

Consolidated Financial Summary (for the year ended March 31, 2005)

Company's name: **Mizuho Securities Co., Ltd. ("the Company")**

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

Location: Tokyo

Representative: Name: Makoto Fukuda

Title: President

For inquiry: Name: Hajime Nakai

Title: Managing Director, Head of Planning Group

Phone: (03) 5208-3212

Date of resolution of Board of Directors with respect to
the consolidated financial statements: April 27, 2005

Parent company: Mizuho Financial Group, Inc.
(Stock code number: 8411)

The percentage of stock held by the
parent company: 81.5%

Application of US GAAP: No

(Including indirect holding by
the parent company: 81.5%)

Business performance for the year ended March 31, 2005 (April 1, 2004 through March 31, 2005)

(note) Any fraction of less than ¥1 million in each indicated amount is rounded down.

(1) Consolidated operating results

	Operating revenues		Net operating revenues		Operating profit		Ordinary profit	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
Fiscal year (2005/3)	266,759	(18.5)	138,956	(12.1)	48,653	(29.2)	50,155	(24.7)
Fiscal year (2004/3)	225,023	(-22.7)	123,947	(-9.6)	37,646	(-8.8)	40,234	(-7.5)

	Net profit		Net profit per share	Diluted net profit per share
	mil. yen	%	yen	yen
Fiscal year (2005/3)	28,060	(43.0)	8,387 . 66	— . —
Fiscal year (2004/3)	19,622	(87.8)	6,532 . 18	— . —

(note) ① Equity in earnings from investments in affiliates:

Fiscal 2005 11 mil. yen Fiscal 2004 42 mil. yen

② Average number of share outstanding (consolidated):

Fiscal 2005 3,345,432 Shares Fiscal 2004 3,004,000 Shares

③ Change in accounting policies: No change

④ The percentage in the column of operating revenues, net operating revenues, operating profit, ordinary profit, and net profit indicate percentage changes from the previous fiscal year.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity to total assets	Shareholders' equity per share
	mil. yen	mil. yen	%	yen
Fiscal year (2005/3)	17,443,448	379,926	2.2	103,100 . 71
Fiscal year (2004/3)	12,217,836	289,677	2.4	96,430 . 57

(note) ① Number of share outstanding (consolidated):

Fiscal 2005 3,685,000 Shares Fiscal 2004 3,004,000 Shares

② Shareholders' equity to total assets = Total shareholders' equity ÷ (Liabilities + Stocks held by Minority Shareholders + Total shareholders' equity) × 100

(3) Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries: 9
Nonconsolidated subsidiaries accounted for by the Equity Method: —
Affiliates accounted for by the Equity Method: 7

(4) Change in Scope of Consolidation and Application of the Equity Method

Consolidation		Equity Method	
Newly Consolidated:	1	Newly applied:	3
Excluded:	—	Ceased:	—

【Overview of Group Structures】

The Company and its subsidiaries and affiliates mainly operate debt and equity securities, M&A, structured finance and other businesses in securities and investment banking field and offer to corporate investors and customers including corporations, financial institutions and public-sector organizations, the high-quality financial products and services by conducting advanced financial technologies suitable for a wide range of customers' needs.

The Company has a presence in major financial centers in the UK, Switzerland, the United States and Hong Kong as a global investment banking firm focusing on trading and underwriting securities.

In March 2004, the Company bought stocks of subsidiaries in the UK (Mizuho International plc), Switzerland (Mizuho Bank (Switzerland) Ltd.) and the United States (Mizuho Securities USA Inc.) from Mizuho Corporate Bank, Ltd., Mizuho Bank Ltd. and other group company. As a result, these companies became wholly-owned subsidiaries of the Company.

