in the fair value column.

2. Other than trading activities

(1) Fair value of held-to-maturity debt securities

(Millions of yen)

Type	As of March 31, 2009			As of March 31, 2010		
	Carrying amount	Fair value	Differences	Carrying amount	Fair value	Differences
Fair value higher than value recorded on consolidated balance sheets	2,824	2,825	1	4,945	4,975	29
Government and municipal bonds	301	301	0	—	—	—
Corporate bonds	2,522	2,523	1	4,945	4,975	29
Other	—	—	—	—	—	—
Fair value lower than or equal to value recorded on consolidated balance sheets	2,304	2,299	(5)	—	—	—
Government and municipal bonds	—	—	—	—	—	—
Corporate bonds	2,304	2,299	(5)	—	—	—
Other	—	—	—	—	—	—

(2) Other securities with readily determinable fair value

(Millions of yen)

Type	As of March 31, 2009			As of March 31, 2010		
	Acquisition cost	Carrying amount	Differences	Acquisition cost	Carrying amount	Differences
Value recorded on consolidated balance sheets higher than acquisition cost	6,972 [—]	10,755 [—]	3,782 [—]	34,877 [4,104]	42,442 [4,251]	7,565 [147]
Equities	6,437 [—]	10,174 [—]	3,737 [—]	14,549 [—]	21,262 [—]	6,712 [—]
Bonds	—	—	—	16,223	16,928	705
Government and municipal bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	2,315	2,318	2
Others	—	—	—	13,907	14,609	702
Other	535 [4,104]	580	45	4,104 [4,104]	4,251 [4,251]	147 [147]
Value recorded on consolidated balance sheets lower than or equal to acquisition cost	15,100 [79]	13,113 [47]	(1,986) [-31]	75,454 [13,801]	74,059 [13,480]	(1,395) [-320]
Equities	8,924 [79]	7,838 [47]	(1,086) [-31]	6,342 [410]	5,698 [410]	(643) [—]
Bonds	—	—	—	13,804	13,374	(430)
Government and municipal bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	1,313	1,311	(1)
Others	—	—	—	12,491	12,063	(428)
Other	6,175 [13,391]	5,275	(899)	55,307 [13,391]	54,986 [13,070]	(320) [-320]

(Note) Figures in [brackets] refer to “operating investment securities” in “Current assets” on consolidated balance sheets.

(3) Securities without readily determinable market values and their recorded values on the consolidated balance sheets

(Millions of yen)

Type	As of March 31, 2009	As of March 31, 2010
	Value on consolidated balance sheets	Value on consolidated balance sheets
Bonds to be held to maturity	1,997	—
Government and municipal bonds	—	—
Corporate bonds	1,997	—
Other	—	—
Other securities	14,723 [9,503]	91,760 [71,225]
Unlisted equities	7,830 [2,832]	29,530 [10,674]
Unlisted bonds	1 [1]	0 [0]
Other	6,891 [6,669]	62,230 [60,551]

(Note) Figures in [brackets] refer to “operating investment securities” in “Current assets” on consolidated balance sheets.

(4) Notional amounts of, fair value of, and valuation gains and losses on derivative contracts

(Millions of yen)

Type	As of March 31, 2009					
	Assets			Liabilities		
	Notional amount	Fair value	Valuation gains/losses	Notional amount	Fair value	Valuation gains/losses
Option contracts	—	—	—	—	—	—
Forward exchange contracts	—	—	—	—	—	—
Future/forward contracts	—	—	—	—	—	—

(Millions of yen)

Type	As of March 31, 2010					
	Assets			Liabilities		
	Notional amount	Fair value	Valuation gains/losses	Notional amount	Fair value	Valuation gains/losses
Option contracts	15,208	412	412	15,208	412	412
Forward exchange contracts	20,371	432	432	60,828	1,778	1,778
Future/forward contracts	3,999	68	68	3,797	65	65

Matters related to business combination

On May 7, 2009, the Company merged with former Mizuho Securities, following “Basic Agreement for Merger” signed on April 28, 2008 and “Merger Agreement” signed on March 4, 2009.

1. Name of the acquired company, business type, major reasons for the combination, date of the combination, legal form of the combination, name of the company after the combination and grounds for determination of the acquiring company

- | | |
|---|--|
| a. Acquired company | The Company |
| b. Business type | Financial Instruments Business |
| c. Major reasons for the combination | It was determined that it is necessary, as a member of the Mizuho Financial Group, to leverage the Company’s strength as a securities arm of a banking institution, to become more competitive in a market where there is now greater uncertainty, to improve our service providing-capabilities to our clients and furthermore to reestablish our business to enable us to offer competitive cutting-edge financial services on a global basis. |
| d. Date of the combination | May 7, 2009 |
| e. Legal form of the combination | The Company is the surviving entity, and the former Mizuho Securities is the dissolving entity. |
| f. Name of the company after the combination | Mizuho Securities, Co., Ltd. |
| g. Grounds for determination of the acquiring company | As Mizuho Corporate Bank, Ltd., a shareholder of the former Mizuho Securities which is the legal dissolving entity, holds over half of the new company’s voting rights as a result of the Merger, the former Mizuho Securities is considered to be the acquiring company and the Company is the acquired company under Accounting Standards for Business Combination. |

