



28 April 2005

Summary of Non-consolidated Financial Statements for the Financial Year Ended 31 March 2005

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 28 April 2005.
 It is the policy of the company not to pay an interim dividend.
 Dividend payments are scheduled to start on 30 June 2005.
 The annual general meeting of shareholders will be held on 29 June 2005.
 The company's stock trading unit is 1000 shares.

1. Summary of Business Results for the Financial Year Ended 31 March 2005 (1 April 2004 to 31 March 2005)

(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	%
Financial year to March 2005	106,670	(-2.2)	102,543	(-2.6)	8,714	(-54.1)	11,706	(-42.2)
Financial year to March 2004	109,105	(43.6)	105,253	(44.0)	18,982	()	20,248	()

	Net profit		Net profit per share	Net profit per share (diluted)	Return on Equity (ROE)	Ratio of current income to current expenses
	mil. yen	%	yen	yen	%	%
Financial year to March 2005	6,735	(-57.8)	8.53		3.0	77.5
Financial year to March 2004	15,971	()	20.29		7.4	69.2

- (Note) 1. Average number of shares outstanding (non-consolidated):
 Financial year to March 2004: 771,874,430
 Financial year to March 2004: 778,181,867
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 net profit represent the percentage increase or decrease on the previous year.

(2) Dividends

	Annual dividend per share			Total dividend (annual)	Dividend payout ratio	Dividends on Equity
	Interim	Year end				
Financial year to March 2005	6.00	6.00	6.00	4,625	70.2	2.0
Financial year to March 2004	5.00	5.00	5.00	3,890	24.6	1.7

(Note) Breakdown of dividends paid at the end of the financial year ended 31 March 2005:
 Ordinary dividend 5 yen. Commemorative dividend 1 yen

(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	%
Financial year to March 2005	3,428,812	229,113	6.7	296.99	395.1
Financial year to March 2004	2,383,125	226,913	9.5	291.39	459.6

- (Note) 1. Number of shares outstanding (non-consolidated):
 Financial year to March 2005 770,949,487
 Financial year to March 2004: 778,102,479
2. Number of treasury stocks:
 Financial year to March 2005 40,169,196
 Financial year to March 2004: 33,016,204

2. Forecast of non-consolidated business results for the full financial year ending 31 March 2006 (1 April 2005 31 March 2006)

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

Non-consolidated Balance Sheets

(In millions of yen)

	Financial year to 31 March 2005	Financial year to 31 March 2004	Year-on-year increase/decrease
Assets			
Current assets	3,306,423	2,277,074	1,029,348
Cash and due from banks	31,742	97,468	-65,725
Fund deposits	61,266	49,844	11,421
Trading products	1,374,638	847,678	526,960
Trading securities, etc.	1,368,853	844,546	524,306
Derivative assets	5,785	3,131	2,653
Trade date accrual		41,581	-41,581
Margin transaction assets	82,708	81,584	1,123
Customers' loans receivable in margin transactions	74,240	71,681	2,558
Collateral for borrowed securities for margin transactions	8,468	9,903	-1,434
Loans receivable secured by securities	1,724,082	1,131,256	592,825
Collateral for borrowed securities	1,713,952	1,127,256	586,695
Loans receivable in gensaki transactions	10,130	3,999	6,130
Advances	511	919	-408
Cash paid for offering, etc.	6,235	2,104	4,130
Short-term deposits	4,472	1,725	2,747
Accounts for non-delivered securities and others		704	-704
Short-term loans receivable	14,219	12,874	1,344
Accrued revenues	6,056	5,191	864
Other current assets	2,384	4,388	-2,003
Allowance for bad debts	-1,894	-248	-1,645
Fixed assets	122,389	106,050	16,338
Tangible fixed assets	5,889	6,038	-148
Buildings	2,749	2,931	-181
Furniture and fixtures	1,930	1,897	33
Land	1,209	1,209	
Intangible fixed assets	25,472	18,354	7,117
Software	21,895	12,235	9,659
Phone right, etc.	3,577	6,118	-2,541
Investments and other assets	91,026	81,657	9,369
Investment securities	50,821	41,444	9,376
Share of affiliates	26,926	22,147	4,779
Long-term deposits	8,856	9,238	-382
Other investments	9,056	13,592	-4,536
Allowance for bad debts	-4,633	-4,765	132
Total assets	3,428,812	2,383,125	1,045,687

(In millions of yen)

