



26 October 2005

Summary of Consolidated Financial Statements for the First Half of the Financial Year Ending 31 March 2006

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 26 October 2005.
 Name of parent company, etc.: Mizuho Financial Group, Inc. (code no. 8411) (2 additional companies)
 Our company's percentage of the voting rights of the parent company, etc.: 27.5%
 These financial statements were not compiled in accordance with U.S. GAAP.

1. Consolidated Business Results for the First Half of the Financial Year Ending 31 March 2006 (1 April 2005 - 30 September 2005)

(1) 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	%
First half to September 2005	65,845	(12.6)	63,634	(13.7)	11,418	(101.8)	13,277	(63.4)
First half to September 2004	58,465	(4.8)	55,974	(4.0)	5,659	(-37.1)	8,125	(-19.8)
Financial year to March 2005	113,052		108,350		10,170		14,220	

	Net profit		Net profit per share	Net profit per share (diluted)
	mil. yen	%	yen	yen
First half to September 2005	15,770	(123.8)	20.46	20.45
First half to September 2004	7,046	(-21.4)	9.17	—
Financial year to March 2005	7,737		9.85	—

- (Note) 1. Investment profit or loss on equity method: First half to 30 September 2005: 53 million yen
 First half to 30 September 2004: 94 million yen
 Financial year to 31 March 2005: 101 million yen
2. Average number of shares outstanding (consolidated): First half to 30 September 2005: 770,870,768
 First half to 30 September 2004: 768,688,252
 Financial year to 31 March 2005: 768,152,743
3. There has been changes in the accounting methods used to compile these financial statements.
4. Percentage figures for operating revenues, net operating revenues, operating profit, ordinary profit, and net profit represent the percentage increase or decrease on the same period last year.

(2) Consolidated financial status

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	mil. yen	mil. yen	%	yen
First half to September 2005	3,025,535	246,842	8.2	320.24
First half to September 2004	2,973,691	226,954	7.6	295.89
Financial year to March 2005	3,485,017	232,083	6.7	300.82

(Note) Number of shares outstanding (consolidated): First half to 30 September 2005: 770,798,733
 First half to 30 September 2004: 767,027,785
 Financial year to 31 March 2005: 770,938,777

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash & cash equivalents balance at term end
	mil. yen	mil. yen	mil. yen	mil. yen
First half to September 2005	62,372	-4,152	22,838	132,443
First half to September 2004	-58,181	-9,126	28,079	70,427
Financial year to March 2005	-179,002	-14,270	135,322	51,656

(4) Scope of full consolidation and partial consolidation under the equity method:

Number of fully consolidated subsidiaries: 16

Number of non-consolidated subsidiaries under the equity method: --

Number of equity-method affiliates: 3

(5) Changes in scope of consolidation and application of the equity method:

Consolidation: 2 companies were added and 1 company was removed.

Equity method: No company was added and 2 companies were removed.

2. Forecast of consolidated business results for the full financial year ending 31 March 2006

(1 April 2005 - 31 March 2006):

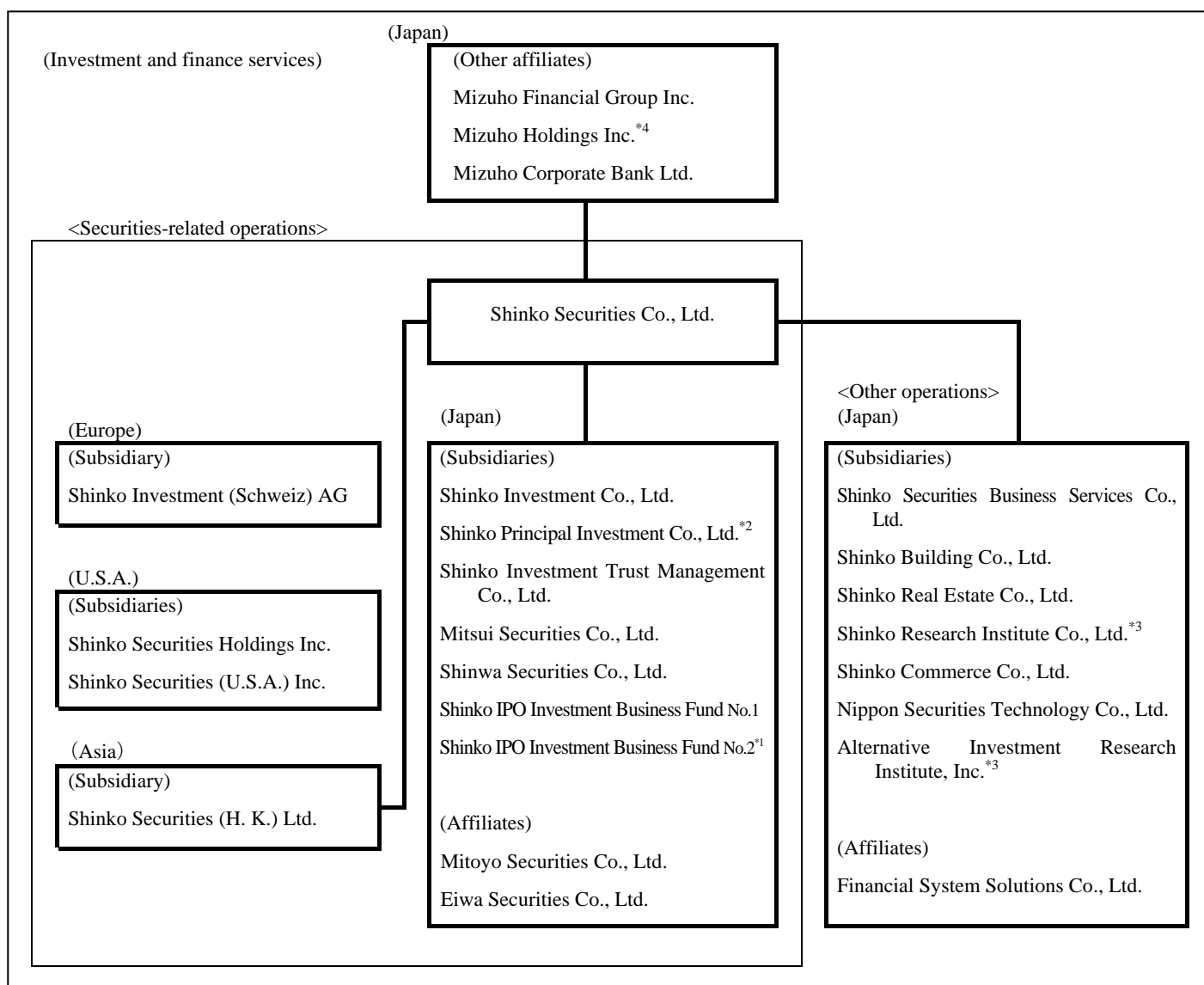
Because the main business activity of our corporate group is the buying and selling of securities, our earnings are strongly influenced by market conditions, etc. For this reason, we do not conduct forecasts of our business results.

Our Corporate Group

Our corporate group is composed of 18 subsidiaries and 3 affiliates. The business activities of our company and of 11 subsidiaries and 2 affiliates consist mainly of trading securities, the commissioning of securities trading, the underwriting and selling of securities, offering and selling of securities, handling of private offerings, and other securities- and finance-related activities, as well as a wide range of services in the areas of raising and operating funds for customers. The other companies provide services related to and supportive of our company's activities, conduct market surveys and research, manage real estate, and more. Therefore, our corporate group's business activities all come under the single business segment of "investment and financial services."