2. Period of the acquired company’s results included in the consolidated financial statements
From May 7, 2009 to March 31, 2010

3. Acquisition cost and its breakdown of the acquired company

Consideration for acquisition: Common stock of the former Mizuho Securities	181,658 million yen
Expenses directly attributable to the combination: Advisory fees and others	118 million yen
Total Acquisition cost:	181,777 million yen

4. Merger ratio, calculation method, number of new shares to be issued

a. Merger ratio:

Type of share issued	The Company (surviving entity)	Former Mizuho Securities (dissolving entity)
Common stock	1	122

b. Calculation method of merger ratio:

In calculating the merger ratio, the Company and former Mizuho Securities appointed third-party appraisers respectively for the sake of fairness. Both parties concluded the above merger ratio is appropriate, considering the valuation of respective appraisers, financial condition and asset situation of each parties, and other factors in a comprehensive manner.

c. Number of new shares to be issued:

Common stock: 815,570,000 shares

5. Amount, cause and accounting method of negative goodwill recognized

a. Amount of negative goodwill recognized: 110,219 million yen

b. Cause:

The fair value of the Company's net assets at the time of merger exceeded the acquisition cost, and the difference was recognized as a negative goodwill in the consolidated financial statements.

c. Accounting method:

Recorded as income for the fiscal year in which the negative goodwill is recognized, with early adoption of "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008).

6. Amount and breakdown of assets received and liabilities undertaken on the combination date

a. Assets:

Current assets:	2,132,487 million yen
Trading assets included in the above:	1,008,003 million yen
Fixed assets:	190,825 million yen
Total assets:	2,323,312 million yen

b. Liabilities:

Current liabilities:	1,911,981 million yen
Trading liabilities included in the above:	671,840 million yen
Fixed liabilities:	111,036 million yen
Total liabilities:	2,023,440 million yen

7. Amount allocated to intangible fixed assets other than goodwill, breakdown by major type, and weighted-average amortization period in total and by major type

a. Amount allocated to intangible fixed assets: 73,949 million yen

b. Breakdown by major type:

Customer-Related Assets: 73,949 million yen

c. Weighted-average amortization period in total and by major type:

Customer-Related Assets: 16 years

Per share information

(yen)

Year ended March 31, 2009		Year ended March 31, 2010	
Net assets per share	315.13	Net assets per share	361.84
Net income per share	(17.42)	Net income per share	83.37
Diluted net income per share was not shown due to the net loss per share for the year ended March 31, 2009.		Net income per share – fully diluted	83.33

(Note) Net income per share and net income per share (diluted) were calculated based on the following:

	Year ended March 31, 2009	Year ended March 31, 2010
Net income (loss) per share		
Net income (loss) (Millions of yen)	(13,468)	127,064
Amount not attributable to common stock shareholders (Millions of yen)	—	—
Net income (loss) attributable to common stock (Millions of yen)	(13,468)	127,064
Average number of common shares outstanding (Thousands of shares)	773,090	1,524,105
Net income per share (diluted)		
Adjustment amounts to net income (Millions of yen)	—	—
Increase in common stock (Thousands of shares)	—	746
(Those with stock subscription rights (thousands of shares))	(—)	(746)
Outline of significant change from the end of the previous fiscal year in potential common shares that were not included in the calculation of net income per share (diluted) due to anti-dilutive effect	—	—

Significant Subsequent Events

Not applicable

Disclosure Omission

It is considered not necessary to disclose following foot notes in this summary financial statements, therefore those are omitted: lease transactions, transactions among related parties, tax effect accounting, financial instruments, pension benefit, stock options and leased properties

(1) Commissions and fees

1) Breakdown by items

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Year on year	
	former Shinko Securities		Increase/ Decrease	Comparison (%)
Brokerage commissions	16,944	33,236	16,291	196.1
Equities	16,771	27,468	10,697	163.8
Bonds	62	5,686	5,623	—
Underwriting and selling fees, and commissions from solicitation to qualifying investors	2,197	43,751	41,554	—
Equities	371	26,531	26,160	—
Bonds	1,825	16,854	15,028	923.1
Offering, selling, and other fees and commissions, and commissions from solicitation to qualifying investors	14,051	22,348	8,297	159.0
Other commissions and fees	19,805	46,486	26,680	234.7
Total	52,999	145,822	92,823	275.1

2) Breakdown by instruments

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Year on year	
	former Shinko Securities		Increase/ Decrease	Comparison (%)
Equities	17,577	55,311	37,733	314.7
Bonds	2,320	23,844	21,523	—
Beneficiary certificates	27,304	35,385	8,080	129.6
Others	5,796	31,282	25,485	539.7
Total	52,999	145,822	92,823	275.1

(2) Gain on trading, net

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Year on year	
	former Shinko Securities		Increase/ Decrease	Comparison (%)
Equities	8,234	25,341	17,107	307.7
Bonds, others	31,309	38,782	7,472	123.9
Bonds	27,236	36,418	9,181	133.7
Others	4,072	2,363	(1,708)	58.0
Total	39,544	64,124	24,579	162.2

(Reference) Consolidated Quarterly Statements of Operations

(Millions of yen)

	Fourth quarter ended March 2009	First quarter ended June 2009	Second quarter ended September 2009	Third quarter ended December 2009	Fourth quarter ended March 2010
	Jan. 1, 2009 - Mar. 31, 2009	Apr. 1, 2009 - Jun. 30, 2009	Jul. 1, 2009 - Sep. 30, 2009	Oct. 1, 2009 - Dec. 31, 2009	Jan. 1, 2010 - Mar. 31, 2010
	former Shinko Securities				
Operating revenues	21,999	95,325	80,372	65,503	70,960
Commissions and fees	11,727	33,649	39,478	31,761	40,932
Brokerage commissions	3,285	7,937	9,055	7,910	8,333
Equities	3,229	6,503	7,826	6,221	6,916
Bonds	22	1,419	1,207	1,658	1,400
Underwriting and selling fees, and commissions from solicitation to qualifying investors	378	9,250	12,532	8,328	13,640
Equities	45	4,039	8,092	3,866	10,532
Bonds	333	5,122	4,396	4,379	2,955
Offering, selling, and other fees and commissions, and commissions from solicitation to qualifying investors	4,193	3,083	6,547	6,521	6,196
Other commissions and fees	3,869	13,377	11,343	9,002	12,762
Gain on trading, net	6,826	32,592	16,350	9,397	5,783
Equities	1,624	1,382	2,862	11,890	9,207
Bonds, other	5,202	31,209	13,488	(2,492)	(3,423)
Bonds	9,072	34,029	8,289	(5,577)	(322)
Other	(3,870)	(2,819)	5,199	3,085	(3,101)
Gain (loss) on sales of operating investment securities	(426)	(136)	115	(89)	(542)
Interest and dividend income	3,872	29,220	24,428	24,433	24,786
Financial expenses	2,057	17,963	14,470	14,370	14,955
Net operating revenues	19,941	77,361	65,901	51,132	56,004
Selling, general and administrative expenses	26,134	49,331	56,186	56,851	57,143
Transaction expenses	3,254	7,570	8,477	9,293	9,154
Personnel expenses	11,876	24,797	26,987	26,420	25,624
Real estate expenses	3,753	6,059	6,950	6,843	6,934
Office expenses	2,231	3,896	4,661	4,995	6,152
Depreciation and amortization	3,636	5,021	6,230	6,424	6,162
Taxes and dues	186	510	722	760	543
Other	1,195	1,475	2,156	2,113	2,571
Operating income (loss)	(6,192)	28,030	9,715	(5,719)	(1,138)
Non-operating revenues	1,059	1,481	744	665	1,375
Non-operating expenses	778	619	339	280	840
Ordinary income (loss)	(5,912)	28,891	10,120	(5,334)	(604)
Extraordinary gains	248	110,257	(34)	928	84
Extraordinary loss	1,365	3,586	1,584	1,598	1,622
Income (loss) before income taxes and minority interests	(7,028)	135,563	8,501	(6,004)	(2,142)
Income taxes - current	192	1,684	1,017	821	641
Income taxes - deferred	(116)	3,907	1,019	(591)	201
Income loss minority interests	-	129,971	6,464	(6,234)	(2,985)
Minority interests	(32)	456	267	(435)	(137)
Net income (loss)	(7,071)	129,514	6,196	(5,799)	(2,847)

5. Non-consolidated Financial Statements

(1) Non- consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets		
Cash on hand and bank deposits	163,447	88,488
Cash segregated as deposits related to securities transactions	39,124	94,669
Trading assets	1,317,202	6,447,833
Trading securities and others	1,293,599	5,747,883
Operating loan assets	—	26,448
Derivatives	23,603	673,502
Receivables - unsettled trades	39,289	—
Operating investment securities	8,338	28,722
Margin transaction assets	30,030	52,864
Customers' loans receivable under margin transactions	11,899	25,317
Collateral for borrowed securities under margin transaction	18,130	27,547
Loans receivable secured by securities	948,137	3,983,524
Collateral for borrowed securities	796,087	3,962,121
Loans receivable in Gensaki transaction	152,050	21,402
Advances	653	54
Customer	624	38
Others	28	16
Short-term loans deposits	12,454	101,173
Accounts for non-delivered securities and others	2,748	538
Short-term loans receivable	10,970	62,917
Prepayment	154	230
Prepayment expenses	1,108	2,119
Receivables	1,398	1,218
Accounts receivables	6,307	21,244
Deferred tax assets	3,882	16,589
Other current assets	—	424
Less: Allowance for doubtful accounts	(566)	(62)
Total current assets	2,584,682	10,902,551
Fixed assets		
Tangible fixed assets		
Buildings	6,933	17,047
Equipments	3,284	6,960
Land	2,029	8,040
Lease Assets	1,209	1,209
Lease Assets	409	835
Intangible fixed assets		
Software	27,284	32,773
Tenancy rights	24,065	32,419
Telephone leased rights	93	81
Other	230	273
Other	2,895	—
Investments and other assets		
Investment securities	69,086	301,556
Affiliate companies	23,019	32,358
Long-term deposits	28,339	221,707
Long-term prepayment expenses	8,095	13,780
Deferred tax assets	1,656	2,170
Other	—	22,707
Other	10,745	12,389
Less: Allowance for doubtful accounts	(2,769)	(3,557)
Total fixed assets	103,304	351,377
Total assets	2,687,986	11,253,928