	Financial year to 31 March 2005	Financial year to 31 March 2004	Year-on-year increase/decrease
Liabilities			
Current liabilities	3,133,528	2,100,143	1,033,384
Trading products	1,220,685	796,913	423,771
Trading securities, etc.	1,218,474	790,762	427,711
Derivative liabilities	2,210	6,150	-3,940
Trade date accrual	14,132		14,132
Margin transaction liabilities	53,901	52,173	1,728
Customers' loans payable for margin transactions	49,267	44,185	5,082
Collateral for loaned securities for margin transactions	4,634	7,988	-3,354
Loans payable secured by securities	1,480,857	1,043,968	436,888
Amounts receivable on loan transactions	1,302,482	815,928	486,553
Loans payable in gensaki transactions	178,375	228,040	-49,665
Deposits received	52,481	38,805	13,675
Received margins	13,709	14,035	-325
Accounts for non-received securities and others	0	704	-703
Short-term loans payable	227,310	126,010	101,300
Commercial paper	57,200	18,500	38,700
Accrued liability	2,244	1,598	646
Income taxes payable	698	153	544
Reserve for bonus	3,300	3,290	10
Other current liabilities	7,006	3,989	3,017
Fixed liabilities	65,150	55,040	10,109
Long-term loans payable	42,550	34,250	8,300
Deferred tax liabilities	6,399	4,972	1,427
Reserves for retirement benefits	16,180	15,799	381
Other fixed liabilities	19	19	0
Statutory reserve	1,020	1,027	-6
Reserve for securities transaction liabilities	1,020	1,027	-6
Total liabilities	3,199,699	2,156,211	1,043,487
Shareholders' equity			
Common stock	125,167	125,167	
Capital surplus	82,089	82,087	2
Capital reserve	51,407	51,407	
Other capital surplus	30,682	30,679	2
Marginal profit from reduction in capital reserve	30,677	30,677	
Gain/loss on disposal of treasury stock	4	2	2
Earned surplus	18,633	15,971	2,661
Unappropriated earned surplus	18,633	15,971	2,661
Difference in valuation of securities	10,797	8,758	2,038
Treasury stock	-7,574	-5,071	-2,502
Total shareholders' equity	229,113	226,913	2,199
Total liabilities and shareholders' equity	3,428,812	2,383,125	1,045,687

Non-consolidated Statement of Income

(In millions of yen)

	Financial year from 1 April 2004 to 31 March 2005	Financial year from 1 April 2003 to 31 March 2004	% change from previous year
Operating revenues	106,670	109,105	97.8
Commissions and fees received	73,266	60,585	120.9
Trading profit or loss	30,794	46,747	65.9
Financial revenues	2,609	1,773	147.2
Financial expenses	4,127	3,851	107.1
Net operating revenues	102,543	105,253	97.4
Selling, general and administrative expenses	93,829	86,271	108.8
Transaction expenses	12,645	11,174	113.2
Personnel expenses	43,304	42,296	102.4
Real estate expenses	14,069	14,157	99.4
Office expenses	13,669	12,178	112.2
Depreciation	6,371	3,899	163.4
Taxes and dues	1,007	396	254.4
Others	2,760	2,169	127.2
Operating profit	8,714	18,982	45.9
Non-operating revenues	3,454	1,858	185.9
Non-operating expenses	462	591	78.3
Ordinary profit	11,706	20,248	57.8
Extraordinary profits	1,300	2,096	62.0
Extraordinary losses	6,144	6,221	98.8
Net profit before taxes, etc.	6,862	16,123	42.6
Income taxes	127	152	83.6
Net profit	6,735	15,971	42.2
Profit brought forward	11,897		
Unappropriated earned surplus	18,633	15,971	116.7

Statement of Earned Surplus

(Appropriation of profits)

(Unit: Million yen)

Term	116h term
Date of approval by general meeting of shareholders	
(Appropriation of earned surplus)	
I Unappropriated earned surplus	18,633
II Appropriated profits	
Dividends (*)	4,625
Bonus payments to directors	150
III Profit carried forward	13,857

(*) Proposed dividends for the 116th term are 6 yen per share

Breakdown: Ordinary divided 5 yen
 Commemorative divided 1 yen
 (5th anniversary of merger)

Term	115th term
Date of approval by general meeting of shareholders	June 29, 2004
(Appropriation of earned surplus)	
I Unappropriated earned surplus	15,971
II Appropriated profits	
Dividends (*)	3,890
Bonus payments to directors	183
III Profit carried forward	11,897

(*) Dividends for the 115th term are 5 yen per share

[Non-consolidated financial statements]

These non-consolidated financial statements follow the provisions of Ministry of Finance (MoF) Ordinance No.59 (1963) entitled “The Rules for Terms, Formats, and Preparation Method of Financial Statements” (“Rules for Consolidated Financial Statements”) and also comply with the provisions stipulated in Articles 2 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.