All of our subsidiary companies, except Shinko IPO Investment Business Funds No. 1 and No. 2, are consolidated companies, and the equity method is applied for all of our affiliated companies.

1. Organizational Diagram of Corporate Group



*1 Shinko IPO Investment Business Fund No. 2 was established on 17 May 2005.

*2 Shinko Principal Investment Co., Ltd. was established on 1 July 2005.

*3 Shinko Research Institute Co., Ltd. and Alternative Investment Research Institute, Inc. merged on 1 October 2005.

*4 Mizuho Holdings, Inc. changed its name to Mizuho Financial Strategy, Co., Ltd. on 1 October 2005. It was also converted from a bank holding company to an advisory company. As a result, our company ceased being an equity-method affiliate of Mizuho Financial Strategy, Co., Ltd.

[Business Policy]1. Our Basic Business Policy

Our corporate group's main field of business is the securities industry and related areas. In this field we provide a full line of services, from retail to wholesale, as a general securities company having multiple, integrated functions. As a securities company in the Mizuho Financial Group, moreover, we aim to maximize the synergy among group members and their departments, thereby providing high-value added financial service to a wide range of customers

2. Our Basic Policy Regarding Profit Distribution

Our company's main goal is to maximize corporate value. Our basic policy with regard to profit distribution is to provide a variable dividend, based on the results in the period in question.

3. Our company's medium- and long-term business strategy and numerical goals

At present we are working to achieve our Third Medium Term Business Plan, whose term ends next March.

- Summary of Third Medium Term-Business Plan (April 2004 - March 2006)

(Numerical Goals)

- (1) ROE of over 10%; (2) An increase of over 15% in gross operating income; (3) Profit margins that rank among the top group of companies in the industry; (4) Eight trillion yen of assets deposited by retail customers (as of the end of March 2006); (5) 1.25 trillion yen of assets deposited through equity investment trust (as of the end of March 2006).

(Medium Term-Business Policy)

- In order to firmly establish our position as the leading corporate group in the industry, it is essential for us to maximize the merits of our group's full range of services. We must expand our middle-retail customer base, pursue improvements in functionality and effectiveness in our corporate division, and further strengthen our products department which supports our customer departments.

(Basic Principles)

- Evolve into the Securities Company which best serves society.
 - Aim to provide the highest standards of service quality
 - Contribute to the vitality of the capital markets
 - Be a warmhearted organization

4. The Period's Business Goals and Their State of Achievement

In this interim period, we continued to adhere to our fundamental principle of "evolving into the security company which best serves society", as set out under our Third Medium-Term Business Plan. We also aimed "to be a securities company that can achieve stable earnings in any business environment", through the solidification of our business base and the reform of our profit structures.

In our Retail Division, we initiated, in April, a "New Business System" aimed at raising the level of customer satisfaction and increasing our productivity; moreover, we worked to provide channels, products, services and information tailored to each customer's needs. As a result, our sales of investment trusts, variable annuity insurance, structured bonds and other products proceeded well. To the same extent, we rapidly increased the assets entrusted to us by customers. Last December we began handling "Shinko Asset Operation Wrap" (nicknamed "Long Up"). The related contract deposits and number of contracts have progressed at a rate far beyond what was originally planned. "Long Up" has thus developed into a major vehicle for the future expansion of our business base. As for Customer Plaza, our joint offices with banks, we established our second office at Mizuho Bank and opened an office inside a Tomato Bank branch. Our aim is to provide Mizuho Bank customers and regional customers with greater convenience through "one-stop shopping."

In the Wholesale Division, through various measures taken to expand our investment banking business, we were able to steadily build on our track record. In the area of stock underwriting, during the period we were second in the industry in terms of the number of IPOs (initial public offerings) that we underwrote and the number for which we served as lead manager. With regard to POs (public offerings, subscriptions for listed companies, secondary distributions), we have dealt with the growing diversification of corporations' asset procurement methods by, among other things, handling MSCBs (moving strike convertible bonds). In the area of bond underwriting, we maintained a high share of the underwriting for government bonds, municipal bonds, industrial bonds for individuals, and more.

In our joint business endeavors, especially the underwriting conducted with Mizuho Securities, we not only increased our business results and enhanced our market presence; we also expect that, as a source of products for middle retail customers, these efforts will play a major role in expanding our sales base. In addition, we jointly established, with Dai-ichi Mutual Life Insurance Co., an investment subsidiary; we undertook efforts in the area of corporate reconstruction funds; and with Tokio Marine & Nichido Fire Insurance Co., we formed a capital and business tie-up that transcends ordinary corporate affiliations (keiretsu). Our objective in these enterprises is to

jointly develop and sell investment trusts and insurance products, in which connection we have already launched our first investment trust related to energy and food. As regards our securities brokerage operations and PO support operations aimed at establishing a sales base outside the Mizuho Group, we were able to sign numerous contracts, especially with regional banks, and expect these affiliations to be a new source of earnings in the future.

In the Products Division, in addition to aiming for increased profits through our trading and dealing capabilities, we have also aimed to bolster our product development and information dissemination capabilities to meet customers' needs, which are becoming more diverse and complex. By working to create a lineup of high-value added products including privately-placed structured bonds and insurance products, and achieving timely provision of optimum products, we have increased our sales revenue from non-equity products to expand our profitability in areas which are not easily affected by market fluctuations. In the field of information, which is the lifeline of a securities firm, we have built structures for disseminating investment strategy information that not only includes high-quality equity information for retail customers, but incorporates information from macro-economic and corporate analysis that is of value to wholesale customers.

With regard to cost cutting, we implemented various kinds of new systems without a hitch. This will enable us to weed out, in the current financial year, certain system-related costs that have become a serious burden. We expect various cost-cutting benefits to be realized from these measures starting next year.

Thus, positive effects have been steadily appearing from the various measures that we have been implementing, and we intend to continue to vigorously carry out those measures in the future.

5. Our tasks to be solved

The securities industry is facing unprecedented reforms in the financial and securities-market systems. In addition, competition in the industry is expected to intensify as more and more new companies enter the field. At the same time, it is believed that a large amount of capital, the like of which has never been seen before, will flow with amazing force into the securities market due to deregulations including developments in direct financing, the introduction of a securities intermediation system, the implementation of an investment-favoring tax system, and a complete lifting of the ban on payoffs. Accordingly, we believe that the securities industry will increasingly expand in the future.

Given this business environment, our Third Medium-Term Business Plan, which sets forth guidelines for achieving dynamic business growth in the future, seeks to create a securities company that can enable its customers to realize a high degree of satisfaction through their transactions. It also attempts to provide for the thoroughgoing quality control of our group's assets (products, employees, information, accounts), contribute to the vitalization of Japan's securities market, and promote our evolution into a securities company that has a strong sense of its role in society as a general securities company. We view the achieving of these goals as a matter of the utmost importance for our company, and all of our employees have joined together in endeavoring to attain them.

6. Basic Approach to Corporate Governance and the State of Implementation of Related Measures

(Basic Approach to Corporate Governance)

We are aware that, currently, the key to our future corporate growth is the extent to which we can make timely, appropriate decisions and conduct organizational activities to respond to our rapidly changing business environment. Recognizing the importance of increasing managerial speed, of ensuring the transparency of corporate activities, and especially of increasing disclosure and accountability to shareholders, our company has undertaken various measures aimed to improve our corporate governance.