The major companies in the Company's group are as follows:

Name of Companies	Location	Capital	Major Operation	Ownership Percentage
(Parent companies)				
Mizuho Financial Group, Inc.	Chiyoda-ku, Tokyo	mil.yen 1,540,965	Bank holding company	—
Mizuho Holdings, Inc.	Chiyoda-ku, Tokyo	mil.yen 1,000,000	Bank holding company	—
Mizuho Corporate Bank, Ltd.	Chiyoda-ku, Tokyo	mil.yen 1,070,965	Commercial banking	—
(Consolidated subsidiaries)				
Mizuho Securities Asia Limited	Hong Kong, People's Republic of China	mil. HK\$ 330	Securities	100.00%
Japan Investor Relations and Investor Support, Inc.	Chiyoda-ku, Tokyo	mil.yen 100	IR consulting services	97.00%
The Bridgeford Group, Inc.	New York, USA	US\$ 1,000,000	M&A business	100.00%
Mizuho Bank (Switzerland)Ltd.	Zurich, Switzerland	mil.SFR 53	Commercial banking and private banking	100.00%
Mizuho International plc	London, UK	mil. £ 257	Securities, commercial banking and custody services	100.00%
Mizuho Securities USA Inc.	Hoboken, New Jersey, USA	US\$ 231,300	Securities and derivatives brokerage	100.00%
(Other affiliates)				
Mobile Internet Capital Inc.	Minato-ku, Tokyo	mil.yen 100	Venture capital	30.00%
Japan Industrial Partners Inc.	Minato-ku, Tokyo	mil.yen 100	Investment advisory services	33.75%
Basic Capital Management, Limited	Chiyoda-ku, Tokyo	mil.yen 100	Investment advisory services	50.00%
Industrial Decisions, Inc.	Shinagawa-ku, Tokyo	mil.yen 40	Consulting services	50.00%
Polaris Principal Finance Co., Ltd.	Chiyoda-ku, Tokyo	mil.yen 200	Investment advisory services	50.00%
Max Investment Advisory Co., Ltd.	Chuo-ku, Tokyo	mil.yen 80	Investment advisory services	25.00%

(note) Polaris Principal Finance Co., Ltd. and Max Investment Advisory Co., Ltd. were established and newly accounted for by the equity method in this period.

Consolidated Balance Sheets
(As of March 31, 2005)

(Unit: Millions of yen)

Description	As of March 31, 2005	As of March 31, 2004	Change
Assets			
Current assets	17,305,968	12,067,577	5,238,391
Cash and deposits	118,925	78,624	40,300
Cash segregated as deposits	8,475	7,276	1,198
Securities	18,656	19,497	(840)
Trading assets	7,271,445	4,489,771	2,781,673
Trading securities and others	7,123,312	4,387,170	2,736,142
Derivative transactions	148,132	102,600	45,531
Operational securities	5,891	4,572	1,318
Margin transaction assets	10,527	7,002	3,525
Loans secured by securities	9,661,601	7,363,844	2,297,757
Payments for subscription	10,193	—	10,193
Guarantee deposits	33,635	23,382	10,253
Securities fails to deliver	94,928	8,504	86,424
Valuation margin paid	9,666	14,455	(4,789)
Short-term loans receivable	2,175	5,918	(3,742)
Accrued income	36,622	33,923	2,698
Short-term deferred tax assets	6,816	5,074	1,741
Others	16,423	5,752	10,670
Allowance for doubtful accounts	(15)	(22)	7
Fixed assets	137,479	150,259	(12,779)
Tangible fixed assets	12,146	10,107	2,038
Buildings	5,540	6,045	(505)
Furniture and fixture	3,537	4,062	(525)
Others	3,069	—	3,069
Intangible fixed assets	8,826	8,912	(86)
Goodwill	181	277	(96)
Software	8,585	8,572	12
Others	59	62	(2)
Investments	116,507	131,238	(14,731)
Investment securities	110,574	126,119	(15,544)
Other equity investments	440	1,090	(650)
Long-term guarantee deposits	2,888	2,837	50
Long-term prepaid expenses	14	8	6
Long-term deferred tax assets	1,516	620	895
Others	1,072	562	510
Total assets	17,443,448	12,217,836	5,225,611

(Mizuho Securities)

(Unit : Millions of yen)