However, in accordance with the proviso in additional clause No.2 of “Cabinet Office Ordinance Amending Part of the Rules for Terms, Formats, and Preparation Method of Consolidated Financial Statements” (Cabinet Office Ordinance No.5, 30 January 2004), these financial statements are prepared in accordance with Rules for Consolidated Financial Statements in place before the above amendment.

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

1. Valuation method for securities

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

Securities and derivative contracts classed as trading products are recorded at 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 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 mainly 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 (up to 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 this obligation to this year.

(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 year was charged to this year.

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 year 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 this year 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]

	Financial year to 31 March 2005	Financial year to 31 March 2004 (In millions of yen)
1. Accumulated depreciation of tangible fixed assets	6,414	6,173
2. Guarantee obligations (guarantee exercise anticipated)	32,932 (32,806)	38,669 (38,514)

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".

	Financial year to 31 March 2005	Financial year to 31 March 2004 (In millions of yen)
	50,800	42,500

4. Limitation on Dividends

Restricted net assets (unavailable for dividend allocation), as set forth in article 124, paragraph 3 of the Commercial Code of Japan, were 4.335 billion yen.

[Notes on non-consolidated statement of income]

	Financial year from 1 April 2004 to 31 March 2005	Financial year from 1 April 2003 to 31 March 2004 (In millions of yen)
Extraordinary profits		
Profit from sale of investment securities	1,294	1,531
Profit from recovery of bad debts		565
Reversal from reserve for securities transaction liabilities	6	
Extraordinary losses		
Loss from sale of fixed assets	12	115
Loss from disposition of fixed assets	586	293
Loss from sale of investment securities	41	122
Write-down of investment securities	182	394
Write-down of shares of affiliates	1,700	2,473
Write-down of golf club memberships	8	1
Re-amortization of future retirement and severance pay obligations in line with a change to accounting standards	1,655	1,655
System change costs		814
Expenses incurred through merging or eliminating branches		247
Irregular depreciation expense	222	
Provision of reserve for securities transaction liabilities		70
Provision of allowance for bad debts	1,735	32

Data on Non-consolidated Settlement of Accounts

1. Commissions and fees received

(1) Breakdown for each account (In millions of yen)

	Financial year from 1 April 2004 to 31 March 2005	Financial year from 1 April 2003 to 31 March 2004	% change from previous year
Brokerage commissions	39,519	36,526	108.2
(Equities)	(39,277)	(36,191)	(108.5)
(Bonds)	(197)	(260)	(75.7)
Underwriting & selling fees	9,358	5,317	176.0
(Equities)	(8,277)	(4,314)	(191.8)
(Bonds)	(1,081)	(1,003)	(107.8)
Offering & selling fees and commissions	12,435	9,337	133.2
Other fees and commissions	11,953	9,403	127.1
Total	73,266	60,585	120.9

(2) Breakdown for each product (In millions of yen)

	Financial year from 1 April 2004 to 31 March 2005	Financial year from 1 April 2003 to 31 March 2004	% change from previous year
Equities	48,076	41,124	116.9
Bonds	2,995	3,094	96.8
Beneficiary securities	17,029	13,468	126.4
Others	5,165	2,898	178.3
Total	73,266	60,585	120.9

2. Trading profit or loss (In millions of yen)

	Financial year from 1 April 2004 to 31 March 2005	Financial year from 1 April 2003 to 31 March 2004	% change from previous year
Equities, etc.	10,036	15,487	64.8
Bonds, exchange, etc.	20,758	31,260	66.4
(Bonds, etc.)	(21,328)	(30,923)	(69.0)
(Exchange, etc.)	(-570)	(336)	()
Total	30,794	46,747	65.9

3. Volume of equity trading (except for futures contracts) (In millions of shares/millions of yen)

	Financial year from 1 April 2004 to 31 March 2005		Financial year from 1 April 2003 to 31 March 2004		% change from previous year	
	No. of shares	Total value	No. of shares	Total value	No. of shares	Total value
Total	11,270	9,899,191	12,699	9,256,454	88.7	106.9
(Dealing)	(2,555)	(2,304,233)	(2,317)	(2,447,759)	(110.2)	(94.1)
(Brokerage)	(8,715)	(7,594,958)	(10,381)	(6,808,694)	(83.9)	(111.5)
Brokerage ratio	77.3%	76.7%	81.7%	73.6%		
Shares of total for TSE	1.13%	1.11%	1.52%	1.21%		

4. Volume of underwriting, offering, and selling (In millions of shares/millions of yen)

		Financial year from 1 April 2004 to 31 March 2005	Financial year from 1 April 2003 to 31 March 2004	% change from previous year
Underwritten	Equities (No. of shares)	61	59	102.7
	Equities (Total value)	150,605	89,824	167.7
	Bonds (Total at face value)	1,826,376	1,977,618	92.4
	Commercial paper, foreign instruments, etc. (Total at face value)	798,000	1,146,313	69.6
Offered and sold*	Equities (No. of shares)	62	60	103.8
	Equities (Total value)	168,109	97,813	171.9
	Bonds (Total at face value)	2,088,635	2,195,424	95.1
	Beneficiary certificates (Total at face value)	2,613,154	2,236,125	116.9
	Commercial paper, foreign instruments, etc. (Total at face value)	798,000	1,146,313	69.6

* Includes volume sold and volume privately placed.

5. Capital adequacy requirement ratio (In millions of shares/millions of yen)

		As of 31 March 2005	As of 31 March 2004
Basic items	Total capital (A)	213,540	214,081
Supplemental items	Difference in valuation (valuation revenues) of other securities, etc.	10,797	8,758
	Reserve for securities transaction liabilities, etc.	1,020	1,027
	Allowance for bad debts	210	248
	Subordinated short-term debt	50,800	42,500
Total (B)		62,828	52,534
Deducted assets (C)		87,155	76,099
Shareholders' equity after deduction (A)+(B)-(C) (D)		189,213	190,516
Amount equivalent to risk	Amount equivalent to market risk	16,866	13,443
	Amount equivalent to customer risk	8,854	7,507
	Amount equivalent to fundamental risk	22,157	20,499
Total (E)		47,878	41,450
Capital adequacy requirement ratio (D)/(E)*100		395.1 %	459.6 %

(Reference)

Quarterly Changes in Consolidated Statement of Income

(In millions of yen)

	Fourth quarter of previous financial year	First quarter of current financial year	Second quarter of current financial year	Third quarter of current financial year	Fourth quarter of current financial year
Operating revenues	29,931	30,420	24,987	23,284	27,978
Commissions and fees received	17,819	21,121	16,883	15,583	19,677
Brokerage commissions	10,769	13,559	8,265	7,192	10,501
(Equities)	(10,703)	(13,478)	(8,215)	(7,121)	(10,461)
(Bonds)	(46)	(63)	(39)	(62)	(31)
Underwriting & selling fees	1,604	1,684	2,776	2,790	2,106
(Equities)	(1,389)	(1,377)	(2,551)	(2,469)	(1,879)
(Bonds)	(215)	(307)	(225)	(321)	(227)
Offering & selling fees and commissions	2,643	2,934	2,912	2,878	3,710
Other fees and commissions	2,801	2,943	2,928	2,722	3,359
Trading profit or loss	11,664	8,544	7,521	7,011	7,717
Equities, etc.	4,564	2,889	2,205	2,615	2,326
Bonds & others	7,100	5,655	5,316	4,395	5,390
Bonds	(6,930)	(5,540)	(6,178)	(4,037)	(5,572)
Others	(169)	(115)	(-862)	(357)	(-181)
Financial revenues	447	754	581	689	583
Financial expenses	907	1,053	1,128	972	972
Net operating revenues	29,023	29,367	23,858	22,311	27,006
Selling, general and administrative expenses	21,684	24,416	23,642	22,010	23,759
Transaction expenses	2,789	2,952	3,205	3,313	3,174
Personnel expenses	10,573	12,199	10,821	9,495	10,788
Real estate expenses	3,511	3,504	3,648	3,401	3,514
Office expenses	3,247	3,579	3,447	3,313	3,328
Depreciation	982	1,192	1,667	1,585	1,926
Taxes and dues	79	320	230	258	198
Others	501	668	621	642	827
Operating profit	7,338	4,950	216	300	3,247
Non-operating revenues	501	1,700	345	1,015	393
Non-operating expenses	198	23	114	144	180
Ordinary profit	7,641	6,628	446	1,171	3,460
Extraordinary profits	890	8	582	176	533
Extraordinary losses	3,899	529	499	513	4,602
Net profit before taxes, etc.	4,632	6,107	529	834	-609
Income taxes	56	37	35	27	27
Net profit	4,576	6,070	494	807	-636

Changes Among Officers

Information concerning the assignment of officers was disclosed on 22 March 2005 and on 22 April 2005.