(The State of Implementation of Measures Related to Corporate Governance)

(1) Current status of corporate governance structures in management administration organizations connected with management decision-making, execution and supervision.

1) Description of management organizations.

Our company is one that has installed full-time auditors. We have two types of management decision making bodies: a board of directors, which is required by law; and a management committee, which is composed of the company's directors and those executive officers who are in charge of the company's main operations. Based on the "Board of Directors Rules," the board of directors makes decisions about legal matters and matters related to the administration of especially important operations. Based on the "Management Committee Regulations," the management committee discusses and decides on administrative matters other than those decided by the board of directors. In addition, as advisory bodies to the management commission, we have various other committees in place principally to debate agenda items requiring specialist, flexible management decisions. Currently, there are 9 advisory committees: Human Resources Strategy Committee, IT Strategy Committee, STP (Straight-through processing) Committee, Investment Committee, Underwriting Screening Committee, Risk Management Committee, Compliance Committee, Rewards and Sanctions Committee and Human Rights Development and Promotion Committee.

As of the end of this interim period (30 September 2005), our company has nine directors, of whom three

are representative directors and six also serve as executive officers; we have no outside directors. There are 29 executive officers (excluding those who also serve as directors) who are appointed by the board of directors. The status of executive officer is based on a company mandate. Their term of office, like that of directors, is as a rule two years. The executive officers, under the direction and supervision of the president, execute the business of the company according to the scope authorized by the board of directors.

Note that four auditors (two of whom are external auditors) give advice and make recommendations to the board of directors, and actively make recommendations to the management committee and other committees.

2) Current status of internal control systems

The establishment of compliance structures governing the board of directors, board of auditors and each level of the company, the methods of business operation employed by the board of directors, compliance committee and each division of the company, and audits and other functions carried out by the board of auditors, audit department and other departments are implemented appropriately in accordance with our “Basic Policy for the Implementation of Compliance.”

3) Current status of risk management systems

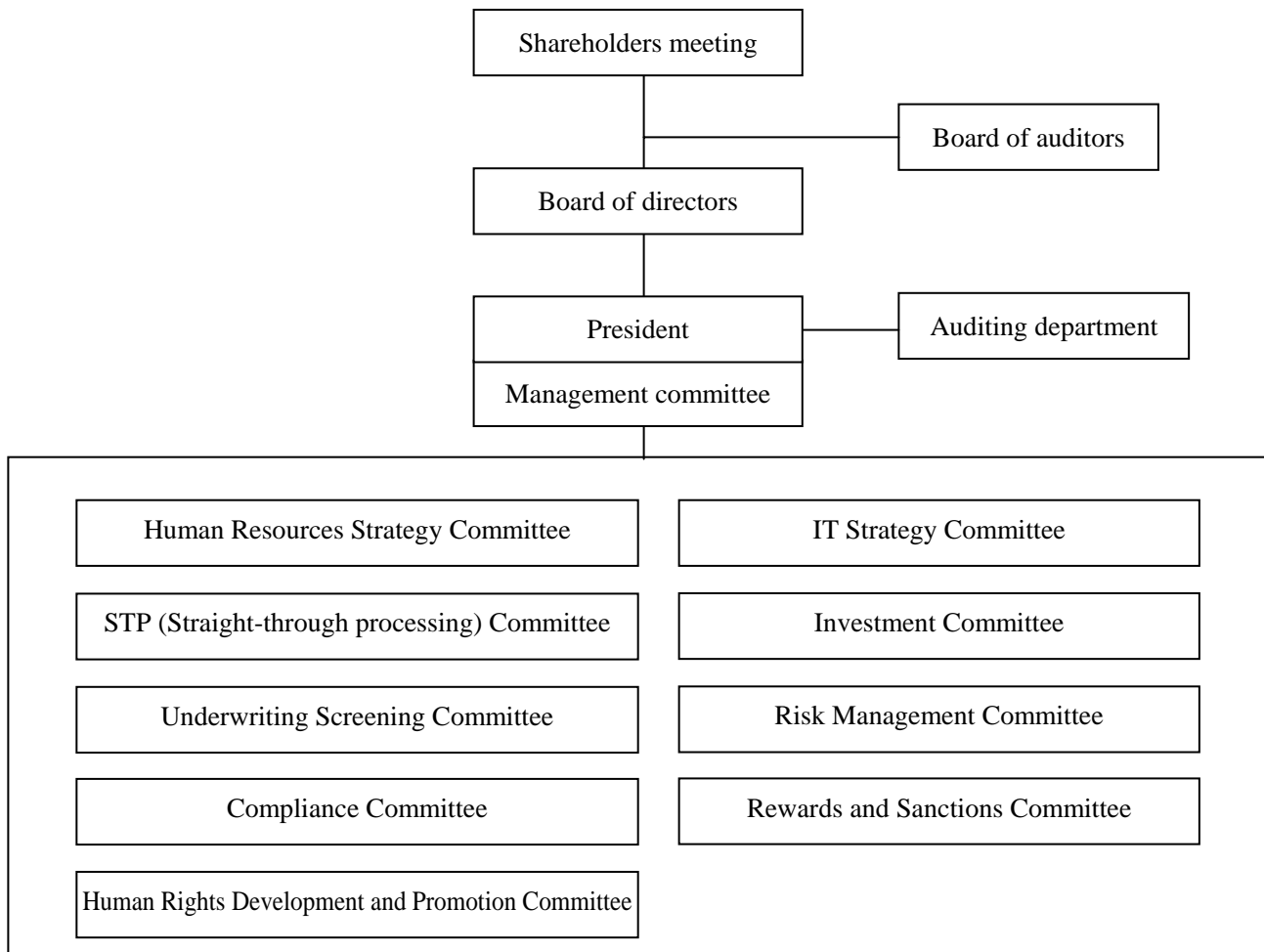
Our risk management systems and reporting systems are based on the understanding that the management of various types of risks is one of the most important issues facing management. Each month the Risk Management Committee debates and hears reports of the management of various risks. We are working to ensure the appropriate implementation of risk management through measures such as setting acceptable risk level limits at the Management Committee and drawing up risk management reports.

4) Current status of internal audit, auditor’s audit, and financial audit.

The internal audit is conducted by our auditing department based on the resolutions concerning basic auditing policy and plans which are passed twice yearly by the board of directors. The audit department conducts comprehensive and objective evaluations and investigations of the appropriateness and effectiveness of internal monitoring procedures from a standpoint independent of other departments. The audit department reports the results of its investigations to the board of directors every quarter. The audit department and board of auditors, in consultation with each other, also conduct simultaneous audits of our branch offices, and exchanges opinions on any problems or issues at these offices.

Chuo Aoyama Audit Corporation, and Yasumori Audit Corporation carry out regarding the financial audit, audits in accordance with the Law for Special Provisions for the Commercial Code Concerning Audits and the Securities and Exchange Law jointly.

Current status of corporate governance structures



(2) Summary of personal relationships, capital relationships, transactional relationships and other interests linking the company, the company's external directors, and the company's external auditors.

None

(3) Implementation status of measures to bolster the company's corporate governance carried out over the past year.