(Millions of yen)

As of March 31, 2009 As of March 31, 2010

Liabilities		
Current liabilities		
Trading liabilities	636,694	3,248,184
Trading securities and others	609,335	2,654,010
Derivatives	27,358	594,174
Payable – unsettled trades	—	466,478
Payables related to margin transactions	11,505	19,933
Customers' loans payable under margin transactions	6,694	11,289
Collateral for loaned securities under margin transactions	4,810	8,643
Collateralized short-term financing agreements	1,014,579	2,626,986
Deposits received for securities loaned	667,767	2,022,938
Securities sold under agreements to repurchase	346,811	604,048
Deposits received	30,432	251,726
Deposits from customers	28,264	39,825
Deposit received subscriptions	—	192,426
Others	2,168	19,474
Received margins	17,296	84,099
Short-term borrowings	564,150	2,655,549
Commercial paper	83,500	331,700
Short-term bonds and notes	—	62,532
Lease obligation	86	887
Advance receivable	280	311
Payables	653	941
Payable expenses	5,154	19,181
Income taxes payable	433	933
Accrued employee's bonuses	2,251	7,577
Allowance for bonus points redemption	1,136	376
Reserve for loss on liquidation of affiliated companies	890	2
Other current liabilities	—	1,770
Total current liabilities	2,369,043	9,779,174
Fixed liabilities		
Corporate bonds	33,000	320,485
Long-term borrowings	40,300	553,686
Lease obligation	326	1,156
Deferred tax liabilities	3,401	—
Reserve for retirement benefits	4,957	12,295
Reserve for directors' retirement benefits	440	—
Reserve for executive officers' retirement benefits	874	—
Other fixed liabilities	192	1,844
Total fixed liabilities	83,491	889,468
Statutory reserve		
Reserve for financial instrument transaction liabilities	397	1,860
Total statutory reserve	397	1,860
Total liabilities	2,452,932	10,670,503

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus		
Additional paid in capital	51,407	380,194
Other capital surplus	31,113	31,117
Total capital surplus	82,521	411,312
Retained earnings		
Other retained earnings		
Retained earnings brought forward	33,246	49,123
Total retained earnings	33,246	49,123
Treasury stocks	(7,425)	(7,449)
Total shareholder's equity	233,509	578,154
Valuation and translation adjustments		
Valuation and translation adjustments of other securities	1,544	5,439
Net deferred hedge gain (loss), net of taxes	—	(535)
Total valuation and translation adjustments	1,544	4,903
Stock subscription rights	—	367
Total net assets	235,053	583,425
Total net assets and liabilities	2,687,986	11,253,928

(2) Statements of Income

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Operating revenues		
Commissions and fees	46,285	119,872
Brokerage commissions	16,065	23,734
Underwriting and selling fees, and commissions from solicitation to qualifying investors	2,197	32,889
Offering, selling, and other fees and commissions, and commissions from solicitation to qualifying investors	13,976	23,520
Other commissions and fees	14,046	39,728
Gain on trading, net	39,255	62,394
Loss on sales of operating investment securities	(1,147)	(2,838)
Interest and dividend income	15,567	37,551
Total operating revenues	99,960	216,979
Financial expenses	13,371	26,321
Net operating revenues	86,588	190,658
Selling, general and administrative expenses	103,591	169,690
Transaction expenses	13,793	28,071
Personnel expenses	41,493	67,243
Real estate expenses	15,575	25,004
Office expenses	16,200	24,073
Depreciation and amortization	12,959	19,159
Taxes and dues	832	2,247
Provision of allowance for doubtful accounts	564	—
Other	2,171	3,891
Operating income (loss)	(17,002)	20,967
Non-operating revenues	2,668	2,355
Dividend income	2,037	1,017
Others	630	1,338
Non-operating expenses	156	325
Ordinary income (loss)	(14,490)	22,998
Extraordinary gain	5,837	254
Gain on sale of investment securities, net	5,474	183
Gain on liquidation of affiliates	111	—
Reversal of reserve for financial instruments transaction liabilities	250	—
Reversal of allowance for doubtful accounts	—	70
Extraordinary loss	4,691	9,808
Gain on sale of fixed assets	—	0
Gain on sale of investment securities, net	262	1,585
Loss on sale of fixed assets	96	14
Loss on disposal of fixed assets	2,599	483
Loss on valuation of golf club membership	10	35
Expenses related to merger Impairment loss	1,558	5,587
Extraordinary depreciation expenses	164	420
Prior year adjustment - Depreciation	—	1,634
Provision for reserve for financial instruments transaction liabilities	—	46
Income (loss) before income taxes	(13,345)	13,445
Total Income taxes	294	137
Adjustment amount for income taxes	(509)	(4,887)
Income taxes	(214)	(4,749)
Net income (loss)	(13,130)	18,195

