

# Consolidated Financial Statements for the First Half of Fiscal 2006

## <under Japanese GAAP>



Company Name:

**Mizuho Financial Group, Inc. ("MHFG")**

Stock Code Number (Japan):

8411

Stock Exchanges (Japan):

Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section)

URL:

http://www.mizuho-fg.co.jp/english/

Address:

5-5 Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan

Representative:

Name: Terunobu Maeda

Meeting of the Board of Directors for Financial Results:

November 20, 2006

Title: President &amp; CEO

Trading Accounts :

Established

For Inquiry:

Name: Mamoru Kishida

Title: General Manager, Accounting

Phone: 81-3-5224-2030

### 1. Financial Highlights for the First Half of Fiscal 2006 (for the six months ended September 30, 2006)

#### (1) Consolidated Results of Operations

Amounts less than one million yen are rounded down

	Ordinary Income		Ordinary Profits		Net Income	
	¥ million	%	¥ million	%	¥ million	%
1H F2006	1,863,970	9.5	530,155	17.0	392,338	15.9
1H F2005	1,701,642	15.9	453,021	51.7	338,590	44.7
Fiscal 2005	3,557,549		921,069		649,903	

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	¥	¥
1H F2006	33,498.34	30,787.32
1H F2005	31,219.12	24,031.68
Fiscal 2005	55,157.15	46,234.51

Notes: 1. Equity in Income from Investments in Affiliates :

1H F2006 ¥4,201million, 1H F2005 ¥4,795 million, Fiscal 2005 ¥9,161 million

2. Average outstanding shares of common stock (consolidated basis) :

1H F2006 11,607,768 shares, 1H F2005 10,845,612 shares, Fiscal 2005 11,172,246 shares

3. Change in accounting method:

Yes

Pursuant to change in accounting standards upon the enforcement of the Company Law.

Please refer to "Notes 8. 42. 43. 44." on the consolidated balance sheet for details.

4. Percentage figures in Ordinary Income, Ordinary Profits and Net Income represent changes in the respective accounts compared with the corresponding period of the previous fiscal year.

#### (2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Total Net Assets per Share of Common Stock	Consolidated Capital Adequacy Ratio (BIS)
	¥ million	¥ million	%	¥	%
1H F2006	148,962,319	5,689,314	2.9	288,908.64	10.97 *
1H F2005	146,887,998	3,683,283	2.5	170,842.57	10.73
Fiscal 2005	149,612,794	4,804,993	3.2	274,906.95	11.59

Notes: 1. Outstanding shares of common stock (consolidated basis) :

As of September 30, 2006 : 11,607,511 shares ; As of September 30, 2005 : 10,845,383 shares ; As of March 31, 2006 : 11,607,970 shares

2. Figures for 1H F2006 were based on the "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No.5, December 9, 2005) and others.

Figures for 1H F2005 and for Fiscal 2005 were based on the previously applied accounting standards.

3. The Consolidated Capital Adequacy Ratio (BIS) was based on the "Standards for Consolidated Capital Adequacy Ratio Pursuant to Article 52-25 of the Banking Law" (Ministry of Finance Ordinance Announcement No. 62, 1998).

#### (3) Conditions of Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the period/fiscal year
	¥ million	¥ million	¥ million	¥ million
1H F2006	(3,045,302)	2,572,052	(823,961)	2,091,375
1H F2005	(294,374)	(718,821)	(858,493)	3,730,252
Fiscal 2005	(1,669,128)	(99,262)	(446,671)	3,387,929

#### (4) Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries : 131 ; Number of non-consolidated subsidiaries under the equity method : — ;

Number of affiliates under the equity method : 20

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

(Consolidation) Newly consolidated : 2 ; excluded : 1 ; (Equity Method) Newly applied : 3 ; excluded : 2

### 2. Earnings Estimates for Fiscal 2006 (for the fiscal year ending March 31, 2007)

	Ordinary Income	Ordinary Profits	Net Income
	¥ million	¥ million	¥ million
Fiscal 2006	3,800,000	1,080,000	720,000

Reference: Net Income per Share of Common Stock (Fiscal 2006 estimate):

¥60,006.58

\* Please refer to p.1-2 for our note regarding the use of earnings estimates and other forward-looking statements.

**Outstanding Shares**

	First Half of Fiscal 2006		First Half of Fiscal 2005		Fiscal 2005	
	Average Outstanding Shares	Period-end Outstanding Shares	Average Outstanding Shares	Period-end Outstanding Shares	Average Outstanding Shares	Year-end Outstanding Shares
Common Stock	11,607,768	11,607,511	10,845,612	10,845,383	11,172,246	11,607,970
Second Series Class II Preferred Stock	—	—	50,327	—	25,232	—
Third Series Class III Preferred Stock	—	—	81,967	—	41,095	—
Fourth Series Class IV Preferred Stock	77,049	—	150,000	150,000	150,000	150,000
Sixth Series Class VI Preferred Stock	77,049	—	150,000	150,000	150,000	150,000
Seventh Series Class VII Preferred Stock	—	—	125,000	125,000	66,438	—
Eighth Series Class VIII Preferred Stock	—	—	48,606	—	24,369	—
Tenth Series Class X Preferred Stock	—	—	114,754	—	57,534	—
Eleventh Series Class XI Preferred Stock	943,740	943,740	943,740	943,740	943,740	943,740
Thirteenth Series Class XIII Preferred Stock	36,690	36,690	36,690	36,690	36,690	36,690

Notes: 1. Minimum number of shares for trading for common and preferred stock : 1 share

2. Treasury stock is excluded from the number of outstanding shares.

**Formulae for indices - Financial Highlights for the First Half of Fiscal 2006****Net Income per Share of Common Stock**

Net Income - Amount not attributable to common shareholders (\*1)

Average outstanding shares of common stock (during the period)(\*2)

**Diluted Net Income per Share of Common Stock**

Net Income - Amount not attributable to common shareholders (\*1) + Adjustments

Average outstanding shares of common stock (during the period)(\*2) + Increasing shares of common stock for dilutive securities (\*3)

**Shareholders' Equity Ratio**

Total Net Assets (period-end) - Minority Interest (period-end)

Total Assets (period-end)

× 100

**Total Net Assets per Share of Common Stock**

Total Net Assets (period-end) - Deduction (\*4)

Outstanding shares of common stock (period-end) (\*2)

**Formula for index - Earnings Estimates for Fiscal 2006****Net Income per Share of Common Stock (Fiscal 2006 estimate)**

Net Income (estimate) -Cash dividends on preferred stock and others (estimate)

Outstanding shares of common stock (period-end) (\*2)

\*1 Cash dividends on preferred stock and others.

\*2 Treasury stock is excluded from outstanding shares of stock.

\*3 Calculated under the assumption that dilutive options regarding dilutive securities are exercised at the beginning of the fiscal year in accordance with accounting standards. That is, all dilutive convertible securities, including those before the conversion period, are assumed to be converted at the price calculated based on the market price at the beginning of the fiscal year.

\*4 Issue amount of preferred stock, cash dividends on preferred stock and others.

*This immediate release contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including estimations, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions.*

*We may not be successful in implementing our business strategies, and management may fail to achieve its targets, for a wide range of possible reasons, including, without limitation, incurrence of significant credit-related costs; declines in the value of our securities portfolio; changes in interest rates; foreign currency fluctuations; revised assumptions or other changes related to our pension plans; failure to maintain required capital adequacy ratio levels; downgrades in our credit ratings; the effectiveness of our operational, legal and other risk management policies; our ability to avoid reputational harm; and effects of changes in general economic conditions in Japan.*

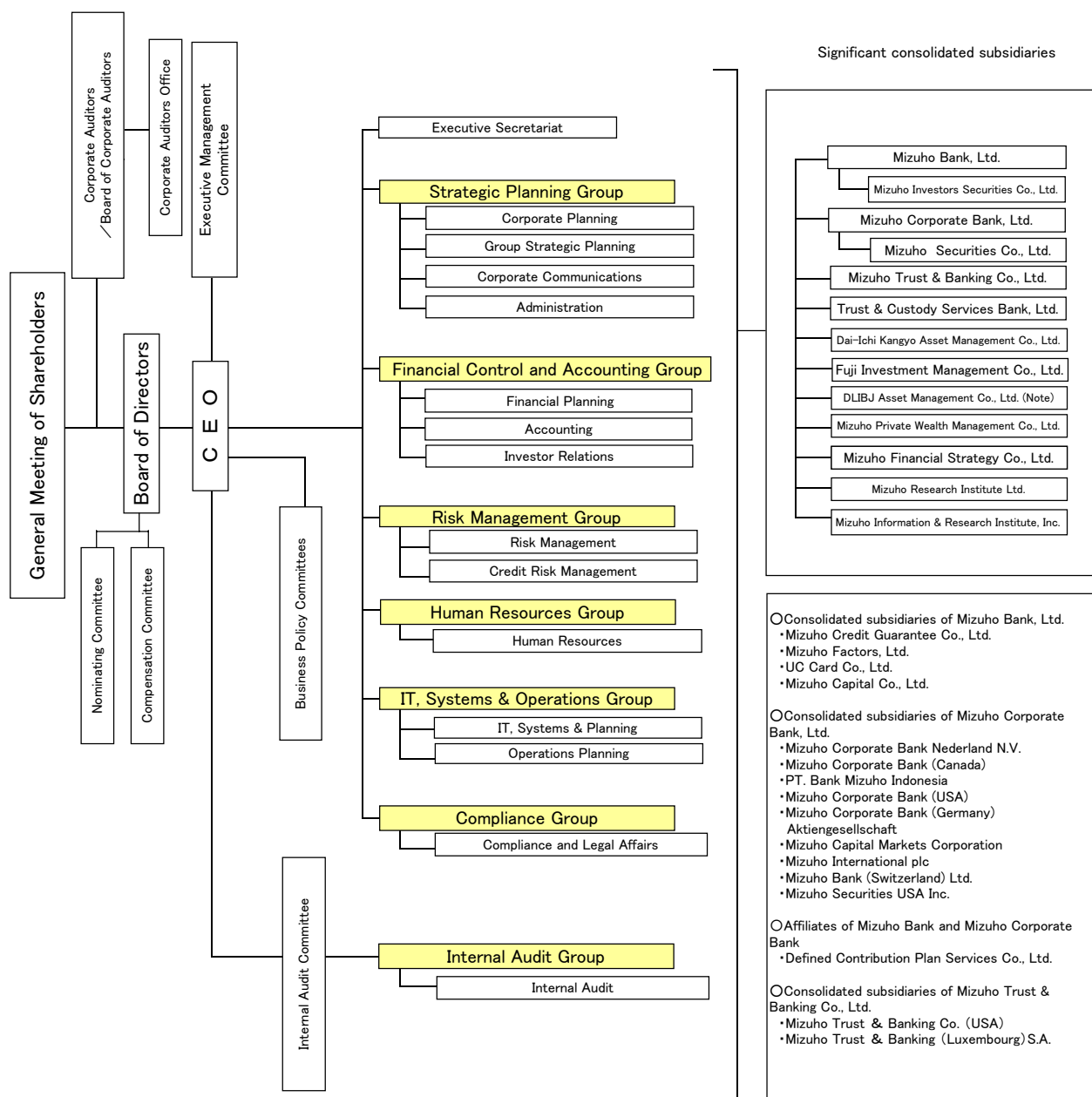
*Further information regarding factors that could affect our financial condition and results of operations is included in "Item 3.D. Key Information—Risk Factors," and "Item 5. Operating and Financial Review and Prospects" in our registration statement on Form 20-F filed with the U.S. Securities and Exchange Commission ("SEC") on October 19, 2006, which is available in the Financial Information section of our web page at [www.mizuho-fg.co.jp/english/](http://www.mizuho-fg.co.jp/english/) and also at the SEC's web site at [www.sec.gov](http://www.sec.gov).*

*We do not intend to update our forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by the rules of the Tokyo Stock Exchange.*

# 1. ORGANIZATION STRUCTURE OF MIZUHO FINANCIAL GROUP

Mizuho Financial Group (the "Group") is composed of Mizuho Financial Group, Inc. ("MHFG") and its affiliates. The Group provides various financial services, principally banking services, together with securities business, trust and asset management services among others.

(as of September 30, 2006)



(Note) DLIBJ Asset Management Co., Ltd. is an affiliate of MHFG.

Of the major domestic subsidiaries, the following companies are listed on Japanese domestic stock exchanges.

Company Name	Location	Main Business	Ownership Percentage %	Listed Stock Exchanges
Mizuho Trust & Banking Co., Ltd.	Chuo-Ku, Tokyo	Trust and Banking Business	69.9 <i>0.2</i>	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section)
Mizuho Investors Securities Co., Ltd.	Chuo-Ku, Tokyo	Securities Business	66.8 <i>66.8</i>	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section) Nagoya Stock Exchange (First Section)

Italic figures of Ownership Percentage denote percentage of interest held by subsidiaries.

## 2. MANAGEMENT POLICY

### (1) Principal Management Policy

Mizuho Financial Group (the “Group”) pursues our goals of being held in high regard by our shareholders and the financial markets and earning widespread trust from the community as Japan’s leading comprehensive financial services group on the basis of the three fundamental management philosophies below.

- a) To provide the highest level of comprehensive financial services to our customers and clients.
- b) To provide an attractive, inspiring workplace for our employees where they can each demonstrate their rich individuality and ability to meet their respective challenges.
- c) To enable each group company to demonstrate to the utmost its own particular characteristics and strengths in its respective business field and function.

### (2) Policy on Profit Distribution

Mizuho Financial Group, Inc. (“MHFG”) decides our cash dividend policy considering our operational performance, while bearing in mind the need to increase retained earnings from the viewpoint of enhancing our financial strength.

### (3) Policy Regarding Lowering of the Minimum Investment Amount of MHFG’s Common Stock

With regard to lowering of the minimum investment amount of MHFG’s common stock, we do not believe that we need to take any action at this time, after taking into account such factors as the stock price, number of shareholders, liquidity of common stock and cost-effectiveness. However, we will continue to consider this matter in an appropriate manner, taking into account other factors such as investors’ needs.

### (4) Management’s Medium/Long-term Targets and Issues to be Resolved

The Group aims to realize full-scale improvement of profitability and solid financial basis by steadily promoting the “Channel to Discovery” Plan, the business strategy launched in April 2005, whose key concept is to win the support of our customers. Moreover, we intend to establish a more solid management structure by further enhancing internal control systems.

***Business Portfolio Strategy*** (Please refer to “Management Structure of Mizuho” on page 1-8)

(The Global Corporate Group)

Mizuho Corporate Bank, Ltd. (“MHCB”) will work to expand its global corporate banking business providing its customers with services with competitive strength at a global level, including not just loans but also sophisticated financial products, integrating the financial service strengths of the entire group. MHCB will aggressively engage in cross-border business opportunities, such as arranging overseas syndicated loan transactions for investors in the expanding domestic syndicated loan markets through an organization structure designed and arranged to respond to our customers’ global needs. Furthermore, MHCB will enhance its network of overseas bases in the process of becoming a leading global bank.

Mizuho Securities Co., Ltd. (“MHSC”) will aim to become a Japanese market leader in securities and investment banking business meeting wide-ranging customers’ needs and offering optimal financial products and services, as well as intensively pursuing group synergy by actively promoting mutual collaboration within the group. It will increase and maintain a steady market presence in the equity-related business and

bond-related business, by further expanding its underwriting share. MHSC also intends to expand business operations in the investment banking business dealing with M&As, structured finance and others.

(The Global Retail Group)

Mizuho Bank, Ltd. (“MHBK”) will strengthen its sales organization and engage in developing new products in the areas of consulting and loans to individuals in an effort to improve further profitability in the individual customer market. As for the Mizuho Mileage Club, it will work to improve its merchantability by enhancing collaboration with affiliated partners in other business categories, etc. By developing a new type of branch that specializes in providing services to individual customers, it will build a network capable of responding to their various needs. In addition, MHBK will further strengthen security measures, by introducing a biometric authentication system (finger vein pattern authentication) for ATM transactions, etc.

In the Small and Medium-sized Enterprises (“SMEs”) market, MHBK will aim to increase non-interest income by promoting its solutions businesses and aggressively build up solid loan assets by mobilizing more staff to specialize in new loans and other means.

Through such efforts to expand and improve its business, MHBK intends to build long-lasting relationships with its customers based on trust and establish a stable profit basis.

(The Global Asset & Wealth Management Group)

Mizuho Trust & Banking Co., Ltd. (“MHTB”) plans to embark on various new types of trust business as it develops new services and products on the back of regulatory easing, including revision of the Trust Business Law. MHTB plans to expand its market share by employing a trust agency system and further strengthening business collaborations with the group companies, and thereby aims to be the trust bank most relied upon by its customers.

Mizuho Private Wealth Management Co., Ltd. aims to establish long-term relationships with customers by providing optimal products and services at the highest levels in a comprehensive and integrated manner in response to all different types of customers’ needs.

***Corporate Management Strategy***

As for the Group’s corporate management strategy, we continue to aim to enhance our Corporate Social Responsibility (“CSR”) activities and to strengthen our branding strategy in addition to our listing on the New York Stock Exchange (“NYSE”) on November 8, 2006.

The Group has continued to aim at securing the transparency of our corporate governance and enhancing credibility among our investors. Upon the listing, we have established a structure which will provide investors with disclosure based on the U.S. generally-accepted accounting principles, which are deemed to be one of the global standards, on top of disclosure based on Japanese generally-accepted accounting principles. We have also worked to establish our “Disclosure Controls and Procedures” and “Internal Control Practices” in compliance with the U.S. Sarbanes-Oxley Act, which is recognized as the strictest standard in the world, and will strive to strengthen them further.

In promoting CSR, the Group will particularly emphasize and focus on five different themes—involvement in environmental activities, supporting financial education, enhancement of corporate governance, highly responsive communications and promotion of group-wide approach to CSR—which are significant themes in order for the Group to coexist and develop together with the community. In particular, to support financial education, we will continue to make adequate and extensive contributions to primary, secondary and higher education. Specifically, we will push ahead with joint research in primary and secondary financial education with Tokyo Gakugei University and will return the fruits of these efforts to society. We will also assist in the

area of higher education through donations for lectures and classes related to finance. We will also assist with the launch of the department of finance of University of Tokyo's Faculty of Economics. We will communicate more frequently with our customers and shareholders, as well as the local community, business partners, government organizations and other stakeholders, and make full use of the Group's management resources in an effort to provide solutions to multidisciplinary problems, including social and environmental issues.

As for strengthening the Group's branding strategy, we will strive to increase market penetration of the brand slogan, "Channel to Discovery." Moreover, all senior executives and employees will share the strengths and objectives of the Group embodied in the expression "enterprising, open, and leading-edge" and put these words into practice to become "a financial partner that helps customers shape their future and achieve their dreams."

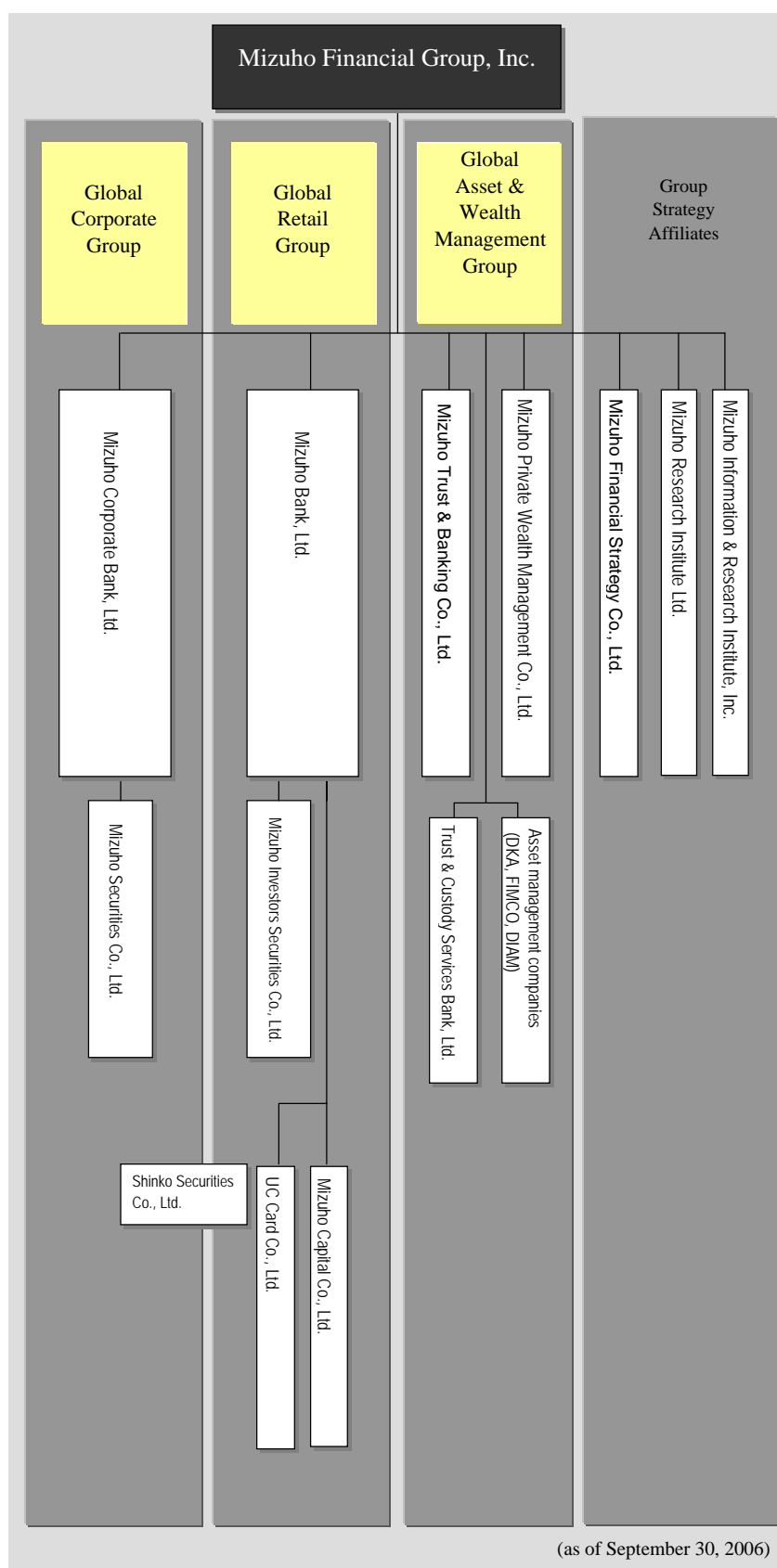
The Group completed in July 2006 the repayment of public funds extended to us in March 1998 and March 1999. We will continue to steadily implement our business portfolio as well as corporate management strategies and work to establish a stable profit basis backed by customers' support.

As a holding company, MHFG will fulfill our appropriate management control functions through planning a portfolio strategy for group businesses, promoting synergies among group companies, and enhancing risk management, compliance and internal controls. Henceforth, we aim to achieve strong results through our endeavors to grapple steadily with the management issues of the entire group.

Specifically, spurred on by the growing importance of data management, the Group continues to strengthen our information management systems through group management controls, including related regulations and organization of staff in charge, and also by taking into consideration the employment of external authentication in information security management of MHFG. Moreover, in our ongoing work to strengthen our internal control systems, we will maintain systems to ensure and strengthen compliance by all executives and employees of the Group with all applicable laws and regulations leading to improved internal control over the disclosure of information.

The Group will make every effort to boost further our corporate value by steadily promoting the "Channel to Discovery" Plan to enhance our competitiveness and profitability, as well as by fulfilling our social responsibility and public mission.

## Management Structure of Mizuho



### Global Corporate Group:

The Global Corporate Group provides highly specialized and cutting-edge products and services by leveraging our comprehensive financial capability, with close cooperation between the global corporate banking sector and the wholesale securities sector in response to the needs of large and global corporations.

### Global Retail Group:

The Global Retail Group provides top-level products and services on a global scale, with close cooperation with leading domestic and international companies in response to the diversified and globalized needs of individuals as well as SMEs and middle-market corporations in Japan.

### Global Asset & Wealth Management Group:

The Global Asset & Wealth Management Group provides top-level products and services on a global scale in response to the diversified and advanced customers' needs in the business areas of trust and custody, and private banking.

### Group Strategy Affiliates

**Mizuho Financial Strategy Co., Ltd.:**  
An advisory company for financial institutions regarding corporate management and corporate revitalization.

**Mizuho Research Institute Ltd.:**  
A think tank.

**Mizuho Information & Research Institute, Inc.:**  
An IT-related company.



### 3. CONSOLIDATED RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

#### (1) Results of Operations

##### *(a) Financial and Economic Environment*

Looking back over the global economic climate during the last six months ended September 30, 2006, the overall trend in the worldwide economy was improving steadily as a whole, mainly due to the strong economy in the United States and China. The Japanese economy showed sustained growth supported by continuous strength in capital expenditure and personal consumption against a backdrop of steady improvement in corporate performance. Consumer prices remained positive with a rise in domestic corporate goods prices due to stronger global commodity markets. To that end, the Bank of Japan ended zero interest rates in July.

As for the Japanese financial and capital markets, stock prices temporarily fell in the first half of the period due in part to the strong yen, but held firm in the latter half of the period backed by robust corporate performance. Long-term interest rates rose temporarily in the wake of the lifting of the quantitative easing policy in March, but were stable in the latter half of the period partly due to receding expectations of additional interest rate increases after the Bank of Japan ended zero interest rates.

In the financial sector, most of the financial issues to be dealt with, such as the disposition of Non-Performing Loans (“NPLