

Summary of Non-consolidated Business Results for the First Half of the Financial Year Ending 31 March 2004

Listed company's name: **Shinko Securities Co., Ltd.** Listing stock exchanges: Tokyo, Osaka, and Nagoya
 Code No.: 8606 Location of head office: Tokyo
 (URL: <http://www.shinko-sec.co.jp/>)
 Representative: Takashi Kusama, President
 Contact: Akihiko Furuta, General Manager of Treasury Dept. at (03) 5203-6000
 These financial statements were approved at a meeting of the Board of Directors on 24 October 2003.
 It is the policy of the company not to pay an interim dividend.
 The company's stock trading unit is 1000 shares.

1. Non-consolidated results for the period 1 April 2003 to 30 September 2003

(1) Non-consolidated results of business activities (Note) The amounts displayed below have been rounded off downwards to the nearest million yen.

	Operating revenues		Net operating revenues		Operating profit		Ordinary profit	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
Interim period to September 2003	53,023	(41.6)	51,425	(43.0)	8,584	()	9,421	()
Interim period to September 2002	37,444	(- 21.4)	35,961	(- 21.2)	- 9,437	()	- 2,742	()
Financial year to March 2003	75,954		73,097		- 14,341		- 7,571	

	Interim net profit for this period		Interim net profit per share
	mil. yen	%	yen
Interim period to September 2003	9,077	()	11.66
Interim period to September 2002	- 4,624	()	- 5.72
Financial year to March 2003	- 29,322		- 36.64

(Note) 1. Average number of shares outstanding (non-consolidated):
 Interim period to September 2003: 778,228,932
 Interim period to September 2002: 808,965,671
 Financial year to March 2003: 800,194,773

2. There has been no change in the accounting methods used to compile these financial statements.
3. Percentage figures for operating revenues, net operating revenues, operating profit, ordinary profit, and interim net profit represent the percentage increase or decrease on the same period last year.

(2) Dividends

	Interim dividend per share	Annual dividend per share
	yen	yen
Interim period to September 2003		
Interim period to September 2002		
Financial year to March 2003		0.00

(3) Non-consolidated financial status

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share	Capital adequacy requirement ratio
	mil. yen	mil. yen	%	Yen	%
Interim period to September 2003	2,452,173	216,890	8.8	278.71	451.4
Interim period to September 2002	2,134,982	232,473	10.9	289.17	509.4
Financial year to March 2003	2,092,922	203,116	9.7	260.99	419.4

(Note) 1. Number of shares outstanding (non-consolidated):

Interim period to September 2003:	778,186,897
Interim period to September 2002:	803,923,728
Financial year to March 2003:	778,264,644
Interim period to September 2003:	32,931,786
Interim period to September 2002:	7,194,955
Financial year to March 2003:	32,854,039

2. Number of treasury stocks:

2. Forecast of non-consolidated business results for the full financial year ending 31 March 2004 (1 April 2003 - 31 March 2004):

As the company's results are strongly influenced by market conditions, we do not conduct forecasts for our business results.

Interim Non-consolidated Balance Sheets

(In millions of yen)

	Interim period to 30 September 2003	Interim period to 30 September 2003	Year-on-year increase/decrease	Financial year to 31 March 2003
Assets				
Current assets	2,353,682	2,030,645	323,037	2,003,196
Cash and due from banks	42,661	48,666	- 6,005	30,268
Fund deposits	43,944	39,844	4,100	32,644
Trading products	810,479	852,171	- 41,692	888,851
Trading securities, etc.	805,096	847,574	- 42,478	884,759
Derivative assets	5,382	4,596	785	4,092
Trade date accrual		25,019	- 25,019	25,534
Margin transaction assets	59,520	55,851	3,669	36,337
Customers' loans receivable in margin transactions	51,636	45,477	6,159	28,036
Collateral for borrowed securities for margin transactions	7,883	10,373	- 2,490	8,300
Loans receivable secured by securities	1,370,243	982,165	388,077	958,609
Collateral for borrowed securities	1,370,243	982,165	388,077	958,609
Advances	462	1,493	- 1,030	997
Accounts for non-delivered securities and others				4,356
Short-term loans receivable	13,463	12,989	473	13,590
Other current assets	13,064	12,449	615	12,086
Allowance for bad debts	- 156	- 6	- 150	- 80
Fixed assets	98,490	104,337	- 5,847	89,726
Tangible fixed assets	6,311	7,582	- 1,270	6,588
Intangible fixed assets	13,856	9,858	3,998	10,169
Investments and other assets	78,322	86,897	- 8,574	72,968
Investment securities	60,668	63,367	- 2,698	53,966
Long-term deposits	9,560	11,730	- 2,170	9,962
Other investments	13,170	16,596	- 3,425	13,867
Allowance for bad debts	- 5,077	- 4,797	- 279	- 4,828
Total assets	2,452,173	2,134,982	317,190	2,092,922

	Interim period to 30 September 2003	Interim period to 30 September 2003	Year-on-year increase/decrease	Financial year to 31 March 2003
Liabilities				
Current liabilities	2,182,482	1,864,031	318,450	1,839,167
Trading products	836,402	509,803	326,599	422,353
Trading securities, etc.	830,268	506,004	324,264	418,645
Derivative liabilities	6,134	3,798	2,335	3,707
Trade date accrual	365,002		365,002	
Margin transaction liabilities	39,116	32,928	6,187	19,942
Customers' loans payable for margin transactions	30,222	24,067	6,155	15,075
Collateral for loaned securities for margin transactions	8,893	8,861	32	4,867
Loans payable secured by securities	776,620	1,187,303	- 410,683	1,277,296
Amounts receivable on loan transactions	532,086	956,914	- 424,828	949,296
Loans payable in gensaki transactions	244,534	230,389	14,145	328,000
Deposits received	35,374	26,539	8,834	30,500
Received margins	11,700	9,780	1,920	6,909
Accounts for non-received securities and others		0	- 0	4,356
Short-term loans payable	97,260	81,260	16,000	63,260
Commercial paper	12,500	9,800	2,700	2,000
Income taxes payable	66	80	- 13	135
Reserve for bonus	2,600	2,830	- 230	1,930
Other current liabilities	5,839	3,705	2,134	10,482
Fixed liabilities	51,986	37,521	14,465	49,682
Long-term loans payable	33,000	21,000	12,000	33,000
Deferred tax liabilities	3,842	1,432	2,409	607
Reserves for retirement benefits	15,125	15,070	54	16,056
Other fixed liabilities	19	18	1	19
Statutory reserve	814	956	- 142	956
Total liabilities	2,235,282	1,902,508	332,773	1,889,805
Shareholders' equity				
Common stock	125,167	125,167		125,167
Capital surplus	82,085	111,407	- 29,322	111,407
Capital reserve	51,407	71,407	- 20,000	71,407
Other capital surplus	30,677	40,000	- 9,322	40,000
Marginal profit from reduction in capital reserve	30,677	40,000	- 9,322	40,000
Gain/loss on disposal of treasury stock	0		0	
Earned surplus	9,077	- 4,624	13,702	- 29,322
Unappropriated earned surplus	9,077	- 4,624	13,702	- 29,322
Difference in valuation of securities	5,600	1,978	3,621	884
Treasury stock	- 5,039	- 1,454	- 3,585	- 5,020
Total shareholders' equity	216,890	232,473	- 15,583	203,116
Total liabilities and shareholders' equity	2,452,173	2,134,982	317,190	2,092,922

Interim Non-consolidated Statement of Income

(In millions of yen)

	Interim period from 1 April 2003 to 30 September 2003	Interim period from 1 April 2002 to 30 September 2002	% change from same period last year	Financial year from 1 April 2002 to 31 March 2003
Operating revenues	53,023	37,444	141.6	75,954
Commissions and fees received	26,943	21,418	125.8	41,514
Trading profit or loss	25,190	14,258	176.7	30,179
Financial revenues	890	1,766	50.4	4,259
Financial expenses	1,598	1,482	107.8	2,856
Net operating revenues	51,425	35,961	143.0	73,097
Selling, general and administrative expenses	42,840	45,398	94.4	87,438
Transaction expenses	5,464	6,081	89.9	11,908
Personnel expenses	20,887	21,369	97.7	41,131
Real estate expenses	7,185	7,725	93.0	15,025
Office expenses	5,815	6,448	90.2	12,380
Depreciation	1,975	1,921	102.8	3,926
Taxes and dues	239	317	75.5	517
Others	1,272	1,534	82.9	2,547
Operating profit	8,584	- 9,437		- 14,341
Non-operating revenues	1,068	6,873	15.5	7,308
Non-operating expenses	231	178	129.6	537
Ordinary profit	9,421	- 2,742		- 7,571
Extraordinary profits	1,201	480	249.7	911
Extraordinary losses	1,480	2,283	64.8	22,528
Net profit before taxes, etc.	9,142	- 4,544		- 29,187
Income taxes	65	80	81.3	135
Net profit	9,077	- 4,624		- 29,322
Profit brought forward				
Unappropriated earned surplus	9,077	- 4,624		- 29,322

[Interim non-consolidated financial statements]

These interim non-consolidated financial statements follow the provisions of Ministry of Finance (MoF) Ordinance No.38 (1977) entitled “The Rules for Terms, Formats, and Preparation Method of Interim Financial Statements” and also comply with the provisions stipulated in Articles 38 and 57 of said ordinance. In addition, they are compiled in accordance with Prime Ministerial and MoF Ordinance No.32 (1998) entitled “Cabinet Office Ordinance for Securities Companies” and the resolution entitled “The Unification of Securities Business Accounting” adopted by the Japan Securities Dealers Association on 14 November 1974.

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

1. Valuation method for securities

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

Securities and derivative contracts classed as trading products are recorded at present market value.

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

1) Shares of subsidiaries and affiliates

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

2) Other securities

a) Securities, etc. that have market values:

The present market value is recorded on the interim non-consolidated balance sheets and differences between this and acquisition cost is incorporated into the capital account in full. The selling price is based on the moving-average cost method.

b) Securities, etc. that have no market values

Valued using the moving-average cost method.

2. Depreciation methods used for fixed assets

(1) Tangible fixed assets

The fixed-percentage method is mainly used.

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

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

The straight-line method is used.

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

3. Accounting standards for reserves and allowances

(1) Allowance for bad debts

In preparation for loss from bad debt in loans receivables, etc., the recoverable possibilities of general receivables are reviewed based on the ratio of past uncollectibles and those of specific receivables including the ones that are likely to become bad debts are individually reviewed, so that the irrecoverable amount can be estimated.

(2) Reserve for bonus

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

(3) Reserves for retirement benefits

To prepare for the payment of lump sum retirement bonuses and qualified pensions, the difference between the value of such obligations and the total value of our pension assets at the end of this financial year was estimated, and the portion of the additional shortfall considered to have arisen in this interim period was charged to the interim period.

The difference at the change in the accounting method (8.277 billion yen) will be amortized in straight-line method over 5 years, and the amount appropriated to this interim period is included in the extraordinary loss.

Past service liabilities are regarded at any time as being a number of years (10 years) that fall within the average number of years' service remaining for each employee. These liabilities are amortized and charged to the period for which it was calculated using the straight-line method.

Actuarial gains and losses are also charged after amortizing by the straight-line method a number of years (10 years) that fall within the average number of years' service remaining for each employee. However, in this case, the charges are recorded in the following consolidated financial year.

4. Handling of lease transaction

In the case of finance leases where ownership is not deemed to have passed to the lessee, normal accounting procedures for leases are followed.

5. Method of hedge accounting

In order to hedge our exposure to cash flow fluctuations caused by borrowing at variable interest rates, we enter into interest rate swap contracts. These are handled on a case-by-case basis.

6. Accounting for consumption tax, etc.

The tax exclusion method is applied.

[Notes on non-consolidated balance sheets]

	Interim period to 30 September 2003	Interim period to 30 September 2002	Financial year to 31 March 2003 (In millions of yen)
1. Accumulated depreciation of tangible fixed assets	6,204	6,297	5,967
2. Guarantee obligations (guarantee exercise anticipated)	39,944 (39,762)	7,081 (6,416)	42,697 (42,453)

In accordance with Report No.61 of the Auditing Committee of the Japanese Institute of Certified Public Accountants entitled “Auditing Procedures Concerning the Accounting for and Presentation of Guarantee Obligations and Similar”, we recognize that we bear effective responsibility for guaranteeing our obligations and therefore provide a footnote giving details of these obligations.

3. Subordinated borrowings

Among our long-term borrowings (including those that mature within one year), there are the following subordinated obligations (borrowings with special subordinating conditions) as defined in Article 2 of Cabinet Office Ordinance No.23 (2001) entitled “Orders Concerning the Capital Requirement of Securities Companies”.

	Interim period to 30 September 2003	Interim period to 30 September 2003	Financial year to 31 March 2003 (In millions of yen)
	38,500	41,000	38,500

[Notes on non-consolidated statement of income]

	Interim period from 1 April 2003 to 30 September 2003	Interim period from 1 April 2002 to 30 September 2003	Financial year from 1 April 2002 to 31 March 2003 (In millions of yen)
Extraordinary profits			
Profit from sale of fixed assets		5	16
Profit from sale of investment securities	493	124	543
Profit from recovery of bad debts	565		
Reversal from reserve for securities transaction liabilities	142	351	351
Extraordinary losses			
Loss from sale of fixed assets	77	62	781
Loss from disposition of fixed assets	55	16	535
Loss from sale of investment securities	122	19	325
Write-down of investment securities	232	1,171	2,132
Write-down of shares of affiliates			7,274
Write-down of golf club memberships	3		31
Write-down of other investments			402
Re-amortization of future retirement and severance pay obligations in line with a change to accounting standards	827	827	1,655
Expenses incurred through merging or eliminating branches	146	174	326
Special retirement allowance			6,237
Loss from support for affiliates			2,700
Addition to allowance for bad debts	15	12	125

Data on Interim Non-consolidated Settlement of Accounts

1. Commissions and fees received

(1) Breakdown for each account

(In millions of yen)

	Interim period from 1 April 2003 to 30 September 2003	Interim period from 1 April 2002 to 30 September 2002	% change from same period last year	Financial year from 1 April 2002 to 31 March 2003
Brokerage commissions	16,050	11,111	144.4	20,301
(Equities)	(15,850)	(10,733)	(147.7)	(19,672)
(Bonds)	(165)	(297)	(55.6)	(502)
Underwriting & selling fees	2,105	1,798	117.1	3,496
(Equities)	(1,585)	(1,239)	(127.9)	(2,268)
(Bonds)	(520)	(559)	(93.0)	(1,227)
Offering & selling fees and commissions	4,359	3,788	115.1	8,362
Other fees and commissions	4,427	4,719	93.8	9,353
Total	26,943	21,418	125.8	41,514

(2) Breakdown for each product

(In millions of yen)

	Interim period from 1 April 2003 to 30 September 2003	Interim period from 1 April 2002 to 30 September 2002	% change from same period last year	Financial year from 1 April 2002 to 31 March 2003
Equities	17,852	12,416	143.8	22,793
Bonds	1,545	1,399	110.5	3,139
Beneficiary securities	6,427	6,647	96.7	13,355
Others	1,117	955	116.9	2,226
Total	26,943	21,418	125.8	41,514

2. Trading profit or loss

(In millions of yen)

	Interim period from 1 April 2003 to 30 September 2003	Interim period from 1 April 2002 to 30 September 2002	% change from same period last year	Financial year from 1 April 2002 to 31 March 2003
Equities, etc.	7,235	2,531	285.9	4,768
Bonds, exchange, etc.	17,954	11,727	153.1	25,410
(Bonds, etc.)	(17,612)	(10,669)	(165.1)	(25,615)
(Exchange, etc.)	(341)	(1,058)	(32.3)	(- 204)
Total	25,190	14,258	176.7	30,179

3. Volume of equity trading (except for futures contracts)

(In millions of shares/millions of yen)

	Interim period from 1 April 2003 to 30 September 2003		Interim period from 1 April 2002 to 30 September 2002		% change from same period last year		Financial year from 1 April 2002 to 31 March 2003	
	No. of shares	Total value	No. of shares	Total value	No. of shares	Total value	No. of shares	Total value
Total	6,605	4,202,552	3,978	3,383,724	166.0	124.2	8,110	6,170,201
(Dealing)	(1,069)	(1,185,268)	(1,162)	(1,304,587)	(92.0)	(90.9)	(2,087)	(2,201,685)
(Brokerage)	(5,536)	(3,017,284)	(2,816)	(2,079,137)	(196.6)	(145.1)	(6,023)	(3,968,516)
Brokerage ratio	83.8%	71.8%	70.8%	61.4%			74.3%	64.3%
Shares of total for TSE	1.62%	1.23%	1.64%	1.34%			1.63%	1.34%
Commission earnings per share	2.84 yen		3.74 yen				3.21 yen	

4. Volume of underwriting, offering, and selling

(In millions of shares/millions of yen)

			Interim period from 1 April 2003 to 30 September 2003	Interim period from 1 April 2002 to 30 September 2002	% change from same period last year	Financial year from 1 April 2002 to 31 March 2003
Underwritten	Equities	(No. of shares)	18	11	166.4	21
	Equities	(Total value)	30,005	31,081	96.5	51,260
	Bonds	(Total at face value)	812,615	758,129	107.2	1,574,518
	Commercial paper, foreign instruments, etc.	(Total at face value)	623,713	614,785	101.5	1,204,536
Offered and sold*	Equities	(No. of shares)	18	11	166.8	21
	Equities	(Total value)	34,464	36,843	93.5	58,695
	Bonds	(Total at face value)	937,420	886,130	105.8	1,805,224
	Beneficiary certificates	(Total at face value)	1,055,733	868,951	121.5	1,787,270
	Commercial paper, foreign instruments, etc.	(Total at face value)	623,713	614,785	101.5	1,204,536

* Includes volume sold and volume privately placed.

5. Capital adequacy requirement ratio

(In millions of shares/millions of yen)

		As of 30 September 2003	As of 30 September 2002	As of 31 March 2003
Basic items	Total capital (A)	211,290	230,495	202,231
Supplemental items	Difference in valuation (valuation revenues) of other securities, etc.	5,600	1,978	884
	Reserve for securities transaction liabilities, etc.	814	956	956
	Allowance for bad debts	156	6	80
	Subordinated short-term debt	38,500	41,000	38,500
Total (B)		45,071	43,940	40,421
Deducted assets (C)		72,088	83,775	70,405
Shareholders' equity after deduction (A)+(B)-(C) (D)		184,273	190,661	172,247
Amount equivalent to risk	Amount equivalent to market risk	12,527	9,894	12,554
	Amount equivalent to customer risk	7,657	4,705	6,704
	Amount equivalent to fundamental risk	20,630	22,829	21,809
	Total (E)	40,815	37,428	41,067
Capital adequacy requirement ratio (D)/(E)*100		451.4%	509.4%	419.4%

(Reference)

Quarterly Changes in Consolidated Statement of Income

(In millions of yen)

	Second quarter of previous financial year	Third quarter of previous financial year	Fourth quarter of previous financial year	First quarter of current financial year	Second quarter of current financial year
Operating revenues	17,051	19,299	19,210	26,310	26,713
Commissions and fees received	9,083	11,386	8,709	11,358	15,584
Brokerage commissions	4,328	5,504	3,685	5,919	10,130
(Equities)	(4,162)	(5,347)	(3,591)	(5,802)	(10,048)
(Bonds)	(128)	(125)	(78)	(103)	(62)
Underwriting & selling fees	756	753	943	958	1,147
(Equities)	(599)	(391)	(637)	(662)	(922)
(Bonds)	(157)	(361)	(306)	(296)	(224)
Offering & selling fees and commissions	1,895	2,249	2,325	2,407	1,951
Other fees and commissions	2,102	2,879	1,754	2,072	2,354
Trading profit or loss	6,737	6,538	9,382	13,985	11,204
Equities, etc.	1,083	856	1,380	3,732	3,503
Bonds, exchange, etc.	5,654	5,681	8,002	10,253	7,700
(Bonds, etc.)	(6,251)	(5,974)	(8,972)	(11,016)	(6,595)
(Exchange, etc.)	(- 597)	(- 293)	(- 970)	(- 763)	(1,104)
Financial revenues	1,230	1,374	1,118	966	- 75
Financial expenses	759	678	695	688	910
Net operating revenues	16,291	18,620	18,514	25,622	25,803
Selling, general and administrative expenses	22,482	21,034	21,005	21,742	21,098
Transaction expenses	3,178	2,846	2,980	2,680	2,783
Personnel expenses	10,309	10,084	9,677	10,793	10,093
Real estate expenses	3,937	3,565	3,734	3,762	3,422
Office expenses	3,216	3,022	2,909	2,781	3,034
Depreciation	1,073	1,000	1,004	972	1,003
Taxes and dues	82	96	104	154	85
Others	683	418	594	596	675
Operating profit	- 6,190	- 2,414	- 2,490	3,879	4,705
Non-operating revenues	449	179	254	507	561
Non-operating expenses	127	18	340	7	223
Ordinary profit	- 5,868	- 2,252	- 2,576	4,378	5,042
Extraordinary profits	66	16	414	267	933
Extraordinary losses	1,441	1,885	18,359	586	893
Net profit before taxes, etc.	- 7,244	- 4,121	- 20,521	4,059	5,082
Income taxes	42	40	15	34	31
Net profit	- 7,287	- 4,161	- 20,536	4,025	5,051