(3) Non Consolidated Statement Change in Net Assets

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	125,167	125,167
Amounts of changes during the period		
Total amounts of change during the period	—	—
Balance at the end of the period	125,167	125,167
Capital surplus		
Additional paid in capital		
Balance at end of previous fiscal year	51,407	51,407
Amounts of change during the period		
Amounts of increase due to merger	—	328,787
Total amounts of change during the period	—	328,787
Balance at the end of the period	51,407	380,194
Total capital surplus		
Balance at end of previous fiscal year	31,110	31,113
Amounts of changes during the period		
Disposal of treasury stock	3	4
Total amounts of change during the period	3	4
Balance at the end of the period	31,113	31,117
Total capital surplus		
Balance at end of previous fiscal year	82,517	82,521
Amounts of changes during the period		
Disposal of treasury stock	3	4
Amounts of increase due to merger	—	328,787
Total amounts of change during the period	3	328,791
Balance at the end of the period	82,521	411,312
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at end of previous fiscal year	54,109	33,246
Amounts of changes during the period		
Distribution of surplus	(7,731)	(2,318)
Net income or loss	(13,130)	18,195
Total amounts of change during the period	(20,862)	15,876
Balance at the end of the period	33,246	49,123
Total retained earnings		
Balance at end of previous fiscal year	54,109	33,246
Amounts of changes during the period		
Distribution of surplus	(7,731)	(2,318)
Net income (loss)	(13,130)	18,195
Total amounts of change during the period	(20,862)	15,876
Balance at the end of the period	33,246	49,123

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Treasury stock		
Balance at end of previous fiscal year	(7,372)	(7,425)
Amounts of changes during the period		
Acquisition of treasury stocks	(63)	(31)
Disposal of treasury stock	10	7
Total amounts of change during the period	(52)	(24)
Balance at the end of the period	(7,425)	(7,449)
Total shareholder's equity		
Balance at end of previous fiscal year	254,421	233,509
Amounts of changes during the period		
Distribution of surplus	(7,731)	(2,318)
Net income or loss	(13,130)	18,195
Acquisition of treasury stocks	(63)	(31)
Disposal of treasury stock	14	11
Amounts of increase due to merger	—	328,787
Total amounts of change during the period	(20,911)	344,644
Balance at the end of the period	233,509	578,154
Valuation and translation adjustments		
Total valuation and translation adjustments		
Balance at end of previous fiscal year	10,073	1,544
Amounts of changes during the period		
Net amounts of changes during the period except for shareholder's equity	(8,529)	3,895
Total amounts of change during the period	(8,529)	3,895
Balance at the end of the period	1,544	5,439
Net deferred hedge gain (loss), net of taxes		
Balance at end of previous fiscal year	—	—
Amounts of changes during the period		
Net amounts of changes during the period except for shareholder's equity	—	(535)
Total valuation and translation adjustments	—	(535)
Balance at the end of the period	—	(535)
Total valuation and translation adjustments		
Balance at end of previous fiscal year	10,073	1,544
Amounts of changes during the period		
Net amounts of changes during the period except for shareholder's equity	(8,529)	3,359
Total valuation and translation adjustments	(8,529)	3,359
Balance at the end of the period	1,544	4,903
Stock subscription rights		
Balance at end of previous fiscal year	—	—
Amounts of changes during the period		
Net amounts of changes during the period except for shareholder's equity	—	367
Total amounts of change during the period	—	367
Balance at the end of the period	—	367

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Total net assets		
Balance at end of previous fiscal year	264,494	235,053
Amounts of changes during the period		
Distribution of surplus	(7,731)	(2,318)
Net income (loss)	(13,130)	18,195
Acquisition of treasury stocks	(63)	(31)
Disposal of treasury stock	14	11
Amounts of increase due to merger	—	328,787
Net amounts of changes during the period except for shareholder's equity	(8,529)	3,727
Total amounts of changes during the period	(29,440)	348,371
Balance at the end of the period	235,053	583,425

[Note on the going-concern assumption]
Not applicable

[Non-consolidated Financial Statements]

These non-consolidated financial statements follow the provisions of Ministry of Finance (MoF) Ordinance No.59 (1963) entitled “The Rules for Terms, Formats, and Preparation Method of Financial Statements” (“Rules for Non-consolidated Financial Statements”) and also comply with the provisions stipulated in Articles 2 of said ordinance. In addition, they are compiled in accordance with Cabinet Office Ordinance No.52 (2007) entitled “Cabinet Office Ordinance Concerning Financial Instruments Business” and the resolution entitled “Uniform Accounting Standards of Securities Companies” approved by the board of directors of the Japan Securities Dealers Association on 14 November 1974.

The Company merged with the former Mizuho Securities on May 7, 2009. The non-consolidated business results for this fiscal year were prepared by combining the business results of the former Shinko Securities for the period from April 1, 2009 through May 6, 2009 with the business results of the Company for the period from May 7, 2009 through March 31.

[Basic Important Matters for Preparation of Non-consolidated Financial Statements]

1. Valuation method for securities

(1) Valuation method for securities classed as trading products (securities held for trading purpose):
Securities and derivative contracts classed as trading products are recorded at fair value.

(2) Valuation method for securities not classed as trading products:

1) Shares of subsidiaries and affiliates

The cost method by the moving-average method is used.