Description	As of March 31, 2005	As of March 31, 2004	Change
Liabilities			
Current liabilities	16,635,217	11,715,593	4,919,623
Trading liabilities	5,365,107	3,462,620	1,902,486
Trading securities and others	5,227,932	3,341,236	1,886,696
Derivative transactions	137,174	121,383	15,790
Payable-unsettled trades	214,560	21,187	193,373
Borrowings secured by securities	8,593,468	6,929,820	1,663,648
Deposits received	20,946	16,870	4,076
Cash collateral received from customers	49,931	28,802	21,129
Securities fails to receive	102,186	1,457	100,728
Short-term borrowings	1,878,591	901,643	976,948
Commercial paper	297,200	237,800	59,400
Short-term bonds and notes	26,121	43,266	(17,145)
Accrued expenses	37,040	25,791	11,248
Income taxes payable	12,541	16,366	(3,825)
Reserve for bonuses	16,942	20,154	(3,211)
Short-term deferred tax liabilities	7	10	(3)
Others	20,571	9,803	10,768
Fixed liabilities	427,031	211,756	215,274
Bonds and Notes	252,291	122,619	129,672
Long-term borrowings	159,973	71,648	88,325
Deferred tax liabilities	9,954	14,430	(4,476)
Reserve for retirement benefits	4,811	2,496	2,314
Others	—	561	(561)
Statutory reserves	1,268	804	464
Total liabilities	17,063,517	11,928,155	5,135,362
Minority interests	5	4	0
Shareholders' equity			
Common stock	195,146	150,200	44,946
Capital surplus	125,288	95,324	29,964
Retained earnings	42,973	25,427	17,546
Unrealized gains on other securities, net of taxes	14,427	21,262	(6,835)
Foreign currency translation adjustments	2,090	(2,537)	4,627
Total shareholders' equity	379,926	289,677	90,248
Total liabilities, minority interests and shareholders' equity	17,443,448	12,217,836	5,225,611

(Mizuho Securities)

Consolidated Statements of Operations
(for the year ended March 31, 2005)

(Unit : Millions of yen)

Description	Year ended Mar.31, 2005	Year ended Mar.31, 2004	Period to period comparison (%)
Operating revenues	266,759	225,023	118.5%
Commission	57,919	42,975	134.8%
Trading profit	64,011	49,609	129.0%
Net gains on operational securities	813	815	99.6%
Financial income	144,016	131,623	109.4%
Financial expenses	127,803	101,076	126.4%
Net operating revenues	138,956	123,947	112.1%
Selling, general and administrative expenses	90,303	86,300	104.6%
Commissions and other transaction-related expenses	18,534	20,351	91.1%
Compensation and benefits	47,540	46,974	101.2%
Real estate expenses	7,945	6,868	115.7%
Data processing and office supplies	4,319	3,245	133.1%
Depreciation	6,579	6,073	108.3%
Taxes and dues other than income taxes	2,409	581	414.6%
Amortization of consolidation differences	—	525	—
Others	2,974	1,680	177.0%
Operating profit	48,653	37,646	129.2%
Non-operating revenues	4,012	2,844	141.1%
Equity in earnings from investments in affiliates	11	42	27.0%
Others	4,001	2,801	142.8%
Non-operating expenses	2,509	255	981.1%
Ordinary profit	50,155	40,234	124.7%
Non-ordinary profits	799	577	138.3%
Non-ordinary losses	3,424	1,250	273.8%
Net profit before income taxes and minority interests	47,530	39,561	120.1%
Income taxes-current	22,101	19,657	112.4%
Income taxes-deferred	(2,632)	(2,064)	127.5%
Minority interests in net profit	0	2,346	0.0%
Net profit	28,060	19,622	143.0%

Consolidated Statements of Capital Surplus and Retained Earnings
(for the year ended March 31, 2005)

(Unit: Millions of yen)

Description	Year ended Mar.31, 2005	Year ended Mar.31, 2004
Capital surplus		
Consolidated capital surplus at beginning	95,324	95,324
Increase in capital surplus	29,964	—
Issuance of shares due to increase in capital	29,964	—
Consolidated capital surplus at end	125,288	95,324
Retained earnings		
Consolidated retained earnings at beginning	25,427	5,804
Increase in retained earnings	28,060	19,622
Net profit	28,060	19,622
Decrease in retained earnings	(10,514)	—
Dividends paid	(10,514)	—
Consolidated retained earnings at end	42,973	25,427

Notes to consolidated financial statements

The Company's consolidated financial statements are prepared based on the "Regulations of Consolidated Financial Statements"(Ministry of Finance (MoF) Ordinance No.28, 1976) and its Article 46 and 68, in accordance with the "Cabinet Office Ordinance Concerning Securities Companies"(Prime Minister's Office and MoF Ordinance No.32, 1998), and the "Uniform Accounting Standards of Securities Companies"(approved by the board of directors of the Japan Securities Dealers Association, September 28, 2001).

Certain reclassifications have been made to the prior year's consolidated financial statements to conform them to the current year's presentation.

Basis of consolidated financial statements

1.Scope of consolidation

Consolidated subsidiaries : 9 Companies

Name of major subsidiaries :

Mizuho Securities Asia Limited
Japan Investor Relations and Investor Support, Inc.
The Bridgeford Group, Inc.
Mizuho Bank (Switzerland) Ltd.
Mizuho International plc
Mizuho Securities USA Inc.

2.Application of the equity method

Affiliates accounted for by the equity method : 7 Companies

Name of the major affiliates :

Mobile Internet Capital Inc.
Japan Industrial Partners Inc.
Basic Capital Management, Limited
Industrial Decisions, Inc.
Polaris Principal Finance Co., Ltd.
Max Investment Advisory Co., Ltd.

Polaris Principal Finance Co., Ltd., Max Investment Advisory Co., Ltd. and other 1 company were established and newly accounted for by the equity method in this period.

3.Yearends of subsidiaries

The financial statements for consolidated subsidiaries are based on the same closing date as the parent company uses.

4.Accounting policies

(1) Valuation of trading account

The Company and its subsidiaries are trading financial instruments to contribute for the markets to have proper prices and liquidities.

The Company and subsidiaries hold trading positions for the purpose of :

1) responding to customers' needs to invest or hedge risk, and 2) gaining profits or mitigating losses due to fluctuations of market prices and differences of prices in various markets.

Securities, derivative transactions, and assets or liabilities in trading account are recorded at fair value.

(2) Valuation of non-trading securities

Non-trading securities are valued as follows :

- ① Other securities, which have readily determinable fair value are stated at fair value with changes in differences between fair value and cost or amortized cost determined by the moving average method, net of the applicable income taxes, included directly in shareholders' equity.
- ② Other securities, which do not have readily determinable fair value are stated at cost determined by the moving average method.

(3) Depreciation method of significant assets

① Tangible fixed assets

The Company and its domestic consolidated subsidiary mainly apply the declining-balance method except for buildings (excluding leasehold improvement) acquired after March 31, 1998, which are applied the straight-line method. Overseas subsidiaries mainly apply the straight-line method.

② Intangible fixed assets

The straight-line method is primarily applied to amortization of intangible asset. The amortization period of software for internal use are determined based on estimated internal useful lives.

- (4) Deferred assets
Stock issuance costs and bond issuance costs are charged to income when incurred.
- (5) Accounting policies for reserves
- ① Allowance for doubtful accounts
The Company provides the allowance for possible losses on impaired at the amount estimated based on the management's assessments of asset quality and the allowance for other receivables at the amount estimated based on past experiences
 - ② Reserve for bonuses
Reserve is provided for bonus payments to employees at the amount attributable to the year of the future payments estimated based on the company's internal rules.
 - ③ Reserve for retirement benefits
Reserve for retirement benefits is provided for future retirement benefits to employees based on actuarial retirement benefits and plan assets
Prior service cost is charged to income in the period which the cost is recognized
Net actuarial gain or loss is amortized in the years following the year in which the gain or loss is recognized over the period within the employees average remaining service period on a straight-line basis.
- (6) Accounting for lease transactions
Except for finance lease agreements, under which the ownership of the leased assets is deemed to be transferred to the lessee, lease fees are mainly charged to income, when incurred.
- (7) Accounting for hedging transactions
Gains or losses on forward foreign exchange contracts hedging foreign exchange risk associated with investment in subsidiaries denominated in foreign currencies are deferred as assets or liabilities until related gains or losses of the hedged instruments are recognized.
Special treatment is applied for interest rate swaps hedging the interest rate risk associated with borrowings that meet the required conditions for special treatment.
- (8) Other significant accounting policies
Consumption taxes
Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

5.Valuation of assets and liabilities of subsidiaries acquired

All assets and liabilities of consolidated subsidiaries are valued at fair value and included in the consolidated financial statements when acquired.

6.Amortization of consolidation differences

Consolidation differences are charged to income in the consolidated fiscal year of the acquisition due to immaterial amount.

7.Appropriation of earnings

Consolidated statements of capital surplus and retained earnings are prepared based on appropriation of earnings settled by the end of year.

Significant changes in basis of consolidated financial statements

As permitted by "Accounting Standards for Impairment of Fixed Assets" ("Opinion on Establishing Accounting Standards for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and "Guidance on Application of Accounting Standards for Impairment of Fixed Assets" (Application Guidance on Accounting Standards No. 6, issued on October 31, 2003), the Company has complied with these standards since the fiscal year ended on March 31, 2005.

Changes in presentation

Investments in limited partnership which have been reported at Other equity investments are reported at Investment securities since this fiscal year following to amendment of Securities and Exchange Law in 2004.
Investments in limited partnership at March 31, 2005 was 3,129 million yen.

Notes to statements of operations

Mizuho International plc (the Company's subsidiary in the UK) reached a settlement with the plaintiff of a class action in respect of a public offering of notes issued by WorldCom, Inc. Net cost of 2,743 million yen after insurance was recognized in Non-ordinary losses account.

Financial Data for the year ended March 31, 2005

1. Commission Income

(1) Breakdown for accounts

(Unit: Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Comparison (%)
Brokerage commission	17,414	16,959	102.7%
(Stocks)	(11,711)	(8,042)	(145.6%)
(Bonds)	(5,680)	(8,712)	(65.2%)
Underwriting and selling commissions	16,551	8,473	195.3%
(Stocks)	(10,285)	(3,098)	(332.0%)
(Bonds)	(5,701)	(5,181)	(110.0%)
Offering and selling commissions	2,818	1,605	175.5%
(Bonds)	(1,004)	(1,170)	(85.8%)
(Beneficiary securities)	(301)	(99)	(303.9%)
Other commissions received	21,134	15,936	132.6%
Total	57,919	42,975	134.8%

(2) Breakdown by products

(Unit: Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Comparison (%)
Stocks	22,424	11,359	197.4%
Bonds	15,010	17,859	84.0%
Beneficiary securities	2,370	766	309.2%
Others	18,113	12,989	139.4%
Total	57,919	42,975	134.8%

2. Trading profit/loss

(Unit: Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Comparison (%)
Stocks	27,241	20,852	130.6%
Bonds and others	36,769	28,756	127.9%
Total	64,011	49,609	129.0%

Quarterly trends in Consolidated Statements of Operations

(Unit: Millions of yen)

	Three months ended Mar.31, 2004	Three months ended Jun.30, 2004	Three months ended Sep.30, 2004	Three months ended Dec.31, 2004	Three months ended Mar.31, 2005
Operating revenues	56,303	66,895	60,145	59,446	80,271
Commission	12,406	13,100	13,442	12,178	19,197
Trading profit	13,463	24,417	12,873	8,635	18,084
Net gains on operational securities	(83)	750	(31)	175	(80)
Financial income	30,516	28,628	33,860	38,457	43,069
Financial expenses	24,240	25,058	30,305	33,658	38,780
Net operating revenues	32,062	41,837	29,839	25,788	41,490
Selling, general and administrative expenses	25,058	22,775	22,597	20,334	24,596
Commissions and other transaction-related expenses	5,564	4,730	4,944	4,095	4,764
Compensation and benefits	14,467	12,285	10,897	10,676	13,681
Real estate expenses	1,694	1,782	1,888	2,027	2,247
Data processing and office supplies	998	817	1,398	964	1,139
Depreciation	1,652	1,572	1,692	1,629	1,685
Taxes and dues other than income taxes	152	978	743	314	373
Amortization of consolidation differences	525	—	—	—	—
Others	2	608	1,034	627	704
Operating profit	7,004	19,062	7,241	5,453	16,894
Non-operating revenues	856	921	809	694	1,586
Equity in earnings from investments in affiliates	(26)	—	34	8	(31)
Others	882	921	775	685	1,618
Non-operating expenses	199	624	391	519	973
Equity in losses from investments in affiliates	—	14	(14)	—	—
Others	199	610	405	519	973
Ordinary profit	7,660	19,359	7,660	5,628	17,507
Non-ordinary profits	248	0	228	289	280
Non-ordinary losses	505	101	257	118	2,947
Net profit before income taxes and minority interests	7,403	19,258	7,630	5,799	14,841
Income taxes-current	4,256	6,371	3,953	2,232	9,544
Income taxes-deferred	189	1,504	(803)	194	(3,528)
Minority interests in net profit	599	0	(0)	0	(0)
Net profit	2,358	11,381	4,481	3,372	8,825