The company established the "Information Management Preparation Office" in January 2005 (which now named the Security Control Department, which aims to maintain structures for information management, including compliance with the Personal Information Protection Law, which came into full force in Japan in April.

In addition, from the standpoint of furthering the independence of the internal audit department, we also revised the regulations governing the internal audit.

[Business Performance and Financial Position]**1. Business Performance**

In the Japanese economy during this interim period, domestic demand continued to recover smoothly thanks to, among other things, personal spending and capital investment; moreover, towards the end of the period, exports improved and progress was made in inventory adjustment in the high-tech field. As a result, movement up and away from the economy's prevailing holding pattern could be seen. In the equity markets, from mid-April through May there was an adverse reaction to the sudden drop in the U.S. stock prices and to the spread of anti-Japan demonstrations in China, so that the Nikkei Stock Average fell below 10,800 yen. In the summer, however, the situation changed. Against a backdrop of various factors - for example, the national government and the Bank of Japan jointly declared in August that the economy had emerged from its holding pattern; the ruling party won a striking victory in the general elections held in September; and the perception that Japanese stocks are undervalued began to spread - stock prices rose more or less steadily until the end of the period as turnover continued to increase, with the Nikkei ending the period at a four-year high of over 13,500 yen. In the bond market, the supply-and-demand environment remained favorable in the first half of the period, enabling a bullish trend to prevail. However, in the summer, as the stock market rebounded, the bond market softened, and with expectations regarding conversion to the Bank of Japan's quantitative easing policy running high, the yield on 10-year government bonds rose to just below 1.5% at the end of the period.

Meanwhile, overseas, in the U.S. economy, despite concern about the effects of rising oil prices and of the enormous hurricane damage, steady growth continued along the twin tracks of personal spending and capital investment. At the same time, the European economies saw foreign demand improve, spurred by the weaker euro. In the U.S., in response to fear of an economic slowdown, equity markets hit a low point in April, at the start of the financial year; after that and throughout the summer, however, they maintained a predominantly upward trend, buoyed by solid corporate earnings; but as the end of the period approached, they once again became highly susceptible to downward pressure from concern over high oil prices. On the other hand, in Europe, a positive course continued against a backdrop of expectations that the cheaper euro would lead to improved corporate performance. With U.S. interest rates continuing to be raised in a cautious manner, bond markets in both the U.S. and Europe, while passing through a phase of adjustment, generally remained steady throughout the period, sustained by a trend of avoiding risk to investment capital.

Under these circumstances, our corporate group earned consolidated operating revenues for this interim period of 65.845 billion yen (112.6% of that for the same period last year), an ordinary profit of 13.277 billion yen (163.4%), and a net profit of 15.77 billion yen (223.8%). A brief breakdown of these results follows:

(1) Commissions and fees received

Commissions and fees received during this interim period totaled 41.502 billion yen (101.7%). A breakdown of this income follows:

- Brokerage commissions

The average daily turnover during this interim period in the sections 1 and 2 of the Tokyo Stock Exchange was 1.6141 trillion yen (116.4%). Our company brokered the sale of 5.153 billion shares of stock (118.7%) worth 4.4465 trillion yen (108.8%), while our commissions on the same totaled 22.165 billion yen (98.7%). Commissions earned on bond brokering totaled 49 million yen (47.8%).

- Underwriting and selling fees

In the stock issuing market, our company underwrote the offerings and sold the stock of 46 newly listed companies during the period, and served as the lead manager in 12 of those cases. We also underwrote the offerings and sold the stock of 30 previously listed companies, serving as the lead manager in two of those cases. As a result, our commissions for underwriting and selling stocks totaled 2.596 billion yen (66.1%).

Regarding bonds, we lead managed 5 issues of electric power company bonds and industrial bonds. As a result, our commissions for underwriting and selling bonds totaled 371 million yen (69.7%).

- Offering, selling, and other fees and commissions

This income is made up chiefly of fees and commissions we earn selling investment trusts to our customers and service commissions.

In the area of distributed investment trusts, for which there is strong demand among individual investors due to Japan's long-continuing super-low interest rates, we strengthened our lineup of products by newly offering the "Shinko Pictet World Income Equity Fund (Monthly Distributions)" (managed by Shinko Investment Trust), a distributed investment trust that primarily invests in foreign equities with a high dividend yield. Moreover, based on the inducement that a complete payoff will be made we offered, as investment trusts that aim for an absolute return,

“U.S. Dollar Denominated Capital Preservation Strategy Matrix 10 (2005-05),” a foreign investment trust that invests in hedge funds, and the “STB Market Neutral Fund” (managed by STB Asset Management).

Furthermore, in the area of domestic equity investment trusts, we introduced “Shinko Japan Income Stock Fund (Quarterly)” (managed by Shinko Investment Trust) and in the area of foreign equity investment trusts, we introduced the “Invesco Eastern European Enlargement Stock Fund” (managed by Invesco Investment Trust), which invests in Eastern Europe, an area expected to have the same high growth rate as China and India. Thus, we strengthened our lineup of equity funds.

Moreover, against the backdrop of today’s rising commodity market and growing consumer interest in commodities, we introduced the “Energy- and Food-Related Fund” (managed by Tokio Marine Asset Management), an investment trust related to commodities, thus offering investors a new investment opportunity.

As a result, commissions from the sale of investment trusts reached 7.492 billion yen (126.6%) Other fees and commissions totaled 8.792 billion yen (112.2%).

(2) Trading profits

This interim period saw us earn trading profits of 8.285 billion yen (163.4%) on equity trading, and 13.227 billion yen (120.4%) on the trading of bonds and other instruments. Total trading profits thus stood at 21.513 billion yen (134.0%).

(3) Financial profit/loss

Deducting financial expenses of 2.211 billion yen (88.8%) from financial revenues of 2.621 billion yen (182.0%) gives a financial profit of 410 million yen.

(4) Selling, general and administrative expenses

During this interim period, transaction costs increased due to the vitality of the equities markets, while depreciation expenses, etc., from system development also increased. As a result, selling, general and administrative expenses reached 52.216 billion yen (103.8%).

(5) Extraordinary profits and losses

As extraordinary profit, we recorded 685 million yen from the sale of investment securities and 1.8 billion yen in software licensing fees. On the negative side, we recorded an extraordinary loss of 365 million yen. Thus, overall, we posted an extraordinary profit of 2.664 billion yen.

2. Financial position

Net cash provided in operating activities was 62.372 billion yen due to such factors as a decrease in loans secured by stocks and bonds.

Net cash used in investment activities totaled 4.152 million yen due to such factors as an increase in new IT system investments.

Net cash provided in financing activities was 22.838 billion yen due to such factors as an increase in our issue of commercial paper.

As a result of these flows, the balance of cash and cash equivalents stood at 132.443 billion yen at the end of the interim period.

