

# Financial Results

Third Quarter,  
Fiscal Year Ending March 2011

January 2011

**Mizuho Securities**

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\* Consolidated results for the former Shinko Securities for the period from April 1, 2009 to May 6, 2009 are exempt because the merger corresponded to a reverse acquisition under accounting standards for business combinations

\* Non-consolidated results for the former Mizuho Securities for the period from April 1 to May 6 are exempt because the former Mizuho Securities is the dissolving entity (former Shinko Securities is the surviving entity)

\* Description: -Underwriting and selling fees, and commissions: Commissions from solicitation to professional investors abbreviated as underwriting and selling fees  
-Offerings, selling, and other commissions and fees: Commissions from solicitation to qualifying investors as offerings, selling and other commissions and fees

# Financial Statements

	Consolidated					Non-consolidated				
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(JPY millions)

	2010 2Q	2010 3Q	QoQ dif.	QoQ %	2010 1Q-3Q	2010 2Q	2010 3Q	QoQ dif.	QoQ %	2010 1Q-3Q
Operating revenues	91,978	62,758	(29,220)	(31.7%)	225,901	61,429	44,087	(17,342)	(28.2%)	158,973
Commissions and fees	39,246	32,116	(7,130)	(18.1%)	101,879	31,108	25,589	(5,519)	(17.7%)	80,972
Gain on trading, net	15,908	3,053	(12,854)	(80.8%)	34,101	15,026	8,507	(6,518)	(43.3%)	43,270
Gain (loss) on sales of operating investment securities	3,433	(350)	(3,784)	-	2,104	(126)	(476)	(350)	-	(650)
Interest and dividend income	33,389	27,938	(5,450)	(16.3%)	87,815	15,420	10,466	(4,953)	(32.1%)	35,381
Interest expenses	23,963	17,069	(6,894)	(28.7%)	56,888	10,438	6,476	(3,962)	(37.9%)	23,088
Net operating revenues	68,015	45,689	(22,325)	(32.8%)	169,013	50,990	37,610	(13,379)	(26.2%)	135,884
SG&A expenses	58,172	54,888	(3,283)	(5.6%)	169,773	43,607	42,167	(1,440)	(3.3%)	130,156
Operating income	9,842	(9,199)	(19,042)	-	(759)	7,382	(4,556)	(11,939)	-	5,728
Ordinary income	10,337	(9,214)	(19,552)	-	1,608	8,158	(4,688)	(12,846)	-	7,496
<i>(excluding amortization of customer-related assets)*</i>	11,622	(7,929)	(19,552)	-	5,464	-	-	-	-	-
Income before tax**	9,816	(9,518)	(19,335)	-	1,576	7,601	(4,914)	(12,516)	-	6,497
Net income	5,926	(6,829)	(12,755)	-	(432)	4,793	(3,245)	(8,038)	-	4,151
<i>(excluding amortization of customer-related assets)*</i>	6,688	(6,067)	(12,755)	-	1,854	-	-	-	-	-
	2010/9	2010/12				2010/9	2010/12			
Total assets	22,642,180	22,160,600				12,288,266	12,888,696			
Total net assets	590,876	579,974				583,779	582,111			

\* Former Shinko Securities' customer-related assets was allocated to intangible fixed assets (weighted-average amortization period: 16 years)

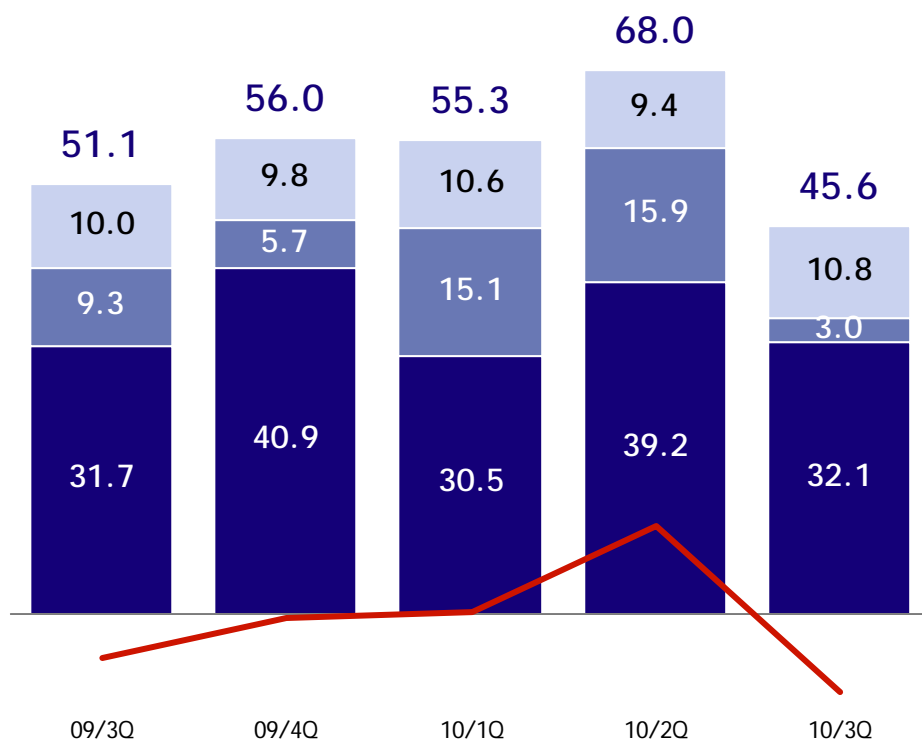
\*\* Income before tax: Income before income taxes and minority interest

# Earnings Summary

## Net Operating Revenues (consolidated)

(JPY billions)

- Net financial income\*
- Gain on trading, net
- Commissions and fees
- Ordinary income



\* Net financial income: Interest and dividend income minus interest expenses

## Summary

### ✓ Summary - Consolidated (2010/3Q)

#### ➤ Financial Results

Net Operating Revenues:	JPY 45.6bn (-22.3bn QoQ)
Ordinary Income:	JPY -9.2bn (-19.5bn QoQ)
Income before Tax**:	JPY -9.5bn (-19.3bn QoQ)
Net Income:	JPY -6.8bn (-12.7bn QoQ)

#### • Net Operating Revenues

Net Operating Revenues declined by JPY22.3 billion QoQ due to decrease in equity underwriting commissions and fees, as well as decline in gains on bonds and other trading, despite increase of both equity brokerage commissions and investment trust sales commissions

#### • Ordinary Income and Net Income

Both ordinary income and net income turned into the red due to decrease in net operating revenues

#### ➤ Business Segments

- Secured surplus on Income before Tax\*\* in both Global Investment Banking and Global Markets & Products Divisions
- Recorded losses on Income before Tax\*\* in Corporate Investment Services & Retail Business Division and Overseas Subsidiaries

### ✓ Summary - Non-consolidated (2010/3Q)

- Net operating revenues declined by JPY13.3 billion and both ordinary income and net income ended on a deficit

\*\* Income before Tax: Income before income taxes and minority interest

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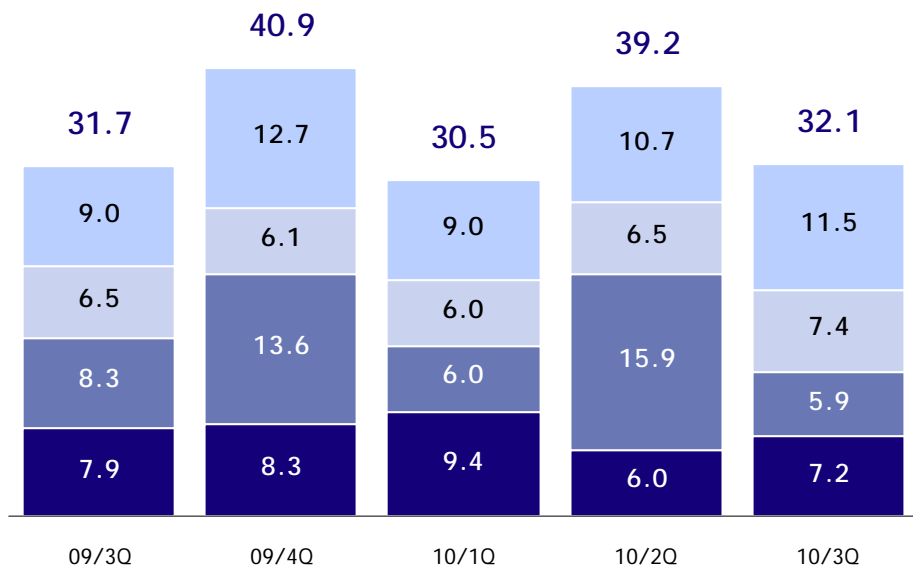
# Financial Highlights Consolidated

# Commissions and Fees

	2010 2Q	2010 3Q	QoQ dif.	QoQ %
Total	39,246	32,116	(7,130)	(18.1%)
Brokerage commissions	6,011	7,206	1,195	19.8%
Underwriting and selling fees, and commissions	15,972	5,900	(10,072)	(63.0%)
Offering, selling, and other commissions and fees	6,561	7,420	859	13.0%
Other commissions and fees	10,701	11,588	886	8.2%

## Commissions and Fees

- (JPY billions)
- Other commissions and fees
  - Offering, selling, and other commissions and fees
  - Underwriting and selling fees, and commissions
  - Brokerage commissions



### ✓ Highlights (2010/3Q)

Commissions and Fees: JPY32.1bn (-7.1bn QoQ)

#### ➤ Increased brokerage commissions

- Retail brokerage trading volume increased due to equity market turnaround through to the end of 3Q

- TSE market share: 2.36% (10/2Q: 2.46%)

- Share of TSE, OSE, and NSE retail trading value: 1.72% (10/2Q: 1.51%)

- Brokerage commission rate: 0.19% (10/2Q: 0.16%)

#### ➤ Decreased underwriting and selling fees, and commissions

- ECM: decreased fees due to absence of large-scale underwriting deals
- DCM: strong business due to wins of lead-manager mandates of number of deals

#### ➤ Increased offering, selling, and other commissions and fees

- Brisk sales of publicly-offered equity investment trusts, primarily monthly-distribution type

- Publicly-offered equity investment trusts sales: JPY258.6bn (10/2Q: 236.0bn)

- Major products: Shinko US-REIT Open JPY105.2bn

#### ➤ Increase in other commissions and fees

- Increased investment banking business related fees due to wins of M&A advisory deals
- Increased investment trust service fees due to increase of investment trust balance in retail business

- Balance of publicly-offered equity investment trusts: JPY1,466bn (10/9: 1,412bn)

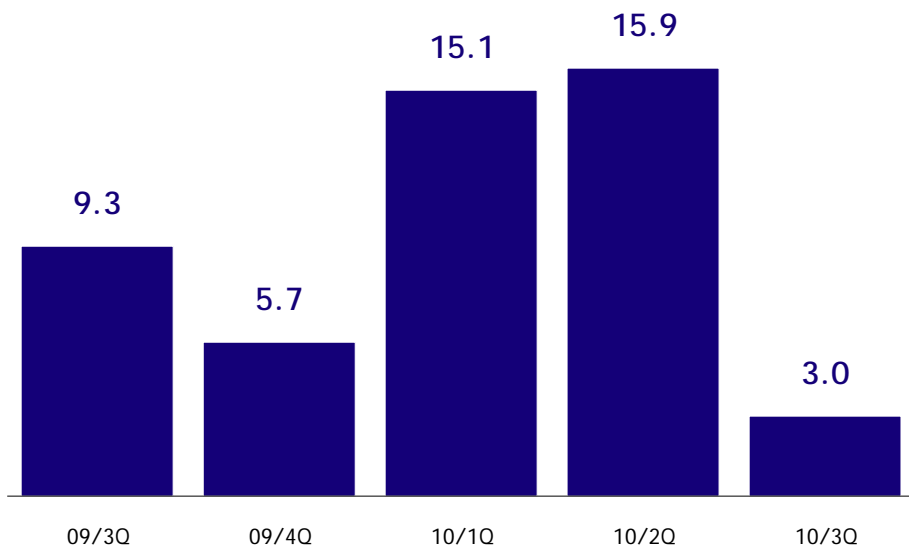
# Gain on Trading, Net

(JPY millions)

	2010 2Q	2010 3Q	QoQ dif.	QoQ %
<b>Total</b>	15,908	3,053	(12,854)	(80.8%)
Equities	(3,541)	5,740	9,281	-
Bonds, other	19,450	(2,686)	(22,136)	-
Bonds	13,997	(2,837)	(16,835)	-
Other	5,452	150	(5,301)	(97.2%)

## Gain on Trading, Net

(JPY billions)



### ✓ Highlights (2010/3Q)

Gain on trading, net: JPY3.0bn (-12.8bn QoQ)

#### ➤ Increased gain on equity trading

- Increase in gain on equity trading with flexible position management to capture equity market upturns and fluctuations, in addition to increase of retail foreign equity trading volume

▣ Retail foreign equity trading volume: JPY135.5bn (10/2Q: 66.7bn)

#### ➤ Decreased gain on trading in bonds and other

- Severe bond trading due to rapid increase of interest rate in Japanese bond market and significant rise of interest rate in US bond market in latter half of 3Q

# SG&A Expenses

(JPY millions)

	2010 2Q	2010 3Q	QoQ dif.	QoQ %
<b>Total</b>	58,172	54,888	(3,283)	(5.6%)
Transaction	10,110	8,947	(1,162)	(11.5%)
Personnel	26,406	24,659	(1,747)	(6.6%)
Real estate	7,305	7,066	(238)	(3.2%)
Office	5,410	5,487	76	1.4%
Depreciation and amortization	5,765	5,889	123	2.1%
Tax and dues	667	699	32	4.8%
Other	2,506	2,138	(368)	(14.6%)

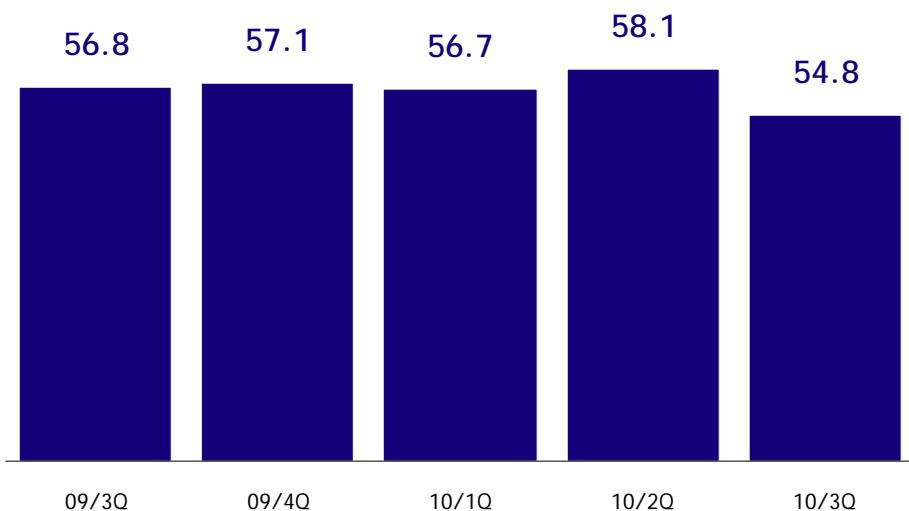
## ✓ Highlights (2010/3Q)

SG&A Expenses: JPY54.8bn (-3.2bn QoQ)

- Maintained non-consolidated SG&A (excluding transaction expenses) at JPY35 billion cost level by constrained cost management
- Decreased transaction and personnel expenses due to decreases in payment of commissions and fees, salaries, and bonuses

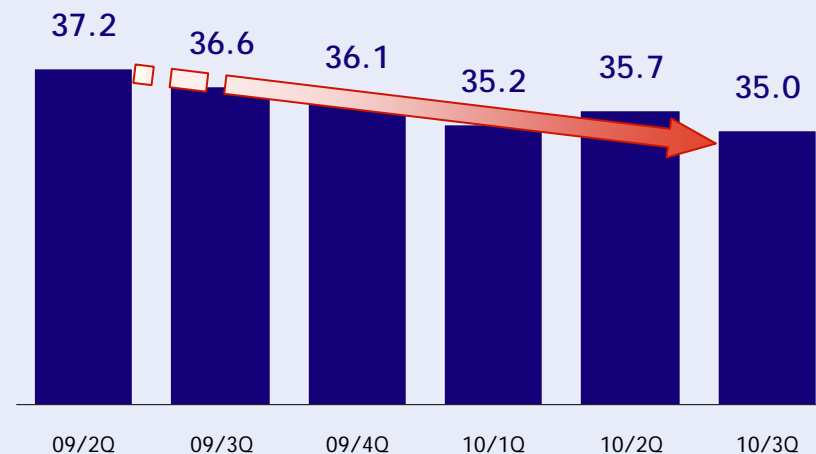
## Consolidated SG&A Expenses

(JPY billions)



## Non-Consolidated SG&A Expenses excluding Transaction Expenses

(JPY billions)





# Business Segments

## Financial Results

(JPY millions)

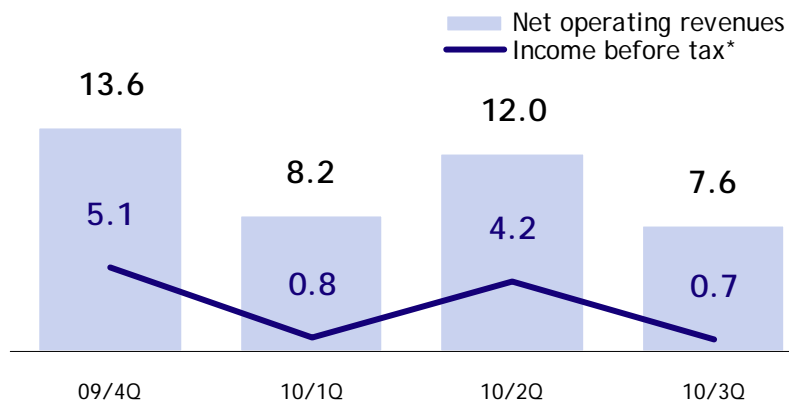
	2010 2Q	2010 3Q	QoQ dif.	QoQ %	2010 1Q-3Q
Net operating revenues	68,015	45,689	(22,325)	(32.8%)	169,013
Global Investment Banking Division	12,023	7,602	(4,421)	(36.7%)	27,911
Global Markets & Products Division	21,299	12,764	(8,535)	(40.0%)	54,005
Corporate Investment Services & Retail Business Division	18,613	18,247	(365)	(1.9%)	55,471
Overseas Subsidiaries	16,132	8,174	(7,957)	(49.3%)	34,879
Other	(53)	(1,100)	(1,046)	-	(3,255)
Income before tax*	9,816	(9,518)	(19,335)	-	1,576
Global Investment Banking Division	4,236	748	(3,487)	(82.3%)	5,828
Global Markets & Products Division	9,392	882	(8,510)	(90.6%)	17,674
Corporate Investment Services & Retail Business Division	(1,686)	(1,977)	(291)	-	(5,500)
Overseas Subsidiaries	(895)	(4,726)	(3,831)	-	(8,544)
Other	(1,230)	(4,445)	(3,215)	-	(7,882)

\* Income before tax: Income before income taxes and minority interest

# Global Investment Banking Division

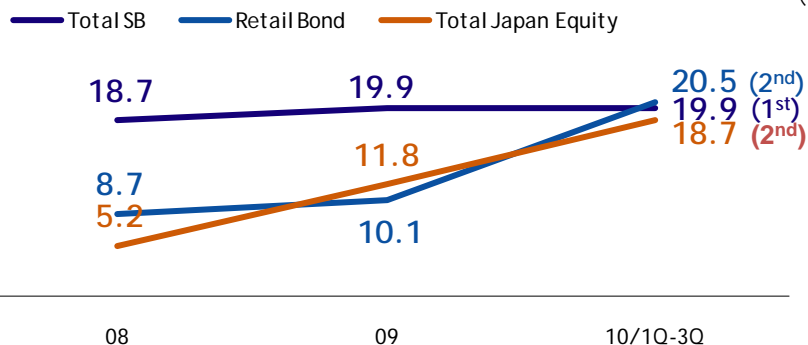
## Financial Results

(JPY billions)



## Trend in League Tables

(%)



Underwriting amount

Total SB: including samurai bond and municipal bond

Total Japan Equity: including REITs

Figures for 2008 are simple aggregation of former Shinko Sec. and former Mizuho Sec.

Source: Prepared by Mizuho Securities based on data from I-N Information Systems

## ✓ Highlights (2010/3Q)

- Both revenues and income declined QoQ due to absence of large-scale underwriting deals in ECM business despite wins in deals of DCM and M&A advisory business

Net Operating Revenues: JPY7.6bn (-4.4bn QoQ)

Income before Tax\*: JPY0.7bn (-3.4bn QoQ)

### ➤ ECM

- Decreased revenues due to absence of large-scale underwriting deals as lead manager

### ➤ DCM

- Maintained high level of market share due to number of lead-manager mandates in corporate bonds and FILP agency bonds

### ➤ M&A

- Won deals from Japanese companies to acquire overseas companies

### ➤ Structured Finance

- Won deals of Japan Housing Finance Agency bonds and non-bank ABS

\* Income before Tax: Income before income taxes and minority interest

# Global Investment Banking Division

## Major League Tables

### Total Japan Equity Underwriting

Rank	Company Name	Amount (JPY bn)	Share (%)
1	Nomura Sec.	664.6	38.5
2	Mizuho Sec.	322.2	18.7
3	Daiwa Sec. Capital Markets	195.8	11.3
4	Nikko Cordial Sec.	147.1	8.5
5	Mitsubishi UFJ Morgan Stanley Sec.	81.7	4.7

### Japan Equity and Equity Related

Rank	Company Name	Amount (JPY bn)	Share (%)
1	Nomura Sec.	987.2	32.8
2	Mizuho Financial Group	635.7	21.1
3	Daiwa Sec. Group	252.9	8.4
4	Mitsubishi UFJ Morgan Stanley Sec.	200.0	6.6
5	JP Morgan Sec. Japan	195.2	6.5

10/4/1-10/12/31  
Underwriting amount, including REITs  
Source: Prepared by Mizuho Securities based on data from I-N Information Systems

10/4/1-10/12/31  
Underwriting amount  
Source: Prepared by Mizuho Securities based on data from THOMSON REUTERS MARKETS



### Total SB Underwriting

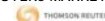
Rank	Company Name	Amount (JPY bn)	Share (%)
1	Mizuho Sec.	2,492.0	19.9
2	Mitsubishi UFJ Morgan Stanley Sec.	2,306.9	18.4
3	Nomura Sec.	2,232.6	17.8
4	Daiwa Sec. Capital Markets	1,907.3	15.2
5	Nikko Cordial Sec.	1,702.9	13.6

### M&A Advisory Ranking for Announced Deals

Rank	Company Name	No. of transactions	Share (%)	Amount (JPY bn)
1	Nomura Sec.	114	4.2	4,704.8
2	Mizuho Financial Group	104	3.8	1,044.5
3	Sumitomo Mitsui Financial Group	101	3.7	834.6
4	Daiwa Sec. Group	57	2.1	1,645.5
5	Mitsubishi UFJ Morgan Stanley Sec.	49	1.8	1,835.2

10/4/1-10/12/31  
Underwriting amount, including Samurai bond and Municipal bond  
Source: Prepared by Mizuho Securities based on data from I-N Information Systems

10/1/1-10/12/31  
No. of deals, Japanese acquired companies, excluding Real estate deals  
Source: Prepared by Mizuho Securities based on data from THOMSON REUTERS MARKETS



### Major Lead-managed Deals

(FY2010/3Q, Including co-lead manager, Issue amount basis)

#### ✓ ECM

- ALCONIX JPY1.6bn

#### ✓ DCM

##### ➤ Corporate bonds

- TOSHIBA (No.50-52) Total JPY120.0bn

- Japan Tobacco (No.6-8) Total JPY80.0bn

- Fujitsu (No.26, 27) Total JPY50.0bn

- Nissan Financial Services (No.15, 16) Total JPY50.0bn

- Marubeni (No.79-81) Total JPY30.0bn

- The Kansai Electric Power (No.485) JPY30.0bn

- Kyushu Electric Power (No.414) JPY20.0bn

- Mori Building (No.3, 4) Total JPY20.0bn

- Odakyu Electric Railway (No.54, 55) Total JPY20.0bn

##### ➤ Municipal bonds

- JFOM\* (No.3, 18, F44) Total JPY66.0bn

- Tokyo Prefecture (No.2) JPY30.0bn

##### ➤ FILP agency bonds

- Japan Housing Finance Agency (No.57-62) Total JPY129.1bn

- Urban Renaissance Agency (No.44-46) Total JPY60.0bn

- JRJT\*\* (No.34, 35) Total JPY43.5bn

#### ✓ M&A Advisory

- Third party allocation of preferred share issued by Oki Electric Industry (JPY30.0bn)

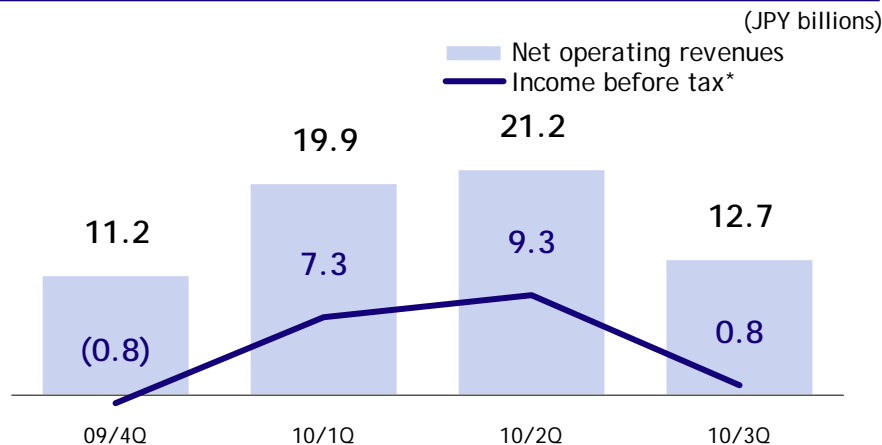
- Nisshinbo Holdings consolidated Japan Radio as a subsidiary through TOB (JPY12.5bn)

\* JFOM: Japan Finance Organization for Municipalities

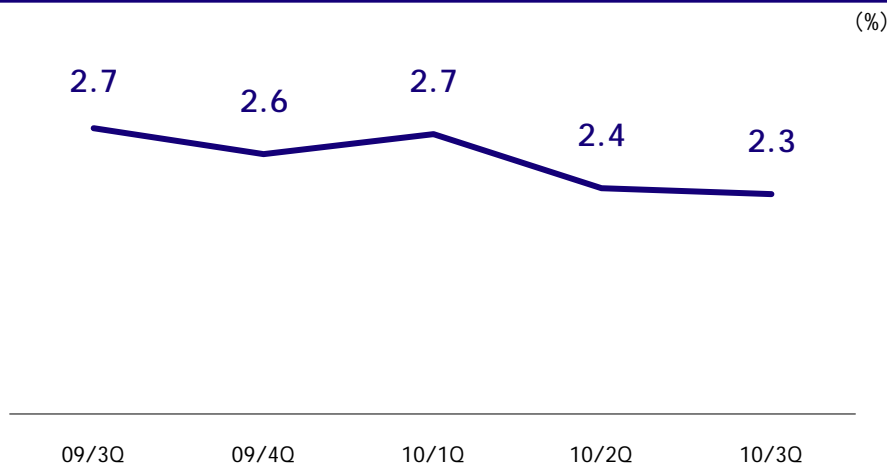
\*\*JRJT: Japan Railways Construction, Transport and Technology Agency

# Global Markets & Products Division

## Financial Results



## TSE Market Share



### ✓ Highlights (2010/3Q)

- Both revenues and income declined QoQ due to weak bond secondary business despite improved equity secondary business

Net Operating Revenues: JPY12.7bn (-8.5bn QoQ)

Income before Tax\*: JPY0.8bn (-8.5bn QoQ)

#### ➤ Bond Secondary

- Despite steady order flow, revenues in bond trading declined substantially QoQ due to difficulties in position management under significant rise increase of interest rates of JGB in November

#### ➤ Equity Secondary

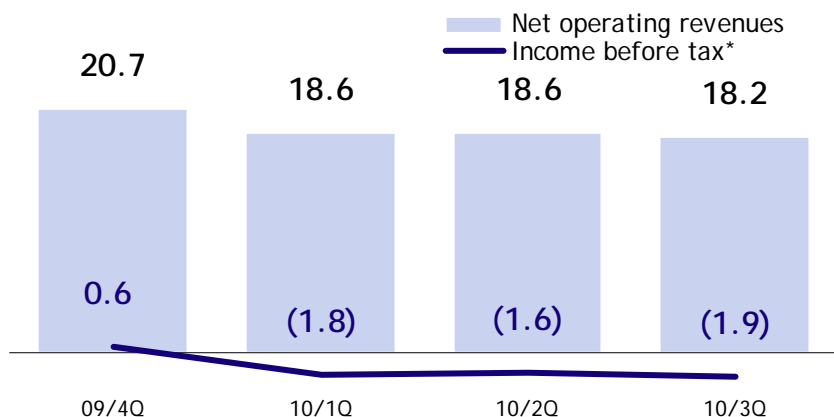
- Revenues increased QoQ due to increase of order flow in response to institutional investor needs, and contribution from equity trading with flexible position management to capture equity market upturns and fluctuations

\* Income before Tax: Income before income taxes and minority interest

# Corporate Investment Services & Retail Business Division

## Financial Results

(JPY billions)

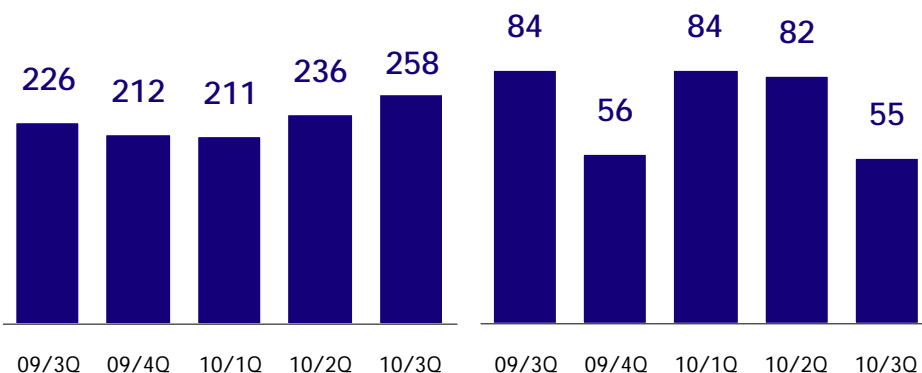


### Sales of Publicly-offered Equity Investment Trusts

(Retail, JPY billions)

### Net Increase of Publicly-offered Equity Investment Trusts

(Retail, JPY billions)



## ✓ Highlights (2010/3Q)

- Despite increase in Japanese equity brokerage trading, retail foreign equity trading, and investment trusts sales, recorded deficit consecutively due to decrease in sales of public offerings by absence of large-scale underwriting deals
- Retail business base enhancement contributed to net increase of publicly-offered equity investment trusts and net inflow of assets under management

Net Operating Revenues: JPY18.2bn (-0.3bn QoQ)

Income before Tax\*: JPY-1.9bn (-0.2bn QoQ)

### ➤ Product Sales

- Increased foreign bond sales in addition to strong equity investment trust sales

### ➤ Equity Trading

- Increased Japanese equity brokerage trading and foreign equity trading on back of equity market turnaround

### ➤ Equity Offering Sales

- Weak sales due to decrease in equity underwriting volume

### ➤ Retail Business Base

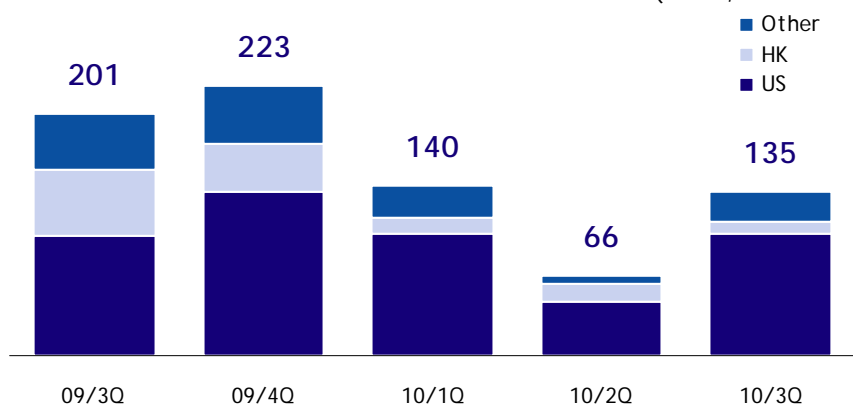
- Expanded business base with continuous net inflow of client assets, primarily in equity investment trusts

\* Income before Tax: Income before income taxes and minority interest

# Corporate Investment Services & Retail Business Division

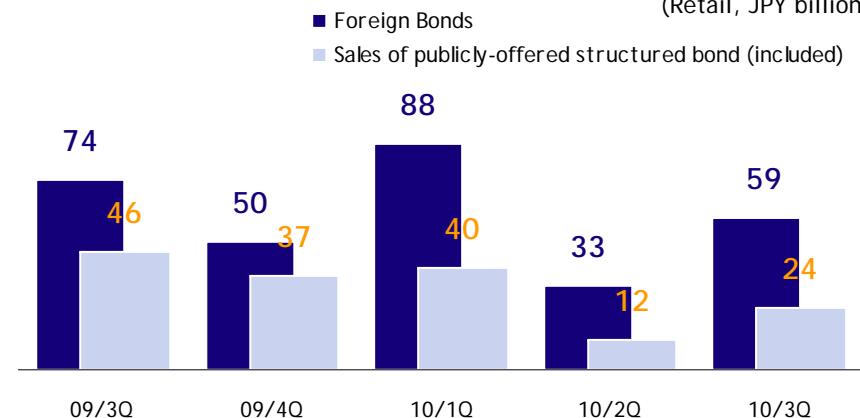
## Trading Volume of Foreign Equity

(Retail, JPY billions)



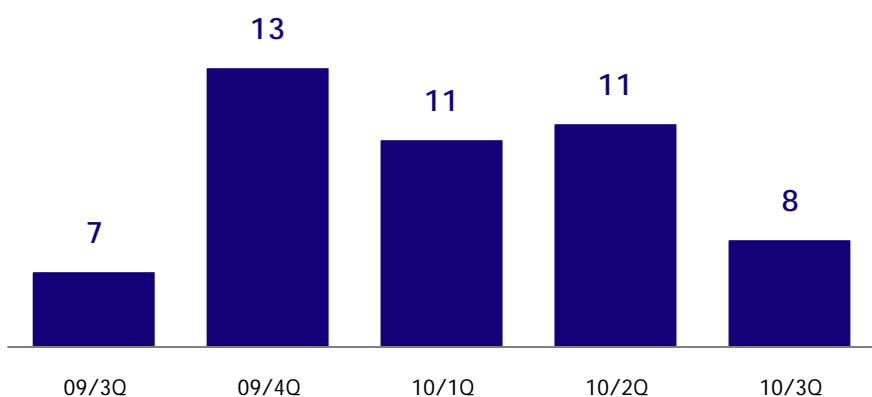
## Sales of Foreign Bonds

(Retail, JPY billions)



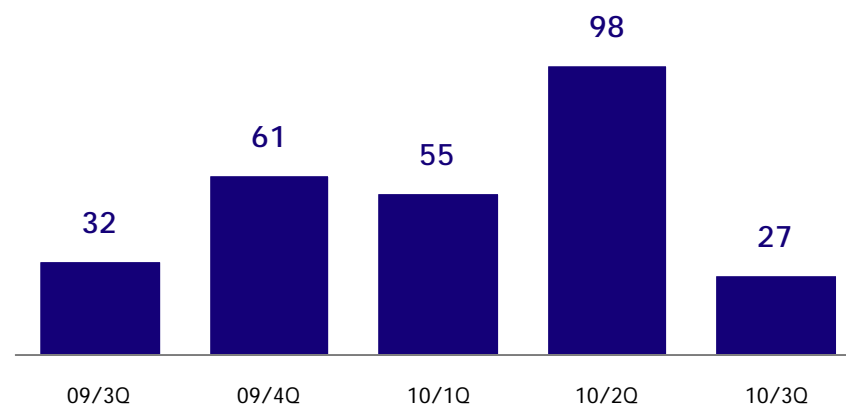
## Number of New Retail Client Accounts

(Retail, Thousand)



## Net Inflow of Client Assets

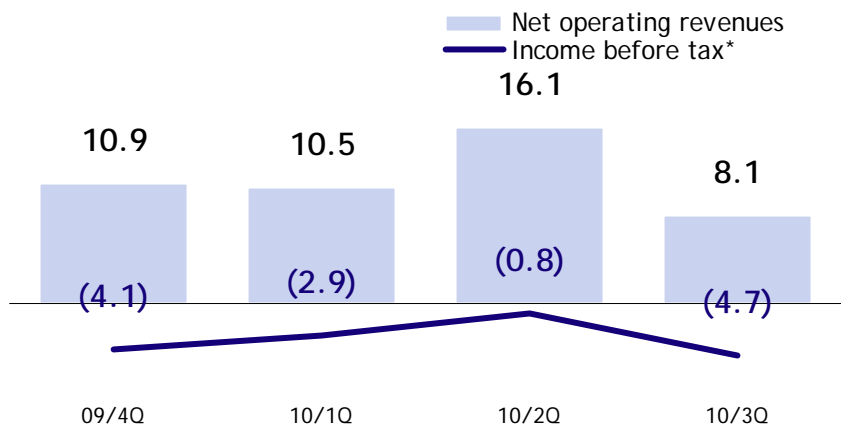
(Retail, JPY billions)



# Overseas Subsidiaries

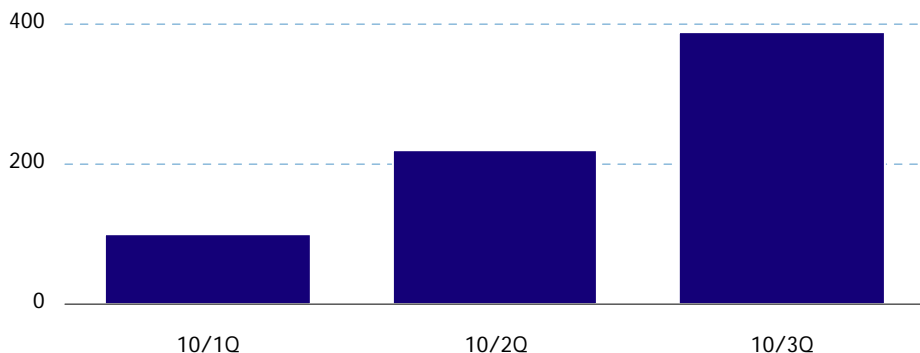
## Financial Results

(JPY billions)



## Asian Equity Trading Volume at Overseas Subsidiaries (Excluding Japanese equities)

(2010/1Q=100)



## ✓ Highlights (2010/3Q)

- Both revenues and income declined QoQ due to weak bond secondary business at core subsidiaries

Net Operating Revenues: JPY8.1bn (-7.9bn QoQ)

Income before Tax\*: JPY-4.7bn (-3.8bn QoQ)

### ➤ Mizuho International

- Weak performance in bond secondary business due to uncertainty of European sovereign debt, despite strong bond primary business, including manager mandate of BP bond issuance deal

### ➤ Mizuho Securities USA

- Weak performance in bond secondary business on the back of rapid rise of interest rate despite wins of deals in bond underwriting
- Expansion of equity secondary business including strengthening Asian equity sales framework

### ➤ Mizuho Securities Asia

- Weak performance in bond secondary business affected by deteriorating liquidity in bond markets
- Steady increase in Asian equity sales due to enhanced Asian equity sales framework between MHSC and other overseas subsidiaries

\* Income before Tax: Income before income taxes and minority interest

# Overseas Subsidiaries

## Major League Tables

### Samurai Bond

Rank	Company Name	Amount (JPY bn)	Share (%)
1	Mitsubishi UFJ Morgan Stanley Sec.	300.4	22.7
2	<b>Mizuho Sec.</b>	<b>240.8</b>	<b>18.2</b>
3	Nomura Sec.	134.1	10.1
4	Barclays Capital Japan	114.9	8.7
5	Daiwa Sec. Capital Markets	103.2	7.8

10/4/1-10/12/31

Underwriting amount, excluding Self-led offerings

Source: Prepared by Mizuho Securities based on data from I-N Information Systems

### US Investment Grade Debt

Rank	Company Name	No. of transactions	Amount (USD mn)	Share (%)
1	JP Morgan	496	101,585	13.8
2	BAML	553	91,818	12.5
3	Citi	365	71,069	9.6
4	Barclays Capital	328	62,721	8.5
5	Goldman Sachs	253	60,046	8.2
19	<b>Mizuho</b>	<b>34</b>	<b>3,623</b>	<b>0.5</b>

10/1/1-10/12/31

Underwriting amount, excluding Self-led offerings and retail bond

Source: Prepared by Mizuho Securities based on data from Bloomberg

## Major Lead-managed Deals (FY2010/3Q)

### ECM

- Deutsche Bank (Co-Lead Manager)
- Ford Glory Group Holdings (Co-Lead Manager)
- Citic Dameng Holdings (Co-Lead Manager)
- BlackRock (Sr. Co Manager)

### DCM

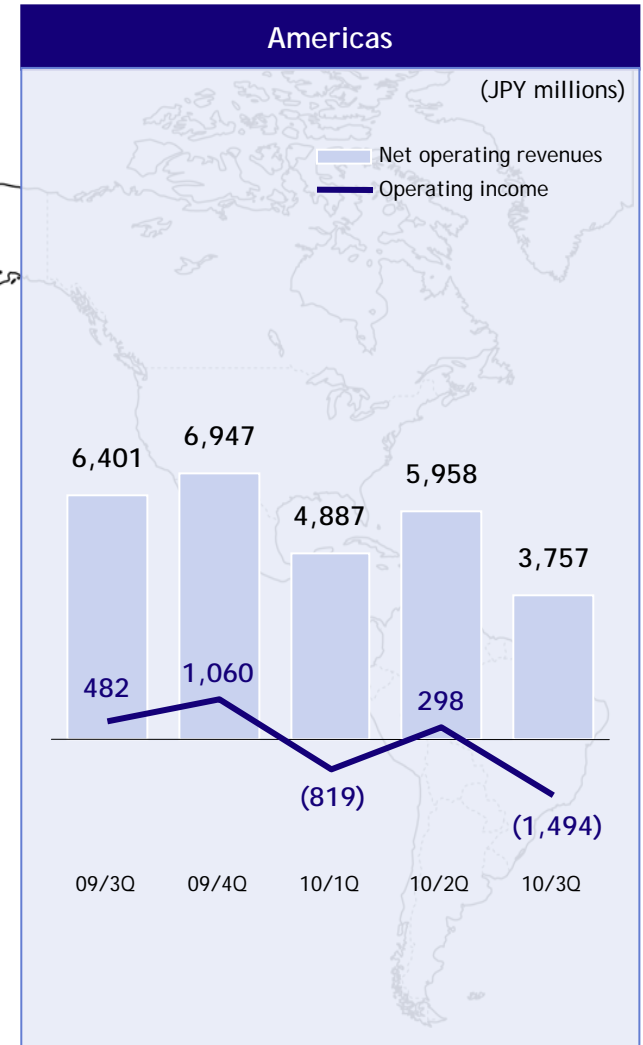
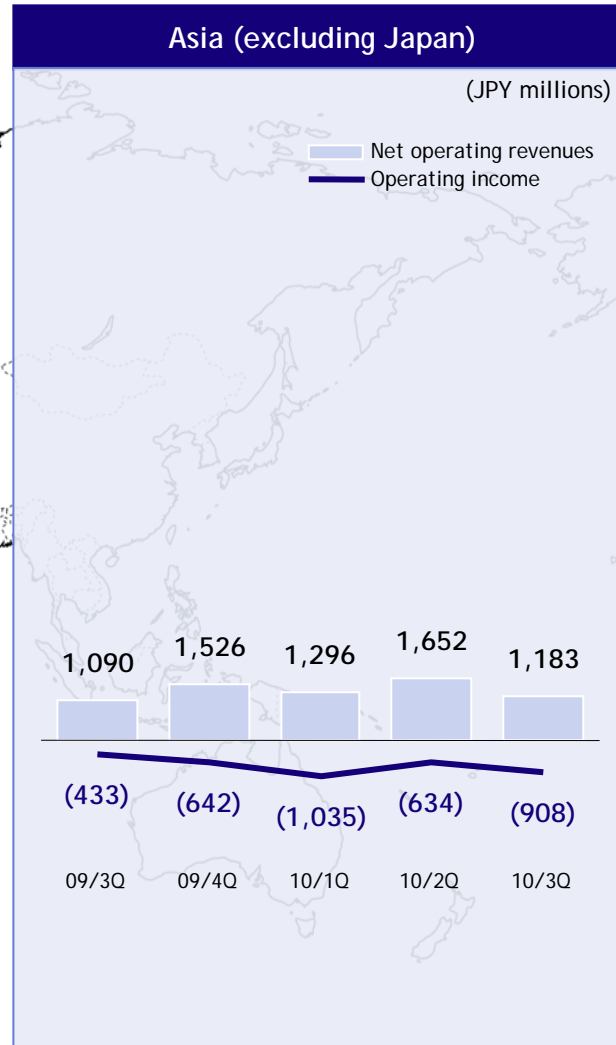
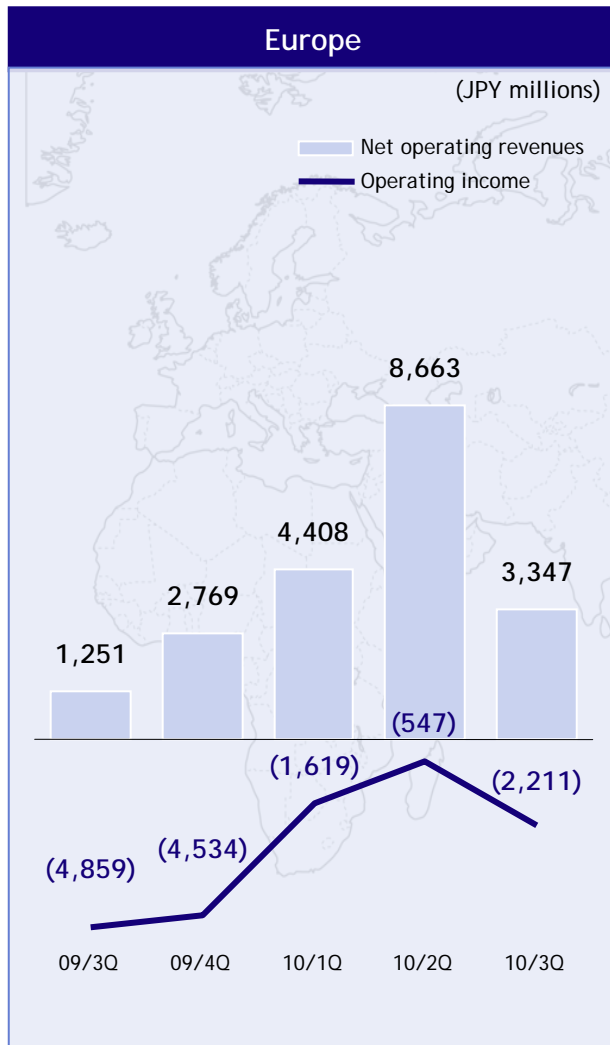
- BP (Managers)
- National Rural UTIL (Joint Book-running Managers)
- Time Warner Cable (Joint Book-running Managers)
- Florida Power & Light (Joint Book-running Managers)
- Royal Bank of Scotland (Joint Lead Manager)
- Andean Community (Joint Lead Manager)
- Renault (Joint Lead Manager)

### M&A

- JDB Holdings sold 60% stake of JobsDB Inc to SeekAsia Ltd (a subsidiary of SEEK)



# Geographical Segment Information



\* All numbers on this Geographical Segment Information slide are categorised by subsidiary location and therefore differ from 'Summary of Consolidated Financial Statements for the Nine Months Ended December 31, 2010'.

# B/S Summary

## Balance sheet

(JPY billions) \*(Total Assets - Secured Transaction)/Net Assets

2010  
Sep.

2010  
Dec.

2010  
Sep.

2010  
Dec.

### Assets

	2010 Sep.	2010 Dec.
<b>Current assets</b>	<b>22,401</b>	<b>21,922</b>
Cash on hand and bank deposits	114	141
Trading assets	8,931	8,067
Operating investment securities	89	79
Collateralized short-term financing agreements	12,838	13,108
<b>Fixed assets</b>	<b>240</b>	<b>238</b>
Tangible fixed assets	42	41
Intangible fixed assets	98	95
Investment and other assets	100	100
Investment securities	65	64

### Liabilities

	2010 Sep.	2010 Dec.
<b>Current liabilities</b>	<b>20,822</b>	<b>20,343</b>
Trading liabilities	4,235	4,766
Collateralized short-term financing agreements	12,357	11,268
Short-term borrowings	3,216	3,507
Commercial paper	309	329
<b>Long-term Liabilities</b>	<b>1,227</b>	<b>1,236</b>
Corporate bonds	554	555
Long-term borrowings	640	646
<b>Total liabilities</b>	<b>22,051</b>	<b>21,580</b>

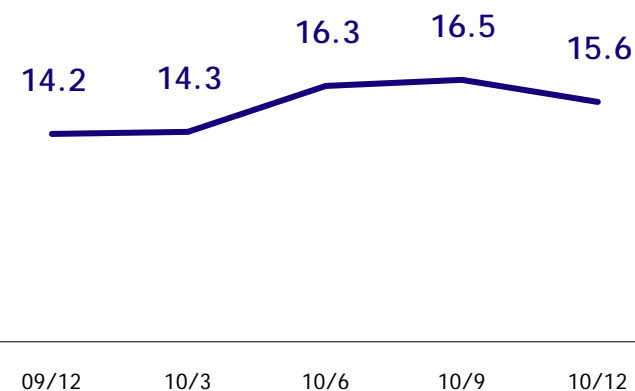
### Net assets

Total shareholders' equity	633	626
Total valuation and translation adjustments	(65)	(69)
Stock subscription rights	0	0
Minority interests	22	21
<b>Total net assets</b>	<b>590</b>	<b>579</b>

**Total assets** 22,642 22,160

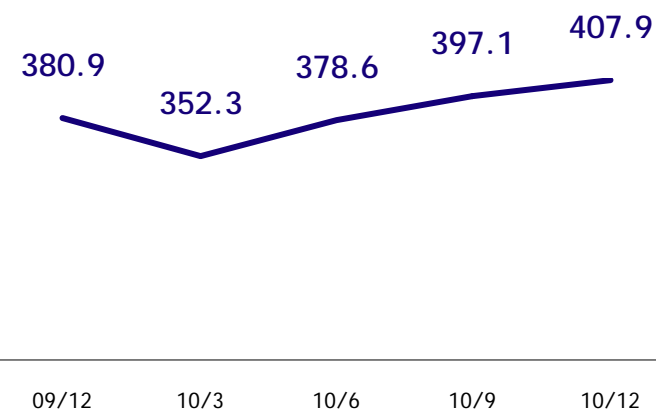
**Total net assets and liabilities** 22,642 22,160

## Net Leverage\*



## Capital Adequacy Requirement Ratio

(Non-consolidated, %)

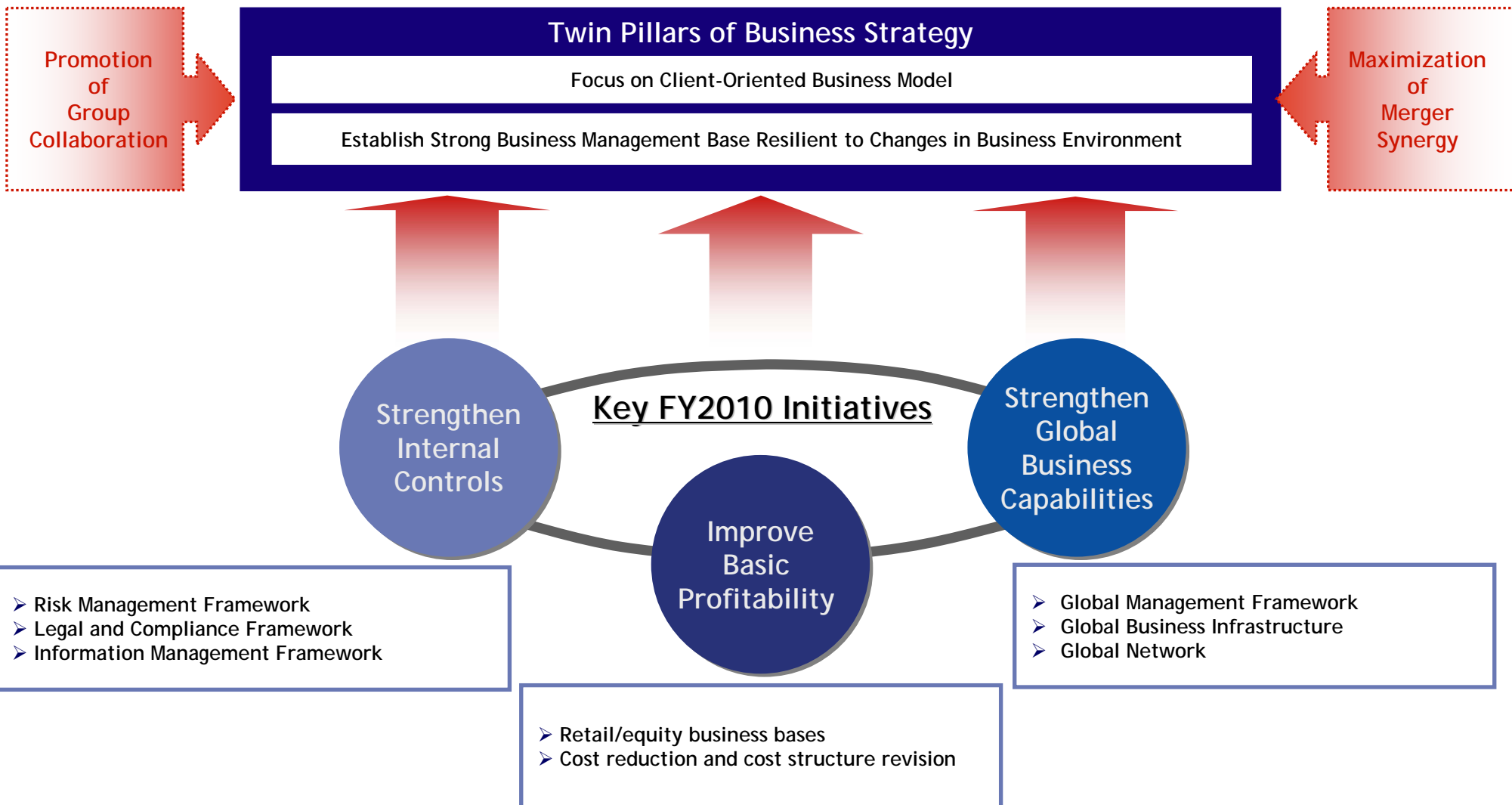


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# Business Strategy

# “Twin Pillars” of Business Strategy and Key FY2010 Initiatives

✓ Focus on key FY2010 Initiatives to implement business strategy “Twin Pillars”

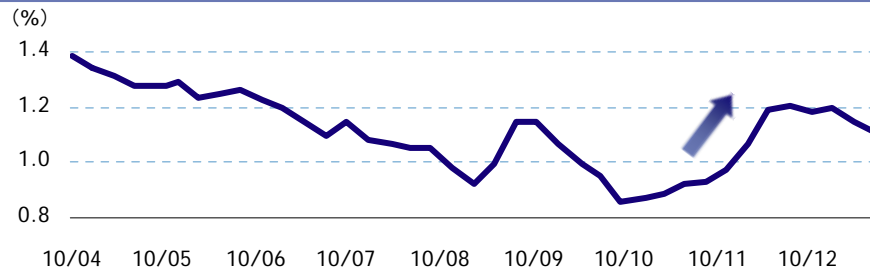


# FY2010/3Q Market Environment

- ✓ **Bond Markets:** Rapid rise of interest rates due to impact of implementation of political initiatives in developed countries
- ✓ **Equity Markets:** Trading volumes remained at low level despite gradual improvement in share prices

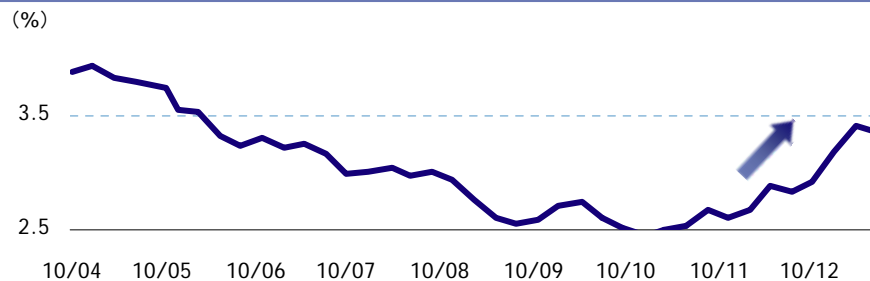
## Bond Markets

### JGB 10-year Yield



Source: Prepared by Mizuho Securities

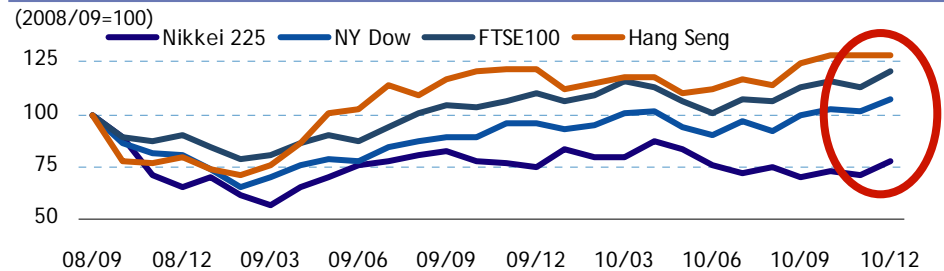
### US Government Bond 10-year Yield



Source: Prepared by Mizuho Securities based on data from Federal Reserve Bank

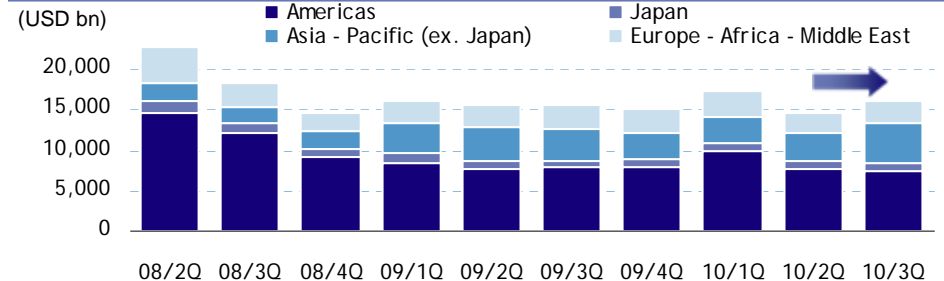
## Equity Markets

### Stock Price Indexes



Source: Prepared by Mizuho Securities

### Total Volumes of Share Trading



Source: Prepared by Mizuho Securities based on data from World Federation of Exchanges

Rapid rise of interest rates in Japan and abroad

Trading volume remained at low level at main stock markets despite gradual improvement in share prices

# FY2010/3Q Summary

- ✓ Weak performance in equity underwriting and bond secondary businesses
  - ✓ Losses recorded in Corporate Investment Services & Retail Business Division and overseas subsidiaries
- Progress seen in profit base expansion

## 3Q Summary

Global Investment Banking Division	<ul style="list-style-type: none"> <li>Revenues in equity underwriting decreased due to absence of large-scale underwriting deals</li> </ul>
Global Markets & Products Division	<ul style="list-style-type: none"> <li>Bonds: Revenues from bond trading decreased substantially due to rapid increase of interest rates of JGB in November, etc.</li> <li>Equities: Revenues improved by capturing market upturns</li> </ul>
Corporate Investment Services & Retail Business Division	<ul style="list-style-type: none"> <li>Equity brokerage commissions and fees improved in line with improvement in equity market. Profit improved significantly in December, but loss recorded on quarterly basis</li> <li>Steady expansion of sales base</li> </ul>
Overseas Subsidiaries	<ul style="list-style-type: none"> <li>Weak bond secondary business at overseas subsidiaries</li> <li>Asian equity business expanded along with the development of business infrastructure</li> </ul>
Expenses	<ul style="list-style-type: none"> <li>Progress in cost reduction mainly in transaction cost and personnel expenses</li> </ul>

## Key Initiatives in 4Q

Global Investment Banking Division	<ul style="list-style-type: none"> <li>Focus on winning deals expected to be completed by FY end</li> </ul>
Bond Secondary	<ul style="list-style-type: none"> <li>Aim to recover profit levels with careful risk management</li> </ul>
Equity Secondary	<ul style="list-style-type: none"> <li>Promote initiatives to improve profitability such as enhancing Asian equity business and solution business</li> </ul>
Retail Business	<ul style="list-style-type: none"> <li>Promote measures to enhance retail business base and to improve profitability through enhancement of product capabilities and face-to-face/other service channels</li> </ul>
Global Business Capabilities	<ul style="list-style-type: none"> <li>Promote measures to enhance profit base at each overseas subsidiary, such as diversifying product lineup, in order to return to surplus as soon as possible</li> <li>Continue global business base development and network expansion</li> </ul>
Cost Reductions	<ul style="list-style-type: none"> <li>Continue to review cost structure and reduce costs</li> </ul>

Strengthen resilience against severe market environment

# Progress on Initiatives

	April	May	June	July	August	September	October	November	December	January
Business Management		FY2010 1st Company Briefing						FY2010 2nd Company Briefing	IR Seminar for Individual Investors	
	Implementation of "4 Comprehensive Business Strengthening Policies"									
Merger-related	Organizational Changes	Integration of two retail IT Systems into One, STAGE		Affiliate Company Name Change				Establish Corporate Culture Development Office		
Strengthen Business Infrastructure	Transition to Global Business Management Framework	Approval for Establishment of Mizuho Securities India Private Limited		Establish Private Equity Business with Tata Capital Pte.	Launch Mizuho Securities India Private Limited	Expand Mizuho Securities Net Club Information Contents	Establish Specialist FA Departments	Launch Korean and Taiwanese Market Coverage in Electronic Trading	Sequentially Introduce Algorithm Trading for Pan-Asian Equities	Launch Mizuho FX Trading
	Launch Electronic Trading Platform at Pan Asia Market				Launch ABS Secondary Trading*		Establish Inheritance Center	Introduce DSA for Pan-Asian Equity ***		
							Consolidate Call Center Business			
							Launch European Credits Trading**			
							Launch Bond Underwriting Business***			
Large-scale Deals Captured				Mizuho FG PO						
				INPEX PO						

\*Mizuho Securities USA, \*\*Mizuho International, \*\*\*Mizuho Securities Asia

# Improve Basic Profitability <Retail> ~ 3Q Business Summary

- ✓ Increase in investment trusts balance due to steady net increase of equity investment trusts based on flexible product launches
- ✓ Steady business base expansion such as continuous net inflow of client assets and increase of HNW\* accounts

## Summary of Corporate Investment Services & Retail Business Division

### Product Capability Enhancement

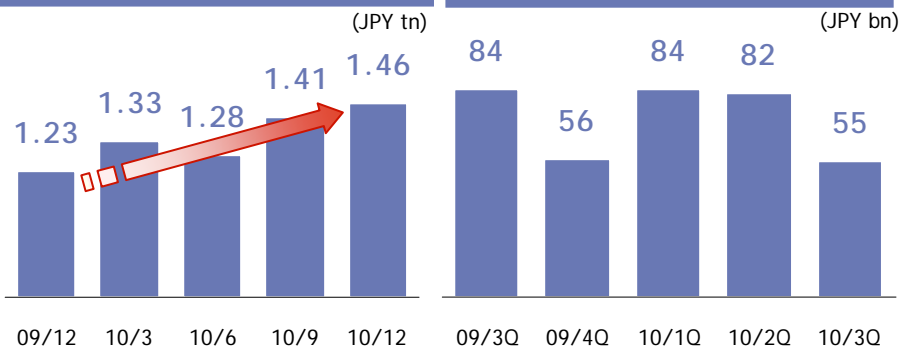
- Expanded lineups of REIT investment trusts in light of high level of inflow of investment money
- Launched funds to invest in high growth African markets in order to expand sales of pure equity investment trusts in line with equity market turnaround
  - DIAM Strategic J-REIT Fund inception/management: DIAM
  - MHAM J-REIT Index Fund inception/management: Mizuho Asset Management
  - Chuo Mitsui J-REIT Fund inception/management: Chuo Mitsui Asset Management
  - Pan Africa Equity Fund inception/management: SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT
  - DIAM Yen Strategy Bond Fund inception/management: DIAM

### Face-to-Face/Other Service Channel Enhancement

- Retail
  - Number of HNW\* accounts increased due to development of new customers in addition to net inflow of client assets
    - ✓ Launched Financial Advisors Sales Department in October
    - ✓ Launched Inheritance Center Business at 3 branches (Shinjuku, Shibuya and Kichijoji) in November
    - ✓ Conducted Mizuho FX pre-account opening campaign in December
- Corporate Investment Services
  - Increased M&A deals sourced by branches in collaboration with Global Investment Banking Division

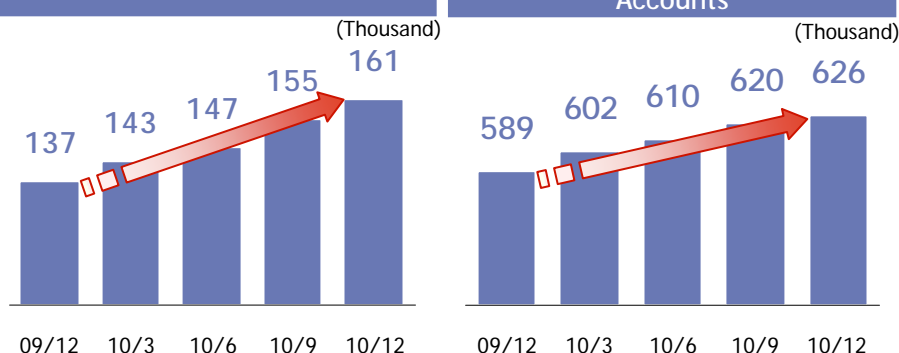
Publicly-Offered Equity Investment Trust Balance

Publicly-Offered Equity Investment Trust Net Increase



Number of HNW\* Accounts

Number of Online Trading Accounts



\*HNW: High Net Worth



# Improve Basic Profitability <Equity> ~ 3Q Business Summary

- ✓ Primary Business: Weak revenues due to absence of large-scale underwriting deals
- ✓ Secondary Business: Progress seen in enhancement of sales & trading capability and development of electronic trading infrastructure

## Summary of Equity Primary Business

- Absence of large-scale underwriting deals
- Promoted measures to strengthen both internal and inter-company collaboration
- ✓ Enhanced collaboration between Global Investment Banking Division and Corporate Investment Services & Retail Business Division
- ✓ Enhanced collaboration with Mizuho Corporate Bank
- ✓ Reorganized departments to enhance product capabilities

## 3Q Underwriting Deals

### ➤ IPO

- Otsuka Holdings
- Tera Probe
- POLA ORBIS HOLDINGS
- E-Guardian

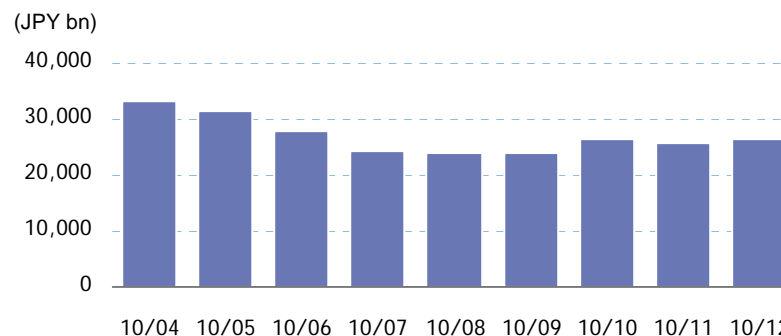
### ➤ PO

- ALCONIX
- TEPCO
- Higo Bank
- Hokkoku Bank
- Monex Group
- Sotetsu Holdings

## Summary of Equity Secondary Business

- Progress seen in establishment of frameworks to improve profitability in line with enhancement of sales & trading capabilities
- ✓ Improved appraisal by institutional investors
- Expanded provision of electronic trading-related services
- ✓ Sequentially introduced algorithm trading for pan-Asian equities to clients
- ✓ Began to cover Korean and Taiwanese markets in electronic trading
- Increased Asian equities trading through enhancement of Asian equity distribution structure and sales function at overseas subsidiaries

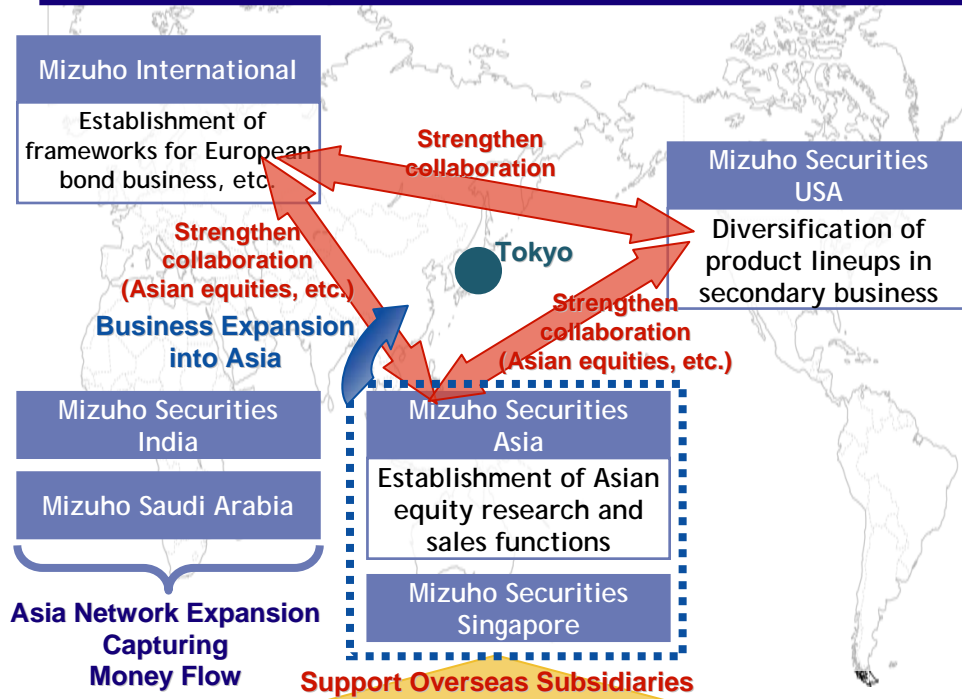
## Changes in TSE 1<sup>st</sup> Section Trading Volume



# Strengthen Global Business Capabilities ~ 3Q Business Summary

- ✓ Focus on development of overseas operations that interlock Asian business with European and US networks
- ✓ Progress seen in increased transactions with non-Japanese clients and expanded Asian equity business

## Key Concepts of Global Business Operations



## Core Overseas Subsidiaries

- Global business base expanded primarily among non-Japanese clients in primary/secondary business as a result of enhancement of client-oriented business
  - ▣ BlackRock (MSUSA, PO), Renault (MHI, Samurai bonds), Time Warner Cable (MSUSA, Corporate Bonds), JDB Holdings (MHSA, M&A)
- Mizuho International (MHI)
  - Steady progress in establishment of bond division framework under difficult revenue environment
    - ✓ Reorganized sales & trading framework by account and launched European credit trading
- Mizuho Securities USA (MSUSA)
  - Focus on diversification of product lineup in bond secondary business such as long-term repo, and enhancement of Asian equity sales framework in equity secondary business
- Mizuho Securities Asia (MHSA)
  - Asian equity-related revenues increased by focusing on client base expansion in collaboration with other overseas subsidiaries
    - ✓ MSUSA-booked Asian equity trading has steadily increased since September
    - ✓ Launched pan-Asian DSA with clients

### Promotion of Global Business Base

Global Business Management

International Division  
Overseas Subsidiaries



Global Business Infrastructure Committee

### Expansion of Global Network

- ✓ Collaboration/coordination among subsidiaries and other Mizuho group companies
- ✓ Infrastructure development at subsidiaries

# FY2010/4Q Key Initiatives

- ✓ Continue to promote initiatives to improve basic profitability and to strengthen global business capabilities

Improving Basic Profitability		Strengthening Global Business Capabilities
Retail Business	Equity Business	Global Operations
<ul style="list-style-type: none"> <li>● Continue to strengthen product capabilities and face-to-face and other service channels to expand business base</li> <li>■ Strengthen product capabilities               <ul style="list-style-type: none"> <li>– Launch products meeting client-needs including products responding to mass redemption of JGBs for individual investors</li> <li>✓ Yen-hedged bond funds, plain privately placed bonds</li> </ul> </li> <li>■ Strengthen face-to-face service channel               <ul style="list-style-type: none"> <li>– Accelerate measures to increase AUM and to improve sales efficiency</li> <li>✓ <b>Enhance training infrastructure to improve proposal skills</b></li> <li>✓ Increase number of branches to cooperate with Inheritance Center business (3 ⇒ 10 branches)</li> </ul> </li> <li>■ Strengthen other service channel               <ul style="list-style-type: none"> <li>– Promote to increase the number of client accounts and trading volume for Mizuho FX</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Focus on enhancing sales &amp; trading capabilities toward overseas clients, and expanding solution business</li> <li>■ Institutional investor sales               <ul style="list-style-type: none"> <li>– Promote measures to further strengthen profitability</li> <li>✓ Strengthen Japanese equity sales &amp; trading framework for overseas clients</li> </ul> </li> <li>■ Electronic trading               <ul style="list-style-type: none"> <li>– Promote measures to improve profitability</li> </ul> </li> <li>■ Asian equity business               <ul style="list-style-type: none"> <li>– Enhance Asian equity sales framework at each overseas subsidiary</li> <li>✓ Study of providing pan-Asian equities in addition to promotion of Hong Kong equities to Japanese retail investors</li> </ul> </li> <li>■ <b>Solution business</b> <ul style="list-style-type: none"> <li>✓ <b>Capture needs in sales of stocks including cross-shareholding unwinding</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Continue to strengthen global business base focusing on client oriented business</li> <li>■ Mizuho International               <ul style="list-style-type: none"> <li>– Focus on strengthening client business base</li> <li>✓ Obtain primary dealership license for German government bonds</li> <li>✓ Continue to strengthen Asian equity sales framework</li> </ul> </li> <li>■ Mizuho Securities USA               <ul style="list-style-type: none"> <li>– Strengthen measures to diversify earnings source</li> <li>✓ Diversify product lineups including CMBS/RMBS</li> <li>✓ Strengthen measures for Asian equity sales</li> </ul> </li> <li>■ Mizuho Securities Asia               <ul style="list-style-type: none"> <li>– Promote measures to enhance profit base</li> <li>✓ Promote Asian equity sales to Japanese individual investors by holding seminars at domestic retail branches</li> <li>✓ <b>Consider strengthening bond primary business framework</b></li> </ul> </li> </ul>

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# Reference Data

# P/L - Consolidated Results

Former Shinko Securities + Former Mizuho Securities ← → Mizuho Securities

(JPY millions)

	08/1Q-4Q					09/1Q-4Q					10/1Q	10/2Q	10/3Q
	08/1Q	08/2Q	08/3Q	08/4Q		09/1Q	09/2Q	09/3Q	09/4Q				
Operating revenues	411,332	147,121	123,473	68,635	72,103	312,161	95,325	80,372	65,503	70,960	71,165	91,978	62,758
Commissions and fees	106,597	29,593	27,919	22,169	26,914	145,822	33,649	39,478	31,761	40,932	30,516	39,246	32,116
Brokerage commissions	32,103	11,062	7,763	6,295	6,982	33,236	7,937	9,055	7,910	8,333	9,444	6,011	7,206
Underwriting and selling fees, and commissions	15,938	4,328	3,835	4,443	3,330	43,751	9,250	12,532	8,328	13,640	6,025	15,972	5,900
Offering, selling, and other commissions and fees	14,564	3,411	4,167	2,644	4,341	22,348	3,083	6,547	6,521	6,196	6,031	6,561	7,420
Other commissions and fees	43,991	10,790	12,153	8,786	12,261	46,486	13,377	11,343	9,002	12,762	9,014	10,701	11,588
Gain on trading, net	40,084	19,299	2,775	20,609	(2,598)	64,124	32,592	16,350	9,397	5,783	15,139	15,908	3,053
Equities	(8,571)	8,818	(7,890)	(10,734)	1,235	25,341	1,382	2,862	11,890	9,207	(1,468)	(3,541)	5,740
Bonds, other	48,656	10,480	10,666	31,343	(3,834)	38,782	31,209	13,488	(2,492)	(3,423)	16,608	19,450	(2,686)
Gain (loss) on sales of operating investment securities	(8,417)	1,571	(3,856)	(2,059)	(4,072)	(653)	(136)	115	(89)	(542)	(978)	3,433	(350)
Interest and dividend income	273,067	96,657	96,634	27,915	51,859	102,868	29,220	24,428	24,433	24,786	26,487	33,389	27,938
Interest expenses	219,495	86,285	83,293	16,154	33,762	61,760	17,963	14,470	14,370	14,955	15,855	23,963	17,069
Net operating revenues	191,836	60,835	40,179	52,480	38,340	250,401	77,361	65,901	51,132	56,004	55,309	68,015	45,689
Selling, general and administrative expenses	229,454	60,805	58,464	52,272	57,935	219,513	49,331	56,186	56,851	57,143	56,712	58,172	54,888
Operating income	(37,618)	29	(18,285)	208	(19,594)	30,887	28,030	9,715	(5,719)	(1,138)	(1,402)	9,842	(9,199)
Non-operating revenues	6,051	1,516	1,761	1,971	803	4,266	1,481	744	665	1,375	2,219	960	143
Non-operating expenses	3,138	553	1,260	508	817	2,080	619	339	280	840	331	465	159
Ordinary income	(34,705)	992	(17,784)	1,670	(19,608)	33,073	28,891	10,120	(5,334)	(604)	486	10,337	(9,214)
Extraordinary gains	9,372	1,570	3,113	3,976	869	111,236	110,257	(34)	928	84	947	32	96
Extraordinary losses	13,884	3,376	2,050	2,137	6,453	8,392	3,586	1,584	1,598	1,622	155	553	400
Net income	(47,966)	(5,098)	(14,655)	(2,815)	(25,396)	127,064	129,514	6,196	(5,799)	(2,847)	470	5,926	(6,829)

# P/L - Consolidated Results Breakdown (1/2)

Former Shinko Securities + Former Mizuho Securities ← → Mizuho Securities

(JPY millions)

	08/1Q-4Q					09/1Q-4Q					10/1Q	10/2Q	10/3Q
	08/1Q	08/2Q	08/3Q	08/4Q		09/1Q	09/2Q	09/3Q	09/4Q				
Commissions and fees	106,597	29,593	27,919	22,169	26,914	145,822	33,649	39,478	31,761	40,932	30,516	39,246	32,116
Brokerage commissions	32,103	11,062	7,763	6,295	6,982	33,236	7,937	9,055	7,910	8,333	9,444	6,011	7,206
Equities	25,755	8,862	6,110	5,505	5,276	27,468	6,503	7,826	6,221	6,916	7,638	4,796	5,784
Bonds	6,229	2,185	1,638	737	1,668	5,686	1,419	1,207	1,658	1,400	1,784	1,202	1,408
Underwriting and selling fees, and commissions	15,938	4,328	3,835	4,443	3,330	43,751	9,250	12,532	8,328	13,640	6,025	15,972	5,900
Equities	4,270	371	1,907	1,752	239	26,531	4,039	8,092	3,866	10,532	2,751	12,134	2,293
Bonds	11,411	3,862	1,860	2,647	3,041	16,854	5,122	4,396	4,379	2,955	3,215	3,720	3,549
Offering, selling, and other commissions and fees	14,564	3,411	4,167	2,644	4,341	22,348	3,083	6,547	6,521	6,196	6,031	6,561	7,420
Investment trusts	14,101	3,241	4,029	2,631	4,199	21,921	3,081	6,391	6,457	5,990	5,877	6,413	6,705
Other commissions and fees	43,991	10,790	12,153	8,786	12,261	46,486	13,377	11,343	9,002	12,762	9,014	10,701	11,588
Investment trusts	15,292	4,877	4,579	3,057	2,777	13,382	2,302	3,533	3,686	3,859	4,152	4,297	4,656
Other (excluding Equities and Bonds)	27,389	5,401	7,282	5,291	9,414	30,556	10,823	6,660	4,892	8,181	4,487	5,687	6,546
Gain on trading, net	40,084	19,299	2,775	20,609	(2,598)	64,124	32,592	16,350	9,397	5,783	15,139	15,908	3,053
Equities	(8,571)	8,818	(7,890)	(10,734)	1,235	25,341	1,382	2,862	11,890	9,207	(1,468)	(3,541)	5,740
Bonds, other	48,656	10,480	10,666	31,343	(3,834)	38,782	31,209	13,488	(2,492)	(3,423)	16,608	19,450	(2,686)

## P/L - Consolidated Results Breakdown (2/2)

Former Shinko Securities + Former Mizuho Securities ← → Mizuho Securities

(JPY millions)

	08/1Q-4Q					09/1Q-4Q					10/1Q	10/2Q	10/3Q
	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q					
SG&A expenses	229,454	60,805	58,464	52,272	57,935	219,513	49,331	56,186	56,851	57,143	56,712	58,172	54,888
Transaction expenses	39,716	10,349	11,012	7,226	11,127	34,495	7,570	8,477	9,293	9,154	9,760	10,110	8,947
Personnel expenses	106,754	28,978	25,079	26,985	25,710	103,829	24,797	26,987	26,420	25,624	25,409	26,406	24,659
Real estate expenses	31,263	8,588	7,930	7,177	7,567	26,787	6,059	6,950	6,843	6,934	6,808	7,305	7,066
Office expenses	14,563	3,908	4,254	3,149	3,251	19,707	3,896	4,661	4,995	6,152	5,591	5,410	5,487
Depreciation and amortization	22,020	5,586	5,369	5,249	5,814	23,838	5,021	6,230	6,424	6,162	6,061	5,765	5,889
Tax and dues	2,816	758	796	786	474	2,537	510	722	760	543	712	667	699
Other	12,320	2,634	4,022	1,698	3,988	8,316	1,475	2,156	2,113	2,571	2,367	2,506	2,138

# P/L - Non-consolidated Results

Former Shinko Securities + Former Mizuho Securities ← → Mizuho Securities

(JPY millions)

	08/1Q-4Q					09/1Q-4Q							
		08/1Q	08/2Q	08/3Q	08/4Q		09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q
Operating revenues	208,088	68,044	48,767	52,465	38,810	216,979	54,957	56,838	49,691	55,492	53,457	61,429	44,087
Commissions and fees	87,823	22,642	23,338	20,176	21,665	119,872	29,028	31,616	25,997	33,229	24,274	31,108	25,589
Brokerage commissions	20,330	6,673	4,707	5,073	3,874	23,734	6,553	6,612	4,942	5,625	5,636	3,750	5,033
Underwriting and selling fees, and commissions	13,066	3,330	3,378	4,143	2,215	32,889	7,272	8,568	7,130	9,917	5,365	11,190	4,754
Offering, selling, and other commissions and fees	14,489	3,372	4,151	2,633	4,331	23,520	4,458	6,502	6,474	6,085	5,972	6,365	6,672
Other commissions and fees	39,937	9,265	11,100	8,326	11,244	39,728	10,744	9,932	7,449	11,601	7,299	9,802	9,128
Gain on trading, net	54,266	27,948	6,299	17,252	2,765	62,394	19,541	16,113	15,708	11,030	19,736	15,026	8,507
Equities	(9,777)	8,577	(9,065)	(11,657)	2,367	28,231	5,415	2,550	11,258	9,006	(1,906)	(5,435)	6,114
Bonds, other	64,043	19,370	15,365	28,909	398	34,162	14,126	13,562	4,450	2,023	21,643	20,461	2,393
Gain (loss) on sales of operating investment securities	(2,763)	455	(1,206)	(943)	(1,069)	(2,838)	(168)	(1,055)	(291)	(1,323)	(47)	(126)	(476)
Interest and dividend income	68,762	16,998	20,336	15,979	15,447	37,551	6,554	10,163	8,276	12,555	9,493	15,420	10,466
Interest expenses	56,993	15,800	15,166	14,987	11,038	26,321	4,698	6,970	6,251	8,400	6,173	10,438	6,476
Net operating revenues	151,094	52,244	33,600	37,477	27,772	190,658	50,258	49,868	43,439	47,091	47,283	50,990	37,610
Selling, general and administrative expenses	171,800	45,336	43,310	41,936	41,238	169,690	36,888	44,567	44,715	43,518	44,381	43,607	42,167
Operating income	(20,705)	6,908	(9,709)	(4,458)	(13,466)	20,967	13,369	5,300	(1,275)	3,573	2,902	7,382	(4,556)
Non-operating revenues	11,971	5,207	824	553	5,385	2,355	887	698	226	544	1,152	810	(64)
Non-operating expenses	186	35	53	35	61	325	81	(44)	126	161	29	34	66
Ordinary income	(8,920)	12,079	(8,938)	(3,940)	(8,141)	22,998	14,175	6,042	(1,175)	3,956	4,026	8,158	(4,688)
Extraordinary gains	11,959	1,264	1,877	4,090	4,883	254	78	(33)	132	76	816	(1)	129
Extraordinary losses	13,479	3,357	1,752	2,017	6,487	9,808	4,856	1,658	1,747	1,545	1,031	555	355
Net income	(9,048)	6,781	(4,869)	(3,641)	(7,318)	18,195	15,447	2,932	(2,301)	2,117	2,604	4,793	(3,245)



# P/L - Non-consolidated Results Breakdown (1/2)

Former Shinko Securities + Former Mizuho Securities ← → Mizuho Securities

(JPY millions)

	08/1Q-4Q				09/1Q-4Q				10/1Q	10/2Q	10/3Q		
	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q					
Commissions and fees	87,823	22,642	23,338	20,176	21,665	119,872	29,028	31,616	25,997	33,229	24,274	31,108	25,589
Brokerage commissions	20,330	6,673	4,707	5,073	3,874	23,734	6,553	6,612	4,942	5,625	5,636	3,750	5,033
Equities	19,960	6,581	4,634	4,958	3,786	23,199	6,422	6,496	4,787	5,492	5,560	3,687	4,952
Bonds	248	75	58	63	51	447	106	96	127	117	54	50	67
Underwriting and selling fees, and commissions	13,066	3,330	3,378	4,143	2,215	32,889	7,272	8,568	7,130	9,917	5,365	11,190	4,754
Equities	3,579	149	1,708	1,676	45	20,632	3,659	5,793	3,606	7,573	2,551	8,373	1,969
Bonds	9,231	3,085	1,601	2,423	2,120	11,891	3,525	2,731	3,442	2,192	2,756	2,699	2,727
Offering, selling, and other commissions and fees	14,489	3,372	4,151	2,633	4,331	23,520	4,458	6,502	6,474	6,085	5,972	6,365	6,672
Investment trusts	14,027	3,202	4,014	2,619	4,190	23,144	4,456	6,351	6,409	5,927	5,807	6,329	6,659
Other commissions and fees	39,937	9,265	11,100	8,326	11,244	39,728	10,744	9,932	7,449	11,601	7,299	9,802	9,128
Investment trusts	10,056	3,238	3,037	1,988	1,791	8,593	1,899	2,160	2,239	2,293	2,428	2,488	2,647
Other (excluding Equities and Bonds)	22,976	3,952	6,123	4,850	8,050	24,572	7,784	5,578	3,921	7,286	3,436	4,540	5,383
Gain on trading, net	54,266	27,948	6,299	17,252	2,765	62,394	19,541	16,113	15,708	11,030	19,736	15,026	8,507
Equities	(9,777)	8,577	(9,065)	(11,657)	2,367	28,231	5,415	2,550	11,258	9,006	(1,906)	(5,435)	6,114
Bonds, other	64,043	19,370	15,365	28,909	398	34,162	14,126	13,562	4,450	2,023	21,643	20,461	2,393
Bonds	146,044	20,737	17,247	22,628	85,430	33,884	19,062	8,320	1,374	5,128	12,015	15,009	2,256
Other	(82,000)	(1,366)	(1,882)	6,280	(85,032)	278	(4,936)	5,242	3,076	(3,104)	9,627	5,452	136

## P/L - Non-consolidated Results Breakdown (2/2)

Former Shinko Securities + Former Mizuho Securities ← → Mizuho Securities

(JPY millions)

	08/1Q-4Q					09/1Q-4Q					10/1Q	10/2Q	10/3Q
	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q					
SG&A expenses	171,800	45,336	43,310	41,936	41,238	169,690	36,888	44,567	44,715	43,518	44,381	43,607	42,167
Transaction expenses	27,296	7,427	7,139	6,835	5,893	28,071	5,290	7,307	8,111	7,361	9,114	7,865	7,072
Personnel expenses	67,174	18,546	15,815	16,350	16,462	67,243	15,408	18,286	17,583	15,964	16,477	16,912	16,446
Real estate expenses	29,412	7,924	7,512	6,983	6,991	25,004	5,702	6,605	6,287	6,407	5,981	6,427	6,335
Office expenses	19,652	4,766	5,312	4,767	4,805	24,073	4,759	5,792	6,182	7,338	6,816	6,745	6,697
Depreciation and amortization	19,594	4,859	4,694	4,915	5,124	19,159	4,406	4,937	5,009	4,805	4,333	4,062	4,187
Tax and dues	2,466	640	700	717	407	2,247	433	659	668	484	637	571	595
Other	6,203	1,170	2,136	1,366	1,552	3,891	887	977	870	1,155	1,020	1,023	833

# Market Share - Non-consolidated

Former Shinko Securities ← → Mizuho Securities

(JPY billions)

	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q
Equity Trading Volume Total	2,421	2,058	1,473	1,388	4,859	5,288	5,502	5,364	6,141	4,225	4,632
Dealing	1,123	970	595	684	2,105	2,394	3,062	2,742	3,044	2,014	2,089
Brokerage	1,297	1,088	877	703	2,754	2,893	2,439	2,622	3,097	2,211	2,542
Share in TSE	0.61%	0.63%	0.56%	0.72%	2.08%	2.53%	2.76%	2.60%	2.73%	2.46%	2.36%
Equity Brokerage Commission Ratio	0.43%	0.33%	0.45%	0.42%	0.24%	0.23%	0.19%	0.21%	0.18%	0.16%	0.19%
Individual Equity Transaction Share	1.21%	0.99%	1.02%	0.98%	1.38%	1.63%	1.52%	1.69%	1.45%	1.51%	1.72%
Underwriting related Equities	1	8	1	0	54	141	90	242	71	247	43
Bonds	1,643	1,771	1,267	766	2,239	2,019	2,047	1,726	2,075	2,154	2,063
Distribution related Equities	1	8	1	0	56	147	94	250	74	256	45
Bonds	1,792	1,913	1,342	846	1,208	838	747	538	715	789	733
Investment Trust	782	826	658	565	824	844	903	754	821	842	849

## ➤ Reference: Former Mizuho Securities

(JPY billions)

	08/1Q	08/2Q	08/3Q	08/4Q
Equity Trading Volume Total	5,470	4,430	3,901	2,334
Dealing	2,421	2,086	1,729	913
Brokerage	3,048	2,343	2,172	1,421
Share in TSE	1.66%	1.49%	1.59%	1.28%

# Assets Under Management - Non-consolidated

	Former Shinko Securities ←				→ Mizuho Securities				(JPY billions)		
	08/6	08/9	08/12	09/3	09/6	09/9	09/12	10/3	10/6	10/9	10/12
<b>Client Assets</b>	13,897	13,143	11,895	11,587	20,967	21,546	21,175	22,090	21,196	21,138	22,096
Equities	5,526	5,382	4,656	4,207	7,420	7,497	7,454	8,202	7,559	7,559	8,514
Bonds	4,848	4,580	4,516	4,681	9,421	9,742	9,443	9,680	9,574	9,393	9,660
Investment Trusts	3,022	2,798	2,362	2,402	3,964	4,052	4,103	4,071	3,933	4,049	3,789
Others	500	381	360	295	162	255	173	136	129	136	132
<b>Retail Client Assets*</b>	6,774	5,905	4,773	4,661	5,347	5,361	5,442	5,752	5,265	5,371	5,575
Equities	2,975	2,511	2,037	1,876	2,293	2,281	2,246	2,474	2,177	2,149	2,274
Bonds	1,909	1,763	1,509	1,525	1,627	1,580	1,571	1,570	1,417	1,439	1,466
Investment Trusts	1,860	1,593	1,203	1,242	1,407	1,521	1,612	1,687	1,647	1,756	1,820
<b>(Reference) Retail Client Assets**</b>	-	-	-	-	6,169	6,208	6,295	6,662	6,151	6,246	6,517

\*: Retail Business Division (excluding Corporate Investment Services)

\*\* : Retail Business Division (excluding Corporate Investment Services) + Channel Business Development Group, etc.

## ➤ Reference: Former Mizuho Securities (JPY billions)

	08/6	08/9	08/12	09/3
<b>Client Assets</b>	8,579	9,315	9,167	8,947
Equities	2,148	2,065	2,047	1,807
Bonds	4,968	5,940	5,881	5,943
Investment Trusts	1,401	1,291	1,197	1,175
Others	60	17	41	21

# Number of Accounts etc. - Non-consolidated

Former Shinko Securities ← → Mizuho Securities

(Thousand accounts)

	08/6	08/9	08/12	09/3	09/6	09/9	09/12	10/3	10/6	10/9	10/12
Cash management accounts	1,039	1,048	1,065	1,067	1,071	1,072	1,075	1,084	1,091	1,091	1,092
Online trading accounts	415	428	559	567	575	582	589	602	610	620	626

Former Shinko Securities ← → Mizuho Securities

(JPY billions, Thousand accounts)

	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q
New accounts	11	12	20	8	9	9	7	13	11	11	8
Net inflow of assets	38	52	101	27	31	10	32	61	55	98	27
Online trading ratio based on transactions	38.0%	38.7%	38.0%	37.5%	32.9%	31.3%	31.3%	29.9%	34.6%	32.4%	28.6%
Online trading ratio based on amount	22.4%	22.3%	23.0%	22.4%	17.7%	15.8%	18.4%	16.3%	20.6%	20.2%	14.6%

# Products Sales etc. - Non-consolidated

Former Shinko Securities ← → Mizuho Securities

(JPY billions)

	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q	09/2Q	09/3Q	09/4Q	10/1Q	10/2Q	10/3Q
Equity Investment Trusts	129.6	128.3	75.0	118.3	151.8	183.8	226.1	212.8	211.9	236.0	258.6
Long-AP Contract Amount	67.5	51.6	36.9	30.2	30.4	28.2	26.6	25.7	21.6	19.7	19.2
Long-AP No. of Contracts	3,489	3,125	2,695	2,285	2,034	1,893	1,776	1,654	1,541	1,388	1,275
Pension Insurance (retail)	11.3	13.8	10.3	11.1	13.9	24.0	7.2	15.0	3.4	1.5	0.6
Foreign Equity (retail)	184.7	66.0	19.9	44.2	127.5	142.4	201.9	223.7	140.5	66.7	135.5
Foreign bonds (retail)	145.0	145.5	72.5	71.9	85.1	75.3	74.6	50.6	88.8	33.8	59.0

# Capital Adequacy Requirement Ratio - Non-consolidated

Former Shinko Securities ← → Mizuho Securities

(JPY billions)

	08/6	08/9	08/12	09/3	09/6	09/9	09/12	10/3	10/6	10/9	10/12
Basic Items	250	247	240	231	575	578	576	570	572	577	574
Supplemental Items	73	67	62	62	341	343	343	330	330	325	327
Deducted Assets	90	89	89	88	334	336	329	341	337	323	318
Equity after Deductions	232	225	213	205	582	584	589	559	565	580	582
Amount Equivalent to Risk	61	61	60	59	166	172	154	158	149	146	142
Capital Adequacy Ratio	375.1%	366.1%	351.3%	345.5%	348.8%	340.0%	380.9%	352.3%	378.6%	397.1%	407.9%

## ➤ Reference: Former Mizuho Securities (JPY billions)

	08/6	08/9	08/12	09/3
Basic Items	329	326	328	329
Supplemental Items	278	307	295	276
Deducted Assets	231	251	262	233
Equity after Deductions	376	382	361	372
Amount Equivalent to Risk	131	136	137	136
Capital Adequacy Ratio	286.3%	280.4%	263.7%	273.4%

# Number of Employees and Offices

Former Shinko Securities ← → Mizuho Securities

	08/6	08/9	08/12	09/3	09/6	09/9	09/12	10/3	10/6	10/9	10/12
Non-consolidated											
Number of Employees	5,129	5,029	4,970	4,783	6,742	6,651	6,569	6,400	6,714	6,747	6,704
Domestic Offices	99	99	99	99	101	100	100	100	100	100	102
Overseas Representative Offices	0	0	0	0	3	3	3	3	3	2	2
Overseas Branch offices											
Number of Employees	28	30	29	28	964	982	1,035	1,056	1,122	1,187	1,246
Number of Branch Offices	4	4	4	4	7	7	8	7	7	8	8

## ➤ Reference: Former Mizuho Securities

	08/6	08/9	08/12	09/3
Non-consolidated				
Number of Employees	1,744	1,676	1,695	1,636
Domestic Offices	2	2	2	2
Overseas Representative Offices	2	2	2	3
Overseas Branch offices				
Number of Employees	923	944	969	947
Number of Branch Offices	7	7	7	7



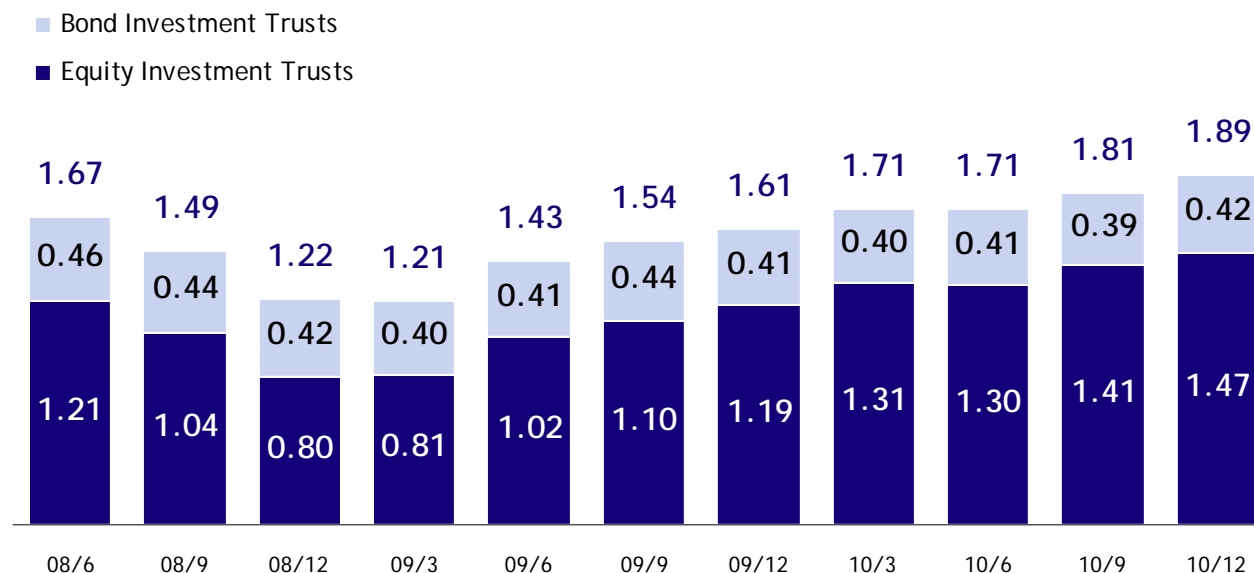
# Shinko Asset Management - Assets under Management

(JPY billions)

	08/6	08/9	08/12	09/3	09/6	09/9	09/12	10/3	10/6	10/9	10/12
Assets	1,675	1,496	1,223	1,218	1,437	1,545	1,614	1,717	1,715	1,816	1,893
Equity Investment Trusts	1,211	1,049	802	811	1,026	1,102	1,198	1,315	1,300	1,418	1,473
Bond Investment Trusts	463	447	420	406	411	442	416	401	415	397	420

## Assets under Management

(JPY trillions)



# Balance of Foreign Currency Denominated Securitization Products

## Foreign Currency Denominated Securitization Products

(Managerial accounting basis. Trading account, including overseas subsidiaries)

	Balance as of Dec. 31, 2010 (Fair Value)	Mark (%) as of Dec. 31, 2010 (=Fair Value/ Face Value)	Realized Gains/Losses for FY2010 (Apr. 1 ~ Dec. 31)
<b>Total</b>	<b>33</b>	<b>35</b>	<b>3</b>

(Reference)

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

- ✓ The notional amount of hedging transactions by CDS that reference securitization products at Mizuho Securities was approximately JPY 112 billion (JPY 115 billion as of Sep. 30, 2010), and the fair value of the relevant reference assets (securitization products) was approximately JPY 105 billion (JPY 102 billion as of Sep. 30, 2010). NPV, or the estimated amount claimable for the settlement of the CDS, was approximately JPY 7 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 risk (approximately JPY 0 billion) was approximately JPY 7 billion. (The above included CDS contracts with a US monoline (external ratings as of Dec. 31, 2010: AA-\*1), of which the notional amount was approximately JPY 18 billion and the fair value of the relevant reference assets was approximately JPY 17 billion.)

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

- ✓ The 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 Dec. 31, 2010), and the relevant reference assets were securitization products backed mainly by claims against corporations.

# Credit Ratings

As of January 28, 2011

R&I		JCR		Moody's	
Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
A+	a-1	AA-	J-1+	A1*	P-1*

\*Credit ratings for MTN program (Joint Medium-Term Note Program with Mizuho International plc., and Mizuho Securities USA Inc. based on keep-well agreement with Mizuho Corporate Bank, Ltd.)

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■ Contact

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