



October 29, 2010

Summary of Consolidated Financial Statements for the Six Months Ended September 30, 2010 Under Japanese GAAP

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/>

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Scheduled date of dividend payment: —

Preparation of supplemental explanatory documents: Yes

Holding of presentation meeting: Yes (for investment analysts and institutional investors)

1. Consolidated Financial Results for the Six Months ended September 30, 2010 (April 1, 2010 to September 30, 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	%
Six months ended								
September 30, 2010	163,143	(7.1)	123,324	(13.9)	8,439	(77.6)	10,823	(72.3)
September 30, 2009	175,698	-	143,263	-	37,745	-	39,012	-

	Net income		Net income per share	Net income per share
	million yen	%	per share	- fully diluted
Six months ended			yen	yen
September 30, 2010	6,396	(95.3)	4.03	4.02
September 30, 2009	135,711	-	92.97	92.95

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
September 30, 2010	22,642,180	590,876	2.5	357.43
March 31, 2010	20,951,031	598,988	2.7	361.84

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

September 30, 2010: 567,927 million yen

March 31, 2010: 574,775 million yen

2. Dividends

	Dividend per share				
	As of Jun.30	As of Sep.30	As of Dec.31	As of Mar.31	Total
Year ended	yen	yen	yen	yen	yen
March 31, 2010	-	-	-	5.00	5.00
Year ending					
March 31, 2011	-	-			
March 31, 2011 (forecast)			-	-	-

Note 1: Revision of dividend forecast during the six months ended September 30, 2010: None

Note 2: Dividends 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)

Note 1: Revision of the consolidated earnings forecast during the six months ended September 30, 2010: None

Note 2: 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 earnings forecasts.

4. Other Information (For details, please see "2. Other information" on page 4 of the appendix)

- (1) Changes in significant subsidiaries during the period: None
- (2) Simplified accounting methods and specific accounting methods: Yes
- (3) Changes in accounting principles, procedures and methods of presentation:
 - 1) Changes in accordance with revisions of accounting standards: Yes
 - 2) Changes other than 1) above: None
- (4) Number of outstanding shares (common stock)
 - 1) Number of shares issued at end of the period (treasury stock included):

September 30, 2010:	1,626,688,683 shares
March 31, 2010:	1,626,688,683 shares
 - 2) Number of treasury stock at end of the period:

September 30, 2010:	37,775,327 shares
March 31, 2010:	38,190,470 shares
 - 3) Average number of outstanding shares for the six months:

Six months ended September 30, 2010	1,588,847,386 shares
Six months ended September 30, 2009	1,459,707,017 shares

* Note on the status of quarterly review process

This summary of quarterly financial statements is exempt from the quarterly review process based on "Financial Instruments and Exchange Act", while the quarterly consolidated financial statements are being reviewed at the time of disclosure of this report.

* 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.

(Note) 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 six months ended September 30, 2009 (April 1, 2009 to September 30, 2009) were prepared by combining the consolidated business results of the former Mizuho Securities for the period from April 1, 2009 to May 6, 2009 with the consolidated business results of the Company for the period from May 7, 2009 to September 30, 2009. The year-on-year changes in "1. Consolidated Financial Results for the Six Months ended September 30, 2010 (April 1, 2010 to September 30, 2010) (1) Consolidated operating results" are comparison to the business results above.

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1. Qualitative information on quarterly consolidated financial results

(1) Qualitative information on consolidated operating results

In the first half of fiscal 2010, the Japanese economy continued to improve amid a recovery in the corporate sector. However, the pace of recovery slackened owing to slower growth in exports, especially to Asia, and the diminishing impact of government stimulus measures, such as the Eco-points program. In particular, manufacturing output appeared increasingly to be leveling off toward the end of the period, reflecting the impact of yen appreciation and growing concerns about slowdowns in the US and European economies. The equity market started the period on an upswing that propelled the Nikkei 225 Average to a year-to-date high of 11,339 yen in early April. Thereafter, however, share prices corrected sharply as the European sovereign fiscal crisis led to renewed turmoil in global financial markets. The bearish trend continued into the summer amid rising concerns of a slowdown in the US economy and continued yen appreciation, and the Nikkei 225 fell to a year-to-date low of 8,824 yen at the end of August. The Japanese government responded toward the end of the period by selling yen in its first currency market intervention in six and a half years, but the result was a weak rebound that left the Nikkei 225 at a still low level above 9,300 yen. In the bond market, investors' expectations for falling interest rates were strengthened by rising risk aversion caused by Europe's sovereign debt crisis and by domestic financial institutions' lack of alternative investment options. As a result, the benchmark 10-year JGB yield fell to 0.910% in late August, its lowest level since summer 2003. Yields rebounded temporarily toward the end of the first half, but expectations of additional monetary easing capped the rise and at the end of the period the benchmark JGB yield was still below 1%, at the 0.94% level.

Overseas, the US economy was supported by continued improvement in the corporate sector, but the lagging recovery in employment and continued weakness in the housing market fueled concerns of a slowdown from summer. The European economy, led by Germany and other core eurozone economies, continued to improve despite the sovereign fiscal problems as a weak euro propelled exports. The sovereign fiscal problems did, however, trigger a sharp correction in US and European equity markets around the middle of the period. The markets then rebounded toward the end of the period on expectations of additional monetary easing in the United States. The US bond market saw yields fall as concerns of a slowing economic recovery and prolonged monetary easing fueled growing expectation of lower interest rates. Amid the smoldering sovereign fiscal crisis, trends in European bond markets were widely divergent, reflecting the various degrees of sovereign risk.

Under such business environment, for the six months ended September 30, 2010, the Group achieved consolidated operating revenue of 163,143 million yen (92.9% of the corresponding period in the previous year), ordinary income of 10,823 million yen (27.7%) and a net income of 6,396 million yen (4.7%). An overview of the Group's financial performance is shown below.

(Note) 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 six months ended September 30, 2009 (April 1, 2009 to September 30, 2009) were prepared by combining the consolidated business results of the former Mizuho Securities for the period from April 1, 2009 to May 6, 2009 with the consolidated business results of the Company for the period from May 7, 2009 to September 30, 2009. The year-on-year changes are comparison to the business results above.

1) Commissions and fees

Total commissions and fees for the six months ended September 30, 2010, totaled 69,763 million yen (95.4% of the corresponding period in the previous year). A breakdown appears below.

• Brokerage commissions

Daily trading volume on the First and Second Sections of the Tokyo Stock Exchange averaged 1,443.7 billion yen for the six months ended September 30, 2010 (90.1% of the corresponding period in the previous year). The Company's brokerage trading volume was 7,480 million shares (100.7%), with an aggregate value of 5,308.2 billion yen (99.1%). The Group's brokerage commissions on equity trades totaled 12,434 million yen (86.8%).

• Underwriting and selling fees, and commissions from solicitation to qualifying investors

In the equity issuance market, the Company was lead underwriters for public offerings and placements of shares for 8 companies, including one initial public offering. As a result, the Group derived 14,886 million yen (122.7% of the corresponding period in the previous year) in stock underwriting and selling fees, and commissions from solicitation to qualifying investors.

In the fixed income securities issuance market, the Company was sole lead or joint lead underwriters for 100 straight corporate bond issues. As a result, bond underwriting and selling fees, and commissions from solicitation to qualifying investors were 6,936 million yen (72.9%).

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

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

During the fiscal first half, the Company launched the Mizuho Global Macro Fund (2010-04), which targets strong returns generated by a global macro strategy. The Company also launched the Asia ex-Japan Large-Cap Infrastructure Fund and the Asia ex-Japan Small-Mid Cap Growth Fund, two funds that seek to capitalize on the strong growth potential and soundness of the Asian economy, which is currently driving global economic growth. The Company also offered the Global High Yielding Pure Infrastructure Fund, which invests in companies owning or operating infrastructure assets, and the Mizuho GS Hybrid Securities Fund.

In addition, the Company began taking new subscriptions to the Mizuho Global High Yield Bond Fund (Currency Select Type).

Finally, the Company began marketing the DIAM Lucky Clover, the Mizuho Australian Dollar Bond Fund, and the DWS South Africa Rand Short Duration Bond Fund.

For the six months ended September 30, 2010, offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors totaled 12,593 million yen (130.8% of the corresponding period in the previous year).

- 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. In the six months ended September 30, 2010, other commissions and fees totaled 19,716 million yen (79.8% of the corresponding period in the previous year).

2) Gain on trading, net

Net trading losses on equities were 5,010 million yen, and net trading gains on bonds and other instruments were 36,058 million yen (80.7% of the corresponding period in the previous year). Net trading gains for the six months ended September 30, 2010, totaled 31,048 million yen (63.4%).

3) Net interest income

Interest and dividend income totaled 59,876 million yen (111.6% of the corresponding period in the previous year), and interest expenses totaled 39,819 million yen (122.8%), resulting in net interest income of 20,057 million yen (94.5%).

4) Selling, general and administrative expenses

Selling, general and administrative expenses totaled 114,884 million yen (108.9% of the corresponding period in the previous year).

5) Extraordinary gain and loss

Extraordinary gains included a 695 million yen gain on reversal of reserve for financial instruments transaction liabilities and a 284 million yen gain on sale of investment securities. Extraordinary losses included a 423 million yen loss on disposal of fixed assets and a 226 million yen loss on sale of investment securities. This resulted in net extraordinary gains of 271 million yen.

(2) Qualitative information on consolidated financial position

Total consolidated assets at September 30, 2010, stood at 22,642,180 million yen, an increase of 1,691,149 million yen from the end of last fiscal year (March 31, 2010) mainly due to a 1,335,491 million yen increase of trading assets and a 468,680 million yen increase of collateralized short-term financing agreements.

Total consolidated liabilities at September 30, 2010, stood at 22,051,304 million yen, an increase of 1,699,261 million yen from the end of last fiscal year. The main reasons are that payable-unsettled trades and deposits received decreased by 299,298 million yen and 194,789 million yen respectively while trading liabilities and collateralized short-term financing agreements increased by 624,684 million yen and 1,090,552 million yen respectively.

Net assets ended the period at 590,876 million yen, a decrease of 8,111 million yen from the end of last fiscal year. The main reasons are that net unrealized gains on other securities, net of taxes decreased by 2,864 million yen, and foreign currency translation adjustments decreased by 2,480 million yen. As a result, equity ratio was 2.5%.

(3) Qualitative information on consolidated earnings forecast

Because the main business of the Group is the securities business, our earnings are significantly influenced by market conditions and other factors. For this reason, we do not produce forecasts of our business results.

2. Other information

(1) Changes in significant subsidiaries during the period

Not applicable

(2) Simplified accounting methods and specific accounting methods

1) Use of simplified accounting methods

Depreciation of fixed assets

For fixed assets that are depreciated by declining-balance method or other methods we calculate quarterly depreciation expense by prorating the annual depreciation expense.

2) Accounting methods specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles, procedures, and methods of presentation

1) Changes in accordance with revisions to accounting standards

i) The Company applied "Accounting Standards for Equity Method of Accounting for Investment" (Accounting Standards Board of Japan ("ASBJ") Statement No.16, March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No.24, March 10, 2008) from this fiscal year. The impact of adopting these accounting standards to the consolidated financial statements is nil.

ii) The Company applied "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No.18, March 31, 2008) and "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No.21, March 31, 2008) from this fiscal year. The impact of applying these accounting standards to Operating Income, Ordinary Income and Income before Income Taxes and Minority Interests is immaterial.

2) Other changes except 1)

Not applicable

(4) Note on the going-concern assumption

Not applicable

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash on hand and bank deposits	114,780	162,392
Cash segregated as deposits related to customer assets	80,402	96,812
Trading assets	8,931,162	7,595,671
Trading securities and others	7,972,730	6,848,579
Operating loan assets	25,054	26,448
Derivatives	933,378	720,643
Operating investment securities	89,060	88,957
Operating loan receivables	6,882	5,772
Receivables related to margin transactions	46,690	58,031
Loans receivable under margin transactions	32,450	30,349
Collateral for borrowed securities under margin transactions	14,240	27,682
Collateralized short-term financing agreements	12,838,460	12,369,779
Deposits paid for securities borrowed	3,707,777	3,960,261
Securities purchased under agreements to resell	9,130,683	8,409,518
Advances	4,380	4,188
Securities: fail to deliver	7,582	14,477
Short-term loans receivable	4,528	7,775
Securities	6,981	47,469
Deferred tax assets	18,083	17,691
Other current assets	252,321	221,745
Less: Allowance for doubtful accounts	(72)	(76)
Total current assets	22,401,244	20,690,688
Fixed assets		
Tangible fixed assets	42,441	44,110
Intangible fixed assets	98,040	104,156
Investments and other assets	100,453	112,074
Investment securities	65,674	76,780
Long-term deposits	14,306	15,187
Deferred tax assets	3,352	1,013
Other fixed assets	20,754	22,907
Less: Allowance for doubtful accounts	(3,632)	(3,815)
Total fixed assets	240,936	260,342
Total assets	22,642,180	20,951,031

(Millions of yen)

As of September 30, 2010 As of March 31, 2010

Liabilities		
Current liabilities		
Trading liabilities	4,235,017	3,610,332
Trading securities and others	3,373,983	2,923,830
Derivatives	861,033	686,502
Payable – unsettled trades	292,512	591,810
Payables related to margin transactions	16,238	21,354
Loans payable under margin transactions	7,413	12,578
Collateral for loaned securities under margin transactions	8,824	8,775
Collateralized short-term financing agreements	12,357,642	11,267,090
Deposits received for securities loaned	2,662,369	2,019,454
Securities sold under agreements to repurchase	9,695,272	9,247,635
Deposits received	77,821	272,610
Received margins	196,379	210,970
Securities: fail to receive	4,967	16,022
Short-term borrowings	3,216,061	2,766,084
Commercial paper	309,600	331,700
Short-term bonds and notes	66,281	80,755
Lease obligation	735	937
Income taxes payable	1,444	1,654
Accrued employee's bonuses	11,956	22,434
Accrued directors' bonuses	—	38
Deferred tax liabilities	598	119
Allowance for bonus points redemption	485	376
Other current liabilities	34,399	39,203
Total current liabilities	20,822,141	19,233,494
Long-term liabilities		
Corporate bonds	554,072	508,122
Long-term borrowings	640,258	578,563
Lease obligation	803	1,191
Deferred tax liabilities	15,212	11,093
Reserve for retirement benefits	15,435	14,765
Reserve for directors' retirement benefits	337	355
Reserve for executive officers' retirement benefits	200	199
Other long-term liabilities	1,652	2,373
Total long-term liabilities	1,227,974	1,116,664
Statutory reserve		
Reserve for financial instrument transaction liabilities	1,188	1,883
Total statutory reserve	1,188	1,883
Total liabilities	22,051,304	20,352,043

(Millions of yen)

As of September 30, 2010 As of March 31, 2010

Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	389,712	389,662
Retained earnings	125,988	127,621
Treasury stock	(7,370)	(7,450)
Total shareholders' equity	<u>633,497</u>	<u>635,000</u>
Valuation and translation adjustments		
Net unrealized gains on other securities, net of taxes	1,764	4,628
Foreign currency translation adjustments	(67,334)	(64,853)
Total valuation and translation adjustments	<u>(65,569)</u>	<u>(60,225)</u>
Stock subscription rights	606	367
Minority interests	22,342	23,845
Total net assets	<u>590,876</u>	<u>598,988</u>
Total net assets and liabilities	<u>22,642,180</u>	<u>20,951,031</u>

(2) Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Operating revenues		
Commissions and fees	73,128	69,763
Brokerage commissions	16,992	15,455
Underwriting and selling fees, and commissions from solicitation to qualifying investors	21,782	21,998
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	9,631	12,593
Other commissions and fees	24,721	19,716
Gain on trading, net	48,943	31,048
Gain (loss) on sales of operating investment securities	(21)	2,455
Interest and dividend income	53,648	59,876
Total operating revenues	175,698	163,143
Interest expenses	32,434	39,819
Net operating revenues	143,263	123,324
Selling, general and administrative expenses	105,517	114,884
Transaction expenses	16,047	19,871
Personnel expenses	51,784	51,816
Real estate expenses	13,009	14,113
Office expenses	8,558	11,002
Depreciation and amortization	11,251	11,827
Taxes and dues	1,233	1,379
Provision of allowance for doubtful accounts	0	0
Other	3,631	4,873
Operating income	37,745	8,439
Non-operating revenues	2,225	3,179
Non-operating expenses	959	796
Ordinary income	39,012	10,823
Extraordinary gain	110,223	980
Gain on sale of investment securities	3	284
Gain on negative goodwill	110,219	—
Reversal of reserve for financial instruments transaction liabilities	—	695
Extraordinary loss	5,170	708
Loss on disposal of fixed assets	822	423
Loss on sale of investment securities	13	226
Loss on valuation of investment securities	40	8
Loss on valuation of golf club membership	31	12
Expenses related to merger	4,179	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	36
Provision for reserve for financial instrument transaction liabilities	83	—
Income before income taxes and minority interest	144,064	11,094
Income taxes – current	2,701	1,070
Income taxes – deferred	4,927	3,623
Total income taxes	7,628	4,694
Income before minority interests	136,435	6,400
Minority interests	724	3
Net income	135,711	6,396

(3) Note on the going-concern assumption

Not applicable

(4) Segment Information

For the six months ended September 30, 2009 (April 1 to September 30, 2009)

1) Business segment information

Business operations of the Group, conducted on a global basis, encompass i) securities trading, ii) securities brokerage, iii) underwriting and distribution of securities, iv) offering and distribution of securities, and v) the private placement of securities. These businesses, together with ancillary financial services, comprise the Group's source of earnings. Thus, the Group's businesses all fall under the "investment/financial services" category. Business segment information is therefore omitted.

2) Geographical segment information

For the six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)

(Millions of yen)

	Japan	Asia	Europe	North America	Subtotal	Elimination	Consolidated
Net operating revenues							
(1) Net operating revenues from third parties	97,055	1,385	26,740	18,082	143,263	—	143,263
(2) Inter-segment net operating revenues	3,224	786	1,710	446	6,167	(6,167)	—
Total	100,280	2,171	28,450	18,528	149,431	(6,167)	143,263
Operating income (loss)	18,248	(30)	13,822	5,418	37,458	287	37,745

(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
 - (3) North America: the United States of America

3) Overseas sales (Net operating revenues)

For the six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)

(Millions of yen)

	Asia	Europe	North America	Total
Overseas net operating revenues	1,257	24,633	19,779	45,671
Consolidated net operating revenues				143,263
Overseas net operating revenues as a percentage of consolidated net operating revenues	0.9%	17.2%	13.8%	31.9%

(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
 - (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.

For the six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)

1) General information about reportable segments

The Group reports its operations in four segments: the Global Investment Banking Division, the Global Markets & Products Division, the Corporate Investment Services & Retail Business Division, and the Overseas Subsidiaries. These segments are components of the Company for which discrete financial information is available and whose operating results are regularly reviewed by the Company's board of directors to make decisions about resources to be allocated to the segment and assess its performance.

- The Global Investment Banking Division provides underwriting, M&A, securitization, and other advisory services to institutional clients.
- The Global Markets & Products Division serves institutional clients through sales and trading of equities, bonds, and other market instruments and provides services related to asset management.
- The Corporate Investment Services & Retail Business Division markets equities, bonds, investment trusts, and other instruments to clients, primarily individuals, mid-tier small and medium-sized companies and provides services related to financing and business succession to institutional clients.
- The Overseas Subsidiaries provides services related to securities outside of Japan.

2) Information about reported segment profit and loss

For the six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)

(Millions of yen)

	Global Investment Banking Div.	Global Markets & Products Div.	Corporate Investment Services & Retail Business Div.	Overseas Subsidiaries	Other	Amount recorded on consolidated financial statements
Net operating revenues	20,309	41,241	37,223	26,704	(2,153)	123,324
Income (loss) before income taxes and minority interests	5,079	16,791	(3,523)	(3,817)	(3,436)	11,094

(Notes)

1. "Other" includes operating segments not included in reportable segments and Head Office Expense.
2. Information on segment assets is omitted from this disclosure because the Company does not allocate assets to operating segments.

3) Reconciliation of the segments' aggregate profit to the quarterly consolidated statements of income

(Millions of yen)

	Amount
Income before income taxes and minority interests	
Reportable segments total	14,530
Head Office Expense (Note)	(5,015)
Other adjustments	1,579
Income before income taxes and minority interests recorded on the quarterly consolidated statements of income	11,094

Note: "Head Office Expense" comprises mainly selling, general and administrative expenses not attributable to main reportable segments.

4) Geographic segment information

For the six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)

(Millions of yen)

	Japan	Asia	Europe	North America	Consolidated
Net operating revenues	103,915	1,394	8,821	9,193	123,324

(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 etc.
 - (2) Europe: United Kingdom, Switzerland etc.
 - (3) North America: United States of America

5) Additional information

The Company applied "Accounting Standard for Disclosure about Segments of an Enterprise and Related Information" (ASBJ Statement No.17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20, March 21, 2008) from this fiscal year.

(5) Note on material changes in Shareholders' Equity

Not applicable

4. Supplemental information

(1) Commissions and fees

1) Breakdown by items

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010	Year on year	
			Increase/ (Decrease)	Comparison (%)
Brokerage commissions	16,992	15,455	(1,537)	91.0
Equities	14,330	12,434	(1,895)	86.8
Bonds	2,626	2,987	360	113.7
Underwriting and selling fees, and commissions from solicitation to qualifying investors	21,782	21,998	215	101.0
Equities	12,131	14,886	2,754	122.7
Bonds	9,519	6,936	(2,583)	72.9
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	9,631	12,593	2,961	130.8
Other commissions and fees	24,721	19,716	(5,005)	79.8
Total	73,128	69,763	(3,364)	95.4

2) Breakdown by instruments

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010	Year on year	
			Increase/ (Decrease)	Comparison (%)
Equities	27,221	28,318	1,097	104.0
Bonds	12,796	10,132	(2,664)	79.2
Beneficiary certificates	15,346	20,773	5,427	135.4
Others	17,763	10,538	(7,225)	59.3
Total	73,128	69,763	(3,364)	95.4

(2) Gain on trading, net

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010	Year on year	
			Increase/ (Decrease)	Comparison (%)
Equities	4,244	(5,010)	(9,255)	—
Bonds, others	44,698	36,058	(8,639)	80.7
Bonds	42,319	20,981	(21,338)	49.6
Others	2,379	15,077	12,698	633.7
Total	48,943	31,048	(17,895)	63.4

(3) Capital adequacy requirement ratio

(Millions of yen)

		As of September 30, 2010	As of March 31, 2010
Basic items	Total capital (A)	577,738	570,211
Supplemental items	Valuation and translation adjustments	6,041	5,271
	Reserve for financial instrument transaction liabilities, etc.	1,167	1,860
	Allowance for doubtful accounts	46	62
	Subordinated long-term borrowings	117,000	142,000
	Subordinated short-term borrowings	201,300	181,300
	Total (B)	325,555	330,494
	Deducted assets (C)	323,193	341,040
	Equity after deduction (A) + (B) - (C) (D)	580,099	559,665
Amount equivalent to risk	Amount equivalent to market risk	68,529	79,291
	Amount equivalent to counterparty risk	30,992	33,797
	Amount equivalent to fundamental risk	46,558	45,761
	Total (E)	146,080	158,850
	Capital adequacy requirement ratio (D)/(E) * 100	397.1%	352.3%

(Note) Capital adequacy requirement ratio is calculated based on the Company's financials.

(4) Quarterly Consolidated Statements of Operations

(Millions of yen)

	Second quarter ended September 2009	Third quarter ended December 2009	Fourth quarter ended March 2010	First quarter ended June 2010	Second quarter ended September 2010
	Jul. 1, 2009 - Sep. 30, 2009	Oct. 1, 2009 - Dec. 31, 2009	Jan. 1, 2010 - Mar. 31, 2010	Apr. 1, 2010 - Jun. 30, 2010	Jul. 1, 2010 - Sep. 30, 2010
Operating revenues	80,372	65,503	70,960	71,165	91,978
Commissions and fees	39,478	31,761	40,932	30,516	39,246
Brokerage commissions	9,055	7,910	8,333	9,444	6,011
Equities	7,826	6,221	6,916	7,638	4,796
Bonds	1,207	1,658	1,400	1,784	1,202
Underwriting and selling fees, and commissions from solicitation to qualifying investors	12,532	8,328	13,640	6,025	15,972
Equities	8,092	3,866	10,532	2,751	12,134
Bonds	4,396	4,379	2,955	3,215	3,720
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	6,547	6,521	6,196	6,031	6,561
Other commissions and fees	11,343	9,002	12,762	9,014	10,701
Gain on trading, net	16,350	9,397	5,783	15,139	15,908
Equities	2,862	11,890	9,207	(1,468)	(3,541)
Bonds, other	13,488	(2,492)	(3,423)	16,608	19,450
Bonds	8,289	(5,577)	(322)	6,983	13,997
Other	5,199	3,085	(3,101)	9,625	5,452
Gain (loss) on sales of operating investment securities	115	(89)	(542)	(978)	3,433
Interest and dividend income	24,428	24,433	24,786	26,487	33,389
Interest expenses	14,470	14,370	14,955	15,855	23,963
Net operating revenues	65,901	51,132	56,004	55,309	68,015
Selling, general and administrative expenses	56,186	56,851	57,143	56,712	58,172
Transaction expenses	8,477	9,293	9,154	9,760	10,110
Personnel expenses	26,987	26,420	25,624	25,409	26,406
Real estate expenses	6,950	6,843	6,934	6,808	7,305
Office expenses	4,661	4,995	6,152	5,591	5,410
Depreciation and amortization	6,230	6,424	6,162	6,061	5,765
Taxes and dues	722	760	543	712	667
Other	2,156	2,113	2,571	2,367	2,506
Operating income (loss)	9,715	(5,719)	(1,138)	(1,402)	9,842
Non-operating revenues	744	665	1,375	2,219	960
Non-operating expenses	339	280	840	331	465
Ordinary income (loss)	10,120	(5,334)	(604)	486	10,337
Extraordinary gain	(34)	928	84	947	32
Extraordinary loss	1,584	1,598	1,622	155	553
Income (loss) before income taxes and minority interests	8,501	(6,004)	(2,142)	1,278	9,816
Income taxes - current	1,017	821	641	148	922
Income taxes - deferred	1,019	(591)	201	672	2,951
Income (loss) before minority interests	6,464	(6,234)	(2,985)	457	5,942
Minority interests	267	(435)	(137)	(12)	15
Net income (loss)	6,196	(5,799)	(2,847)	470	5,926

5. (Reference) Quarterly Non-consolidated Financial Statements

(1) (Reference) Non-consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash on hand and bank deposits	71,282	88,488
Cash segregated as deposits related to customer assets	77,870	94,669
Trading assets	7,656,925	6,447,833
Trading securities and others	6,750,073	5,747,883
Operating loan assets	25,054	26,448
Derivatives	881,797	673,502
Operating investment securities	27,131	28,722
Receivables related to margin transactions	42,315	52,864
Loans receivable under margin transactions	28,212	25,317
Collateral for borrowed securities under margin transaction	14,103	27,547
Collateralized short-term financing agreements	3,840,982	3,983,524
Deposits paid for securities borrowed	3,717,910	3,962,121
Securities purchased under agreements to resell	123,071	21,402
Advances	517	54
Short-term loans receivable	62,450	62,917
Deferred tax assets	17,546	16,589
Other current assets	157,400	126,949
Less: Allowance for doubtful accounts	(51)	(62)
Total current assets	11,954,370	10,902,551
Fixed assets		
Tangible fixed assets	15,768	17,047
Intangible fixed assets	28,015	32,773
Investments and other assets	290,111	301,556
Investment securities	248,970	254,066
Long-term deposits	13,439	13,780
Deferred tax assets	17,343	22,707
Other fixed assets	13,743	14,559
Less: Allowance for doubtful accounts	(3,385)	(3,557)
Total fixed assets	333,895	351,377
Total assets	12,288,266	11,253,928

(Millions of yen)

As of September 30, 2010 As of March 31, 2010

	As of September 30, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Trading liabilities	3,589,781	3,248,184
Trading securities and others	2,808,661	2,654,010
Derivatives	781,120	594,174
Payable – unsettled trades	215,511	466,478
Payables related to margin transactions	14,864	19,933
Loans payable under margin transactions	6,176	11,289
Collateral for loaned securities under margin transactions	8,688	8,643
Collateralized short-term financing agreements	3,260,483	2,626,986
Deposits received for securities loaned	2,666,331	2,022,938
Securities sold under agreements to repurchase	594,151	604,048
Deposits received	62,610	251,726
Received margins	67,908	84,099
Short-term borrowings	3,098,994	2,655,549
Commercial paper	309,600	331,700
Short-term bonds and notes	53,189	62,532
Lease obligation	701	887
Income taxes payable	722	933
Accrued employee's bonuses	4,361	7,577
Allowance for bonus points redemption	485	376
Reserve for loss on liquidation of affiliated companies	—	2
Other current liabilities	19,820	22,205
Total current liabilities	10,699,036	9,779,174
Long-term liabilities		
Corporate bonds	370,928	320,485
Long-term borrowings	618,164	553,686
Lease obligation	783	1,156
Reserve for retirement benefits	13,134	12,295
Other Long-term liabilities	1,270	1,844
Total Long-term liabilities	1,004,282	889,468
Statutory reserve		
Reserve for financial instrument transaction liabilities	1,167	1,860
Total statutory reserve	1,167	1,860
Total liabilities	11,704,486	10,670,503
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	411,362	411,312
Retained earnings	48,578	49,123
Treasury stocks	(7,370)	(7,449)
Total shareholder's equity	577,738	578,154
Valuation and translation adjustments		
Net unrealized gains on other securities, net of taxes	2,924	5,439
Net deferred hedge gain (loss), net of taxes	2,510	(535)
Total valuation and translation adjustments	5,434	4,903
Stock subscription rights	606	367
Total net assets	583,779	583,425
Total net assets and liabilities	12,288,266	11,253,928

(2) (Reference) Non-consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Operating revenues		
Commissions and fees	60,645	55,383
Gain on trading, net	35,655	34,762
Loss on sales of operating investment securities	(1,223)	(173)
Interest and dividend income	16,718	24,914
Total operating revenues	111,796	114,886
Interest expenses	11,669	16,612
Net operating revenues	100,126	98,274
Selling, general and administrative expenses	81,456	87,988
Transaction expenses	12,597	16,980
Personnel expenses	33,695	33,389
Real estate expenses	12,308	12,408
Office expenses	10,551	13,561
Depreciation and amortization	9,344	8,396
Taxes and dues	1,093	1,208
Other	1,865	2,044
Operating income	18,670	10,285
Non-operating revenues	1,585	1,963
Non-operating expenses	37	63
Ordinary income	20,217	12,184
Extraordinary gain	45	814
Gain on sale of investment securities	14	113
Reversal of reserve for financial instruments transaction liabilities	—	692
Reversal of allowance for doubtful accounts	30	8
Extraordinary loss	6,514	1,587
Loss on sale of fixed assets	0	—
Loss on disposal of fixed assets	813	414
Loss on sale of investment securities	14	150
Loss on valuation of investment securities	122	972
Loss on valuation of golf club membership	31	12
Expenses related to merger	3,814	—
Prior year adjustment - Depreciation	1,634	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	36
Provision for reserve for financial instruments transaction liabilities	84	—
Income before income taxes	13,748	11,412
Income taxes – current	60	60
Income taxes – deferred	(4,690)	3,954
Net income	18,379	7,397

(Note)

The non-consolidated business results for the six months ended September 30, 2009 (April 1, 2009 to September 30, 2009) were prepared by combining the business results of the former Shinko Securities for the period from April 1, 2009 to May 6, 2009 with the business results of the Company for the period from May 7, 2009 to September 30, 2009.