Consolidated Balance Sheets

(In millions of yen)

	First half to 30 September 2005	First half to 30 September 2004	Year-on-year increase/decrease	Financial year to 31 March 2005
Assets				
Current assets	2,869,524	2,821,160	48,363	3,330,329
Cash and due from banks	132,666	70,607	62,059	51,881
Fund deposits	72,006	63,767	8,239	64,812
Trading products	1,035,655	1,332,175	-296,519	1,376,233
Trading securities, etc.	1,032,877	1,326,348	-293,471	1,370,448
Derivative assets	2,777	5,826	-3,048	5,785
Trade date accrual	44,684	—	44,684	—
Investment securities for sale	2,340	2,753	-412	2,452
Margin transaction assets	89,506	92,398	-2,891	86,420
Customers' loans receivable in margin transactions	73,560	86,088	-12,527	77,742
Collateral for borrowed securities for margin transactions	15,946	6,309	9,636	8,678
Loans receivable secured by securities	1,454,095	1,239,436	214,658	1,724,082
Collateral for borrowed securities	1,453,995	1,239,336	214,658	1,713,952
Loans receivable in gensaki transactions	100	100	—	10,130
Advances	2,348	1,935	413	561
Short-term loans receivable	272	171	100	218
Securities	1,613	1,200	412	2,026
Deferred tax assets	2,558	463	2,095	155
Other current assets	31,922	16,458	15,463	21,672
Allowance for bad debts	-147	-206	59	-188
Fixed assets	156,010	152,531	3,479	154,687
Tangible fixed assets	38,847	45,677	-6,830	43,038
Intangible fixed assets	27,179	23,328	3,850	26,802
Investments and other assets	89,984	83,524	6,459	84,846
Investment securities	72,560	55,598	16,961	65,687
Long-term deposits	13,089	15,440	-2,351	13,929
Deferred tax assets	278	194	83	264
Other investments	9,434	17,219	-7,784	9,875
Allowance for bad debts	-5,377	-4,928	-449	-4,909
Total assets	3,025,535	2,973,691	51,843	3,485,017

(In millions of yen)

	First half to 30 September 2005	First half to 30 September 2004	Year-on-year increase/decrease	Financial year to 31 March 2005
Liabilities				
Current liabilities	2,704,459	2,679,839	24,620	3,175,427
Trading products	958,296	1,012,412	-54,116	1,220,685
Trading securities, etc.	949,524	1,008,963	-59,438	1,218,474
Derivative liabilities	8,771	3,448	5,322	2,210
Trade date accrual	—	81,180	-81,180	14,132
Margin transaction liabilities	56,811	36,486	20,325	56,119
Customers' loans payable for margin transactions	49,264	32,126	17,138	51,280
Collateral for loaned securities for margin transactions	7,546	4,360	3,186	4,839
Loans payable secured by securities	1,237,503	1,230,588	6,915	1,475,857
Amounts receivable on loan transactions	1,070,970	1,024,723	46,246	1,302,482
Loans payable in gensaki transactions	166,533	205,864	-39,331	173,375
Deposits received	68,848	64,059	4,789	56,108
Received margins	16,655	16,391	263	14,392
Accounts for non-received securities and others	120	4	115	0
Short-term loans payable	271,870	183,752	88,117	265,905
Commercial paper	80,300	42,100	38,200	57,200
Income taxes payable	2,618	555	2,062	919
Deferred tax liabilities	—	0	-0	—
Reserve for bonus	4,034	4,503	-469	3,857
Reserve for business reorganization loss	—	—	—	1,683
Other current liabilities	7,400	7,802	-401	8,565
Fixed liabilities	67,639	60,631	7,007	71,027
Long-term loans payable	41,050	34,250	6,800	42,550
Deferred tax liabilities	8,997	4,555	4,441	6,580
Reserves for retirement benefits	16,311	16,838	-527	17,184
Other fixed liabilities	1,280	4,987	-3,706	4,712
Statutory reserve	1,047	1,047	-0	1,049
Total liabilities	2,773,145	2,741,518	31,627	3,247,504
Minority interest	5,546	5,219	327	5,428
Shareholders' equity				
Common stock	125,167	125,167	—	125,167
Capital surplus	82,542	82,088	454	82,541
Earned surplus	31,153	19,482	11,670	20,174
Difference in valuation of securities	15,245	8,507	6,738	11,491
Foreign exchange translation adjustment	359	287	72	283
Treasury stock	-7,626	-8,579	953	-7,575
Total shareholders' equity	246,842	226,954	19,888	232,083
Total liabilities, minority interest, and shareholders' equity	3,025,535	2,973,691	51,843	3,485,017

Consolidated Statement of Income

(In millions of yen)

	First half from 1 April 2005 to 30 September 2005	First half from 1 April 2004 to 30 September 2004	% change from same period last year	Financial year from 1 April 2004 to 31 March 2005
Operating revenues	65,845	58,465	112.6	113,052
Commissions and fees received	41,502	40,811	101.7	79,008
Trading profit or loss	21,513	16,052	134.0	30,814
Trading profit or loss on investment securities for sale	208	161	129.2	398
Financial revenues	2,621	1,440	182.0	2,830
Financial expenses	2,211	2,491	88.8	4,701
Net operating revenues	63,634	55,974	113.7	108,350
Selling, general and administrative expenses	52,216	50,315	103.8	98,179
Transaction expenses	7,480	6,801	110.0	13,949
Personnel expenses	25,976	26,844	96.8	50,675
Real estate expenses	7,788	7,516	103.6	14,373
Office expenses	3,150	3,261	96.6	6,492
Depreciation	5,151	3,636	141.6	7,913
Taxes and dues	684	674	101.5	1,196
Others	1,984	1,580	125.5	3,579
Operating profit	11,418	5,659	201.8	10,170
Non-operating revenues	3,102	3,738	83.0	6,689
Investment profit on equity method	53	94	57.1	101
Others	3,048	3,644	83.6	6,588
Non-operating expenses	1,242	1,271	97.7	2,639
Ordinary profit	13,277	8,125	163.4	14,220
Extraordinary profits	3,029	616	491.3	1,679
Extraordinary losses	365	1,212	30.1	7,127
Net profit before taxes, etc.	15,942	7,530	211.7	8,771
Income taxes	2,449	231	1,056.9	446
Adjustment amount for income taxes	-2,413	85	—	321
Minority interest	135	166	81.7	266
Net profit	15,770	7,046	223.8	7,737

Consolidated Statement of Earned Surplus

(In millions of yen)

	First half from 1 April 2005 to 30 September 2005	First half from 1 April 2004 to 30 September 2004	Financial year from 1 April 2004 to 31 March 2005
Capital Surplus			
Balance of capital surplus at start of period	82,541	82,087	82,087
Increase in capital surplus	1	1	454
Gain/loss on disposal of treasury stock	1	1	454
Balance of capital surplus at end of period	82,542	82,088	82,541
Earned Surplus			
Balance of earned surplus at start of period	20,174	16,497	16,497
Increase in earned surplus	15,770	7,046	7,737
Net profit	15,770	7,046	7,737
Decrease in earned surplus	4,791	4,061	4,061
Dividend	4,625	3,865	3,865
Officer's bonus	165	195	195
Decrease in earned surplus due to exclusion from consolidation and from application of equity method	0	—	—
Balance of earned surplus at end of period	31,153	19,482	20,174

Consolidated Cash Flow Statement

(In millions of yen)