2) Other securities

a) Bonds that are to be held to maturity

The amortized cost (straight-line) method is used.

b) Other securities

Other securities with fair value:

Those are recorded at fair value on the non-consolidated balance sheets. Difference between the cost, using the moving average method, and fair value is recorded as net unrealized gains (or losses) on other securities.

Other securities that is difficult to calculate fair value:

Those are recorded at cost using moving average method.

Moreover, with regard to contributions to investment business limited partnerships and similar partnerships (according to Article 2, Paragraph 2 of the Financial Instruments and Exchange Law, such contributions are regarded as negotiable securities), we use, as the book value, the value of our holdings of partnership assets as designated on the partnership’s most recent statement of accounts that we are able to obtain as of the day - stipulated in the partnership agreement - on which the latest statement of accounts is reported. With regard to profit and loss obtained from the operations of the partnership, etc., we use a method whereby we record the value of our holdings.

2. Depreciation methods used for fixed assets

(1) Tangible fixed assets

The declining balance method is mainly used.

However, buildings acquired after 1 April 1998 (excluding the equipment, etc. they contain) are depreciated using the straight-line (fixed amount) method.

(2) Intangible fixed assets and long-term prepaid expenses

The straight-line method is used.

Moreover, software for our own use is depreciated using a straight-line method with the fixed amount of depreciation being determined by the duration of its potential internal use (up to 5 years).

(3) Lease Assets

Leased assets (in finance lease transactions other than those that are expected to transfer ownership of the assets to the lessee) Leased assets in a finance lease transactions other than those that are expected to transfer ownership of the assets to the lessee are amortized over lease term using declining balance method until its the remaining value will be nil.

3. Accounting policies for reserves and allowances

(1) Allowance for doubtful accounts

To prepare for possible loss from bad debt in loans receivables, etc., allowance for general receivables is provided based on the ratio of past loss experience and also specific receivables such as non-recoverable receivables is provided for the estimated uncollectible amounts after reviewing collect ability of receivables individually.

(2) Accrued bonuses

To prepare for the payment of bonuses to employees, we calculated the estimated value of future payments and charged this obligation to this period.

(3) Allowance for bonus points redemption

To prepare for the cost burden for use of the Mizuho Point Service in the future, the expected required amount is calculated for this period based on the usage rate.

(4) Reserve for loss on liquidation of affiliated companies

To prepare for the cost burden for liquidation of the Shinko Securities (Europe) Limited, allowance for the estimated amount is provided.

(5) Reserve for retirement benefits

To prepare for the payment of employee retirement benefits, the amount considered to have arisen within the period was charged to the period on the basis of the estimated value of projected retirement benefit obligations and our pension assets at the end of this period.

Prior service cost is charged to income using the lump-sum or the straight-line method based on determined years (10 years) within average remaining service year of the employees when incurred.

Actuarial differences are also charged to expenses from the following fiscal year using the straight-line method based on determined years (10 years) within average remaining service year of the employees when incurred.

(6) Reserve for financial instrument transaction liabilities

Reserve for financial instruments transaction liabilities is provided for potential loss from accidents in security transactions in accordance with Article 46, Paragraph 5 of the Financial Instruments and Exchange Act, and Article 175 of "Cabinet Office Ordinance on the Financial Instruments and Exchange Business"

4. Method of hedge accounting

Gains or losses resulting from forward foreign exchange transactions entered into in order to hedge the exchange risk of foreign currency denominated equity investments in subsidiaries are deferred when they qualify for hedge accounting.

Borrowings in foreign currency undertaken in order to hedge against the risk of fluctuations in exchange rate on foreign currency denominated operating investments securities are accounted for under fair value hedge accounting.

For interest rate swap contracts that are used as hedges for the interest rate risk of borrowings, the net amount to be paid or received under the contract is added to or deducted from the interest on the borrowings subject to the hedge. (This treatment is allowed under Japanese GAAP provided the transactions meet certain criteria for hedge accounting and assessment for hedge effectiveness is not required in this case).

5. Accounting for consumption tax

The tax exclusion method is applied.

[Notes to Non-consolidated Balance Sheets]

	March 31, 2009	March 31, 2010
		(Millions of yen)
1. Accumulated depreciation deducted from tangible fixed assets	6,852	25,304
2. Obligations under guarantees	7,021	2,657
(potential guarantee obligation)	(6,956)	(2,378)

In accordance with Report No. 61 of the Auditing Committee of the Japanese Institute of Certified Public Accountants, titled "Auditing Procedures Concerning the Accounting for Guarantee Obligations and Quasi-Guarantees," those obligations of the Company deemed to cause the Company to be held liable as a guarantor are to be treated as quasi-guarantees and stated in notes.

3. Subordinated corporate bonds and borrowings

Among our corporate bonds and long-term borrowings (including those that mature within one year), there are the following subordinated obligations (corporate bonds and borrowings with special subordinating conditions) as defined in Article 176 of Cabinet Office Ordinance No.52 (2007) entitled "Cabinet Office Ordinance Concerning Financial Instruments Business".

	March 31, 2009	March 31, 2010
		(Millions of yen)
Corporate bonds	13,000	13,000
Long-term borrowings (incl. those that mature within one year)	47,650	311,300

[Notes to Non-consolidated Statements of Change in Net Assets]

Fiscal Year Ended March 31, 2009 (April 1, 2008 - March 31, 2009)

Matters related to type and quantities of treasury stock

(Thousands of shares)

	Shares at end of previous year	Shares increased in this year	Shares decreased in this year	Shares at end of this year
Treasury stock				
Common stock	37,925	236	55	38,105
Total	37,925	236	55	38,105

1. The number of common stock held in treasury stock increased by 236,000 shares. This increase resulted from the purchase of odd-lot of shares.
2. The number of common stock held in treasury stock decreased by 55,000 shares. A decrease of 51,000 shares resulted from a request to increase a purchase of odd-lot shares, while a decrease of 4,000 shares resulted from the excretion of stock option rights.

Fiscal Year Ended March 31, 2010 (April 1, 2009 - March 31, 2010)

Matters related to type and quantities of treasury stock

(Thousands of shares)

	Shares at end of previous year	Shares increased in this year	Shares decreased in this year	Shares at end of this year
Treasury stock				
Common stock	38,105	112	38	38,179
Total	38,105	112	38	38,179

1. The number of common stock held in treasury stock increased by 112,000 shares. This increase resulted from the purchase of odd-lot of shares.
2. The number of common stock held in treasury stock decreased by 38,000 shares. A decrease of 8,000 shares resulted from a request to increase a purchase of odd-lot shares, while a decrease of 30,000 shares resulted from the excretion of stock option rights.

Significant Subsequent Events

Not applicable

Data on Non-consolidated Settlement of Accounts

1. Commissions and fees received

(1) Breakdown by categories

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Year on year changes	
	former Shinko Securities		Increase/ Decrease	Comparison (%)
Brokerage commissions	16,065	23,734	7,669	147.7
Equities	15,894	23,199	7,305	146.0
Bonds	62	447	385	718.2
Underwriting and selling fees, and commissions from solicitation to qualifying investors	2,197	32,889	30,692	—
Equities	371	20,632	20,260	—
Bonds	1,825	11,891	10,065	651.3
Offering, selling, and other fees and commissions, and commissions from solicitation to qualifying investors	13,976	23,520	9,543	168.3
Other fees and commissions	14,046	39,728	25,682	282.8
Total	46,285	119,872	73,587	259.0

(2) Breakdown by instruments

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Year on year changes	
	former Shinko Securities		Increase/ Decrease	Comparison (%)
Equities	16,692	48,975	32,282	293.4
Bonds	2,317	13,774	11,456	594.3
Beneficiary securities	21,992	31,825	9,833	144.7
Others	5,282	25,297	20,014	478.9
Total	46,285	119,872	73,587	259.0

2. Gain on trading, net

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Year on year changes	
	former Shinko Securities		Increase/ Decrease	Comparison (%)
Equities	8,240	28,231	19,990	342.6
Bonds, others	31,015	34,162	3,147	110.1
Bonds	26,943	33,884	6,941	125.8
Others	4,072	278	(3,794)	6.8
Total	39,255	62,394	23,138	158.9

5. Capital adequacy requirement ratio

(Millions of yen)

		As of March 31, 2010	As of March 31, 2009 former Shinko Securities
Basic items	Total capital (A)	570,211	231,191
Supplemental items	Difference in valuation (valuation gains) of other securities	5,271	1,544
	Reserve for financial instrument transaction liabilities, etc.	1,860	397
	Allowance for doubtful accounts	62	87
	Subordinated long-term borrowings	142,000	17,000
	Subordinated short-term borrowings	181,300	43,650
	Total (B)	330,494	62,679
Deducted assets	(C)	341,040	88,274
Equity after deduction	(A) + (B) - (C) (D)	559,665	205,596
Amount equivalent to risk	Amount equivalent to market risk	79,291	25,767
	Amount equivalent to counterparty risk	33,797	7,076
	Amount equivalent to fundamental risk	45,761	26,653
	Total (E)	158,850	59,497
Capital adequacy requirement ratio (D)/(E) * 100		352.3%	345.5%

(Reference)

Quarterly Statements of Operations

(Millions of yen)

	Fourth quarter ended March 2009	First quarter ended June 2009	Second quarter ended September 2009	Third quarter ended December 2009	Fourth quarter ended March 2009
	Jan. 1, 2009 - Mar. 31, 2009	Apr. 1, 2009 - Jun. 30, 2009	Jul. 1, 2009 - Sep. 30, 2009	Oct. 1, 2009 - Dec. 31, 2009	Jan. 1, 2010 - Mar. 31, 2010
	former Shinko Securities				
Operating revenues	20,579	54,957	56,838	49,691	55,492
Commissions and fees	10,427	29,028	31,616	25,997	33,229
Brokerage commissions	3,096	6,553	6,612	4,942	5,625
Equities	3,040	6,422	6,496	4,787	5,492
Bonds	22	106	96	127	117
Underwriting and selling fees, and commissions from solicitation to qualifying investors	378	7,272	8,568	7,130	9,917
Equities	45	3,659	5,793	3,606	7,573
Bonds	333	3,525	2,731	3,442	2,192
Offering, selling, and other fees and commissions, and commissions from solicitation to qualifying investors	4,183	4,458	6,502	6,474	6,085
Other commissions and fees	2,768	10,744	9,932	7,449	11,601
Gain on trading, net	6,775	19,541	16,113	15,708	11,030
Equities	1,625	5,415	2,550	11,258	9,006
Bonds, other	5,150	14,126	13,562	4,450	2,023
Bonds	9,021	19,062	8,320	1,374	5,128
Other	(3,870)	(4,936)	5,242	3,076	(3,104)
Gain (loss) on sales of operating investment securities	(430)	(168)	(1,055)	(291)	(1,323)
Interest and dividend income	3,807	6,554	10,163	8,276	12,555
Financial expenses	2,016	4,698	6,970	6,251	8,400
Net operating revenues	18,563	50,258	49,868	43,439	47,091
Selling, general and administrative expenses	24,711	36,888	44,567	44,715	43,518
Transaction expenses	2,857	5,290	7,307	8,111	7,361
Personnel expenses	9,947	15,408	18,286	17,583	15,964
Real estate expenses	3,807	5,702	6,605	6,287	6,407
Office expenses	3,846	4,759	5,792	6,182	7,338
Depreciation and amortization	3,436	4,406	4,937	5,009	4,805
Taxes and dues	150	433	659	668	484
Other	666	887	977	870	1,155
Operating income (loss)	(6,147)	13,369	5,300	(1,275)	3,573
Non-operating revenues	398	887	698	226	544
Non-operating expenses	60	81	(44)	126	161
Ordinary income (loss)	(5,810)	14,175	6,042	(1,175)	3,956
Extraordinary gains	145	78	(33)	132	76
Extraordinary loss	1,231	4,856	1,658	1,747	1,545
Income (loss) before income taxes and minority interests	(6,897)	9,397	4,350	(2,791)	2,487
Income taxes - current	244	30	30	30	47
Income taxes - deferred	(4)	(6,079)	1,388	(519)	322
Net income (loss)	(7,137)	15,447	2,932	(2,301)	2,117

VI. Others

Changes Among Officers

Information concerning the assignment of officers was disclosed on March 5, 2010.

[Reference] Breakdown of securitization products

1. Foreign currency denominated securitization products

[Managerial accounting basis]

(JPY Bn, round figures)

Mizuho Securities (including overseas subsidiaries)

=Trading account

	Balances as of Mar. 31, 2009	Marks (%) as of Mar. 31, 2009	Balances as of Mar. 31, 2010	Marks (%) as of Mar. 31, 2010	Realized Gains/Losses for FY2009
	(Fair Value)	(=Fair Value/ Face Value)	(Fair Value)	(=Fair Value/ Face Value)	
1 Foreign currency denominated securitization products	39	12	*1 21	9	2
2 ABSCDOs, CDOs	6	2	0	0	-0
3 CDOs backed by RMBS	6	2	0	0	-0
4 CDOs except above	-	-	0	0	-0
5 CDOs backed by claims against corporations	-	-	-	-	-
6 CDOs backed by CMBS	-	-	0	0	-0
7 RMBS	1	1	0	0	0
8 RMBS backed by US subprime mortgage loans	0	2	0	0	0
9 RMBS except above *2 (RMBS backed by mid-prime loans, prime loans and others)	1	1	0	0	0
10 RMBS backed by mid-prime loans (Alt-A)	0	1	0	1	0
11 ABS, CLOs and others	32	79	21	75	2
12 CLOs	24	83	21	77	-1
13 CMBS	0	14	0	2	-0
14 SIV-related	8	72	-	-	3

*1: The change in balance from Mar. 31, 2009 (approximately JPY -18 billion) included approximately JPY 2 billion decrease in balance due to foreign exchange translation impact primarily caused by appreciation of Japanese yen against the US dollar.

*2: Excluded US government-owned corporation bonds and government-sponsored enterprise bonds.

(Reference) Credit Default Swaps related to securitization products (as of Mar. 31, 2010)

- The notional amount of hedging transactions by CDS referring to securitization products at Mizuho Securities was approximately JPY 126 billion (JPY 298 billion as of Mar. 31, 2009), and the fair value of the relevant reference assets (securitization products) was approximately JPY 112 billion (JPY 208 billion as of Mar. 31, 2009). NPV, or the estimated amount claimable for the settlement of the CDS, was approximately JPY 13 billion, which was the difference between the notional amount and the fair value. The net estimated amount claimable for the settlement of the CDS after deducting reserves for counterparty risks (approximately JPY 0 billion) was approximately JPY 13 billion.

(The above included CDS contracts with a US monoline (external ratings as of Mar. 31, 2010: AA-*¹), of which the notional amount was approximately JPY 20 billion and the fair value of the relevant reference assets was approximately JPY 19 billion.)

*1 Based on the lowest external ratings as of Mar. 31, 2010

- Vast majority of the notional amount of the above CDS contracts was with counterparties with external ratings in the "AA" range or higher (as of Mar. 31, 2010), and the relevant reference assets were securitization products backed mainly by claims against corporations.