	First half from 1 April 2005 to 30 September 2005	First half from 1 April 2004 to 30 September 2004	Financial year from 1 April 2004 to 31 March 2005
I Cash flows from operating activities			
Net profit before taxes, etc.	15,942	7,530	8,771
Depreciation	5,151	3,636	7,913
Adjustment for extraordinary profit and loss			
Profit from sale on fixed assets	-225	—	—
Loss from sale or disposition of fixed assets	90	36	608
Write-down of fixed assets	—	—	2,242
Loss from assets impairment	165	—	—
Profit from sale on investment securities	-685	-611	-1,675
Write-down and loss from sale of investment securities	81	277	575
Write-down of golf club memberships	2	11	8
Software licensing fee	-1,800	—	—
Re-amortization of future retirement and severance pay obligations in line with a change to accounting standards	—	845	1,690
Irregular depreciation expense	—	—	222
Provision (reversal) of reserve for business reorganization loss	-316	—	1,683
Reversal of reserve for securities transaction liabilities	-2	-5	-3
Provision of allowance for bad debts	25	41	96
Interest income and dividends receivable	-3,340	-1,970	-3,558
Interest cost	2,211	2,491	4,701
Investment profit/loss on equity method	-53	-94	-101
Increase/decrease in loans receivable	-50	130	90
Increase/decrease in money held as customers' trust	-7,120	-10,635	-11,619
Increase/decrease in advances and deposits received	10,961	20,933	14,356
Increase/decrease in trading products	20,389	-142,887	-45,503
Increase/decrease in margin transaction assets	-3,085	-7,674	-1,696
Increase/decrease in margin transaction liabilities	692	-17,140	2,492
Increase/decrease in loans receivable secured by securities	269,987	-108,180	-592,825
Increase/decrease in loans payable secured by securities	-238,354	191,615	436,885
Increase/decrease in allowance for bad debts	478	-65	-109
Increase/decrease in reserve for bonus	177	776	129
Increase/decrease in reserves for retirement benefits	-873	-757	-1,256
Others	-8,296	5,058	-711
Subtotal	62,152	-56,635	-176,593
Interest and dividends received	3,519	1,344	2,809
Interest paid	-2,179	-2,424	-4,604
Income taxes, etc. paid	-1,119	-466	-614
Cash flow from operating activities	62,372	-58,181	-179,002
II Cash flows from investing activities			
Payments for purchases of investment securities	-5,460	-3,037	-6,626
Proceeds from the sale of investment securities	4,629	900	6,480
Payments for purchases of tangible fixed assets	-543	-272	-712
Proceeds from the sale of tangible fixed assets	726	535	538
Payments for purchases of intangible fixed assets	-4,641	-5,822	-13,576
Proceeds from sale of intangible fixed assets	—	—	0
Proceeds from return on long-term deposits	839	101	1,613
Proceeds from acquiring stock of subsidiaries upon a change in scope of consolidation	84	—	—
Others	213	-1,532	-1,988
Cash flow from investing activities	-4,152	-9,126	-14,270
III Cash flows from financing activities			
Increase/decrease in short-term loans payable	4,465	34,440	131,692
Increase/decrease in commercial paper	23,100	—	—
Proceeds from long-term loans payable	—	—	18,050
Payments for long-term loans payable	—	—	-9,750
Payments for acquiring treasury stocks	-50	-2,457	-2,502
Proceeds from sale of treasury stocks	—	—	1,735
Dividend paid	-4,625	-3,865	-3,865
Proceeds from issuing stock to minority shareholders	30	—	—
Dividend paid to minority shareholders	-80	-36	-36
Cash flow from financing activities	22,838	28,079	135,322
IV Effect of foreign exchange rate changes on cash and cash equivalents	122	98	50
V Increase/decrease in cash and cash equivalents	81,180	-39,129	-57,900
VI Balance of cash and cash equivalents at start of period	51,656	109,557	109,557
VII Decrease in cash and cash equivalents resulting from exclusion from consolidation	-392	—	—
VIII Balance of cash and cash equivalents at end of period	132,443	70,427	51,656

[About the interim consolidated financial statements]

These consolidated financial statements follow the provisions of Ministry of Finance (MoF) Ordinance No.24 (1999) entitled “The Rules for Terms, Formats, and Preparation Method of Interim Consolidated Financial Statements” and also comply with the provisions stipulated in Articles 48 and 69 of said ordinance. In addition, they are compiled in accordance with Prime Ministerial and MoF Ordinance No.32 (1998) entitled “Cabinet Ordinance Concerning Securities Companies” and the resolution entitled “Unification of Securities Business Accounting” adopted by the Japan Securities Dealers Association on 14 November 1974.

[Basic Important Matters for Preparation of Interim Consolidated Financial Statements]

1. Matters regarding the scope of consolidation

(1) Consolidated subsidiaries (16 subsidiaries)

Major subsidiaries

- Shinko Securities Business Services Co., Ltd.
- Shinko Investment Co., Ltd.
- Shinko Investment Trust Management Co., Ltd.
- Nippon Securities Technology Co., Ltd.
- (Newly added) Alternative Investment Research Institute, Inc.
- Shinko Principal Investment Co., Ltd.
- (Removed) Kiikogen Co., Ltd.

(2) Non-consolidated subsidiaries (2 subsidiaries)

- Shinko IPO Investment Business Fund No.1
- Shinko IPO Investment Business Fund No.2

2. Matters concerning the application of equity method

Equity-method affiliates (3 affiliates)

Affiliates

- Eiwa Securities Co., Ltd.
- Mitoyo Securities Co., Ltd.
- Financial System Solutions Co., Ltd.
- (Removed) Alternative Investment Research Institute, Inc.
- New Japan System Service Co., Ltd.

3. Matters concerning the interim period of consolidated subsidiaries

The interim closing date of consolidated subsidiaries coincides with the consolidated closing date.

4. Matters concerning the accounting standard

(1) Valuation method for significant assets

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

Securities and derivative contracts classed as trading products and held by our company or subsidiaries are recorded at present market value.

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

The following valuation methods are applied to securities that are not held for trading purposes:

a) Bonds that are to be held to maturity.

The depreciable cost (straight-line) method is used.

b) Other securities

Securities, etc. that have market values:

The present market value is recorded on the 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.

Securities, etc. that have no market values

Valued using mainly the moving-average cost method.

(2) Depreciation methods used for significant depreciable assets

1) Tangible fixed assets

Both our company and domestic consolidated subsidiaries use mainly fixed-percentage depreciation.

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 (within 5 years).

(3) Handling of significant 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.

(4) Accounting standards for significant 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 period.

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.

(5) Standards for translating significant assets and liabilities denominated in foreign currencies

Foreign currency denominated claims and obligations are translated into Japanese yen at the spot rate prevailing on the closing day of this interim period. Currency translation losses or gains are recorded on the income statement as such.

The assets, liabilities, revenues, and expenses of foreign subsidiaries are also translated into Japanese yen at the spot rate prevailing on the day the consolidated balance sheet was compiled. Any translation losses or gains are recorded in the capital account under the heading "Foreign exchange translation adjustment".

(6) Method of significant 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.

(7) Accounting for consumption tax, etc.

The tax exclusion method is applied.

5. Scope of cash and cash equivalents included in the interim consolidated cash flow statement

The cash movements recorded in the interim consolidated cash flow statement are those of cash and cash equivalents. Assets classed as cash or cash equivalents are cash on hand, deposits for which no notice of withdrawal is required, and highly liquid short-term investments that carry next to no price risk and have a maturity of less than three months.

<Change in Accounting Method>

- Starting from this interim period, we compiled these financial statements in accordance with "Accounting Standards Related to the Impairment of Fixed Assets" ("Written Opinion About the Establishment of Accounting Standards Related to the Impairment of Fixed Assets" (issued by the Business Accounting Deliberation Council on 9 August 2002)) and "Guidelines for Applying Accounting Standards Related to the Impairment of Fixed Assets" (Guidelines for the Application of Business Accounting Standards No. 6, issued by the Business Accounting Deliberation Council on 31 October 2003). As a result, our net profit for the current period, prior to adjustments for taxes, etc., decreased by 165 million yen. Moreover, the total amount of loss from asset impairment was directly deducted from the values of the corresponding assets.
- In the past, our company and the group's domestic consolidated subsidiaries recorded their dividends, from stocks with a market price, in the financial year containing the day on which dividend payment was received. Beginning with this interim period, however, we switched to a method in which, on the day after the final sales day provided for by the dividend right of the stock in question (hereafter referred to as the "succeeding day"), we estimate and record the uncollected dividends based on the publicly announced prospective dividend amount per share.
Given the growing number of companies that are increasing or restoring their dividends as their business results recover, we undertook this change because recording dividends on the subsequent day makes it possible to minimize the time between the point when we evaluate a stock with a market price that will be evaluated according to the price at the end of the interim period, and the point when we learn of the actual dividend income, and therefore to calculate the period's profit and loss more appropriately.
Due to the use of this new method for the current period, operating profit increased 337 million yen, and ordinary profit and interim net profit before taxes, etc., both increased 476 million yen, over what they would have been with the previous method.

[Notes on consolidated balance sheets]

	First half to 30 September 2005	First half to 30 September 2004	Financial year to 31 March 2005 (In millions of yen)
1. Accumulated depreciation of tangible fixed assets	22,345	23,592	23,547
2. Guarantee obligations (guarantee exercise anticipated)	1,379 (1,260)	1,637 (1,504)	1,542 (1,416)

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 Adequacy of Securities Companies”.

	First half to 30 September 2005	First half to 30 September 2004	Financial year to 31 March 2005 (In millions of yen)
	51,000	42,500	50,800

[Notes on consolidated income statement]

	First half from 1 April 2005 to 30 September 2005	First half from 1 April 2004 to 30 September 2004	Financial year from 1 April 2004 to 31 March 2005 (In millions of yen)
Extraordinary profits			
Profit from sale of fixed assets	225	—	—
Profit from sale of investment securities	685	611	1,675
Software licensing fees	1,800	—	—
Reversal from reserve for securities transaction liabilities	2	5	3
Reversal from business reorganization loss	316	—	—
Extraordinary losses			
Loss from sale of fixed assets	—	1	13
Loss from disposition of fixed assets	90	35	594
Write-down of fixed assets	—	—	2,242
Loss from asset impairment	165	—	—
Loss from sale of investment securities	11	17	141
Write-down of investment securities	69	259	433
Write-down of golf club memberships	2	11	8
Re-amortization of future retirement and severance pay obligations in line with a change to accounting standards	—	845	1,690
Irregular depreciation expense	—	—	222
Provision of reserve for business reorganization loss	—	—	1,683
Provision of allowance for bad debts	25	41	96

[Notes to the interim consolidated cash flow statement]

Relationship between the balance of cash and cash equivalents at the end of this interim period and balances of account items recorded on the consolidated balance sheets

	First half from 1 April 2005 to 30 September 2005	First half from 1 April 2004 to 30 September 2004	Financial year from 1 April 2004 to 31 March 2005 (In millions of yen)
Cash and due from banks	132,666	70,607	51,881
Fixed deposits for periods exceeding 3 months	-223	-180	-225
Cash and cash equivalents	132,443	70,427	51,656

Segment Information

1. Business segment information

This corporate group is carrying out global business activities mainly for securities, which include (1) selling and buying securities, (2) brokerage of the entrustment of selling and buying securities, etc., (3) underwriting and selling securities, (4) handling the offering and selling of securities, and (5) handling the private offering of securities. These business activities involve providing financial and other services. We earn profit based on these business activities combined with such services. Therefore, the segment information on business types is omitted because our corporate group's business activities all come under the single business segment of "investment and financial services."

2. Geographical segment information

For this interim accounting period, the same period last year, and the previous financial year, the segment information on locations is omitted because each of the total operating revenue and assets of consolidated companies in Japan exceeds 90% of those in all segments.

3. Overseas gross sales (operating revenues)

For this interim accounting period, the same period last year, and the previous financial year, the overseas operating revenue is omitted because it is less than 10% of the consolidated operating revenues.

Market or Fair Values of Securities and Derivatives

(For this interim period and the same period last year)

1. Trading-related

(1) Market values of trading securities, etc (securities for purchase and sale)

(In millions of yen)

Type	As of 30 September 2005		As of 30 September 2004	
	Assets	Liabilities	Assets	Liabilities
Equities and warrants	95,608	19,562	54,400	10,757
Bonds	919,923	927,769	1,248,471	998,114
CP and CD	13,998	—	20,997	—
Beneficiary securities, etc.	3,346	2,193	2,478	91

(2) Notional amounts and market values of derivative contracts

(In millions of yen)

Type	As of 30 September 2005				As of 30 September 2004			
	Assets		Liabilities		Assets		Liabilities	
	Notional amounts, etc.	Fair value	Notional amounts, etc.	Fair value	Notional amounts, etc.	Fair value	Notional amounts, etc.	Fair value
Options contracts	176,708	1,324	152,212	1,444	446,135	2,936	408,858	590
Forward exchange contracts	12,206	59	33,849	70	55,736	236	82,778	779
Futures/forward contracts	41,351	240	94,218	6,173	43,146	1,102	107,160	445
Swap contracts	89,475	1,153	89,089	1,082	79,701	1,551	101,701	1,632

Note: Deemed settlement values of forward exchange and futures contracts are recorded in the fair value column.

2. Non-trading-related

(1) Bonds with readily determinable market values that are to be held to maturity

(In millions of yen)

Type	As of 30 September 2005			As of 30 September 2004		
	Value on consolidated balance sheets	Market value	Gain/loss	Value on consolidated balance sheets	Market value	Gain/loss
Governmental / local bonds	—	—	—	—	—	—
Corporate bonds	4,617	4,617	-0	4,653	4,663	9
Others	—	—	—	—	—	—
Total	4,617	4,617	-0	4,653	4,663	9

(2) Other securities with readily determinable market values

(In millions of yen)

Type	As of 30 September 2005			As of 30 September 2004		
	Acquisition cost	Value on consolidated balance sheets	Balance	Acquisition cost	Value on consolidated balance sheets	Balance
Equities	24,171 (—)	47,270 (—)	23,099 (—)	23,033 (7)	35,443 (9)	12,410 (2)
Bonds	—	—	—	—	—	—
Others	3,871	4,850	979	4,071	4,687	616
Total	28,043 (—)	52,121 (—)	24,078 (—)	27,104 (7)	40,131 (9)	13,026 (2)

(Note) Figures in brackets refer to investment securities for sale. Investment securities for sale are recorded under “Current assets”.

(3) Securities without readily determinable market values and their recorded values on the interim consolidated balance sheets

(In millions of yen)

Type	As of 30 September 2005	As of 30 September 2004
	Value on consolidated balance sheets	Value on consolidated balance sheets
Bonds to be held to maturity	—	—
Governmental /local bonds	—	—
Corporate bonds	—	—
Others	—	—
Other securities	17,795 (2,340)	12,560 (2,743)
Unlisted equities	10,469 (2,305)	11,516 (2,704)
Unlisted bonds	35 (35)	39 (39)
Others	7,290	1,004

(Note) Figures in brackets refer to investment securities for sale. Investment securities for sale are recorded under “Current assets”.

(Previous financial year)

1. Trading-related

(1) Market values of trading securities, etc (securities for purchase and sale)

(In millions of yen)

Type	As of 31 March 2005	
	Assets	Liabilities
Equities and warrants	66,697	12,736
Bonds	1,295,013	1,205,587
CP and CD	6,905	—
Beneficiary securities, etc.	1,831	150

(2) Notional amounts and market values of derivative contracts

(In millions of yen)

Type	As of 31 March 2005			
	Assets		Liabilities	
	Notional amounts, etc.	Fair value	Notional amounts, etc.	Fair value
Options contracts	393,194	3,778	382,693	247
Forward exchange contracts	31,889	78	49,841	326
Futures/forward contracts	75,160	600	90,745	275
Swap contracts	79,911	1,328	92,911	1,361

Note: Deemed settlement values of forward exchange and futures contracts are recorded in the fair value column.

2. Non-trading-related

(1) Bonds with readily determinable market values that are to be held to maturity

(In millions of yen)

Type	As of 31 March 2005		
	Value on consolidated balance sheets	Market value	Balance
Market value higher than value recorded on consolidated balance sheets	4,635	4,648	12
Governmental / local bonds	—	—	—
Corporate bonds	4,635	4,648	12
Others	—	—	—
Market value lower than or equal to value recorded on consolidated balance sheets	—	—	—
Governmental / local bonds	—	—	—
Corporate bonds	—	—	—
Others	—	—	—

(2) Other securities with readily determinable market values

(In millions of yen)

Type	As of 31 March 2005		
	Acquisition cost	Value on consolidated balance sheets	Balance
Value recorded on consolidated balance sheets higher than acquisition cost	23,633	41,948	18,315
Equities	20,395	38,091	17,695
Bonds	—	—	—
Governmental/local bonds	—	—	—
Corporate bonds	—	—	—
Others	—	—	—
Others	3,237	3,857	619
Value recorded on consolidated balance sheets lower than or equal to acquisition cost	2,971	2,585	-386
Equities	2,820	2,437	-383
Bonds	—	—	—
Governmental/local bonds	—	—	—
Corporate bonds	—	—	—
Others	—	—	—
Others	151	148	-3

(3) Securities without readily determinable market values and their recorded values on the consolidated balance sheets

(In millions of yen)

Type	As of 31 March 2005	
	Value on consolidated balance sheets	
Bonds to be held to maturity	—	
Governmental /local bonds	—	
Corporate bonds	—	
Others	—	
Other securities	18,766	
	(2,452)	
Unlisted equities	10,805	
	(2,416)	
Unlisted bonds	36	
	(36)	
Others	7,924	

(Note) Figures in brackets refer to investment securities for sale. Investment securities for sale are recorded under "Current assets".

Data on Consolidated Settlement of Accounts

1. Commissions and fees received

(1) Breakdown by account (In millions of yen)

	First half from 1 April 2005 to 30 September 2005	First half from 1 April 2004 to 30 September 2004	% change from same period last year	Financial year from 1 April 2004 to 31 March 2005
Brokerage commissions	22,249	22,596	98.5	41,042
(Equities)	(22,165)	(22,463)	(98.7)	(40,798)
(Bonds)	(49)	(103)	(47.8)	(197)
Underwriting & selling fees	2,967	4,461	66.5	9,358
(Equities)	(2,596)	(3,928)	(66.1)	(8,277)
(Bonds)	(371)	(532)	(69.7)	(1,081)
Offering & selling fees and commissions	7,492	5,918	126.6	12,593
Other fees and commissions	8,792	7,834	112.2	16,014
Total	41,502	40,811	101.7	79,008

(2) Breakdown by instrument (In millions of yen)

	First half from 1 April 2005 to 30 September 2005	First half from 1 April 2004 to 30 September 2004	% change from same period last year	Financial year from 1 April 2004 to 31 March 2005
Equities	24,968	26,616	93.8	49,622
Bonds	1,040	1,413	73.7	3,013
Beneficiary securities	12,468	10,187	122.4	20,944
Others	3,024	2,594	116.6	5,427
Total	41,502	40,811	101.7	79,008

2. Trading profits (In millions of yen)

	First half from 1 April 2005 to 30 September 2005	First half from 1 April 2004 to 30 September 2004	% change from same period last year	Financial year from 1 April 2004 to 31 March 2005
Equities	8,285	5,069	163.4	10,036
Bonds, others	13,227	10,982	120.4	20,777
(Bonds)	(14,957)	(11,729)	(127.5)	(21,348)
(Others)	(-1,729)	(-746)	(—)	(-570)
Total	21,513	16,052	134.0	30,814

(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	26,474	24,989	29,596	29,845	35,999
Commissions and fees received	18,196	17,099	21,097	18,526	22,975
Brokerage commissions	8,558	7,516	10,929	9,312	12,937
(Equities)	(8,507)	(7,445)	(10,889)	(9,278)	(12,887)
(Bonds)	(39)	(62)	(31)	(20)	(29)
Underwriting & selling fees	2,776	2,790	2,106	965	2,002
(Equities)	(2,551)	(2,469)	(1,879)	(773)	(1,823)
(Bonds)	(225)	(321)	(227)	(192)	(179)
Offering & selling fees and commissions	2,951	2,924	3,750	4,081	3,410
Other fees and commissions	3,909	3,867	4,311	4,167	4,625
Trading profit or loss	7,517	7,031	7,729	9,763	11,749
Equities, etc.	2,193	2,631	2,335	3,995	4,289
Bonds, etc. and others	5,324	4,400	5,393	5,767	7,460
(Bonds, etc.)	(6,186)	(4,042)	(5,575)	(6,596)	(8,360)
(Others)	(-862)	(357)	(-181)	(-829)	(-900)
Trading profit or loss on investment securities for sale	126	123	113	101	107
Financial revenues	634	734	655	1,454	1,167
Financial expenses	1,275	1,114	1,095	1,037	1,174
Net operating revenues	25,199	23,874	28,501	28,808	34,825
Selling, general and administrative expenses	24,730	22,821	25,043	25,262	26,953
Transaction expenses	3,554	3,607	3,540	3,623	3,856
Personnel expenses	12,563	11,245	12,585	12,642	13,334
Real estate expenses	3,646	3,460	3,396	3,755	4,033
Office expenses	1,808	1,387	1,843	1,664	1,486
Depreciation	2,056	1,989	2,287	2,419	2,732
Taxes and dues	255	275	247	409	275
Others	845	855	1,143	747	1,236
Operating profit	468	1,053	3,458	3,546	7,871
Non-operating revenues	1,226	1,913	1,038	1,643	1,458
Investment profit on equity method	25	26	-19	7	46
Others	1,201	1,886	1,057	1,636	1,411
Non-operating expenses	682	654	713	585	656
Ordinary profit	1,013	2,311	3,783	4,604	8,673
Extraordinary profits	605	507	554	2,300	728
Extraordinary losses	671	604	5,310	188	176
Net profit before taxes, etc.	947	2,214	-973	6,716	9,225
Income taxes	118	124	90	85	2,363
Adjustment amount for income taxes	28	27	207	39	-2,453
Minority interest	66	166	-66	60	75
Net profit	733	1,896	-1,204	6,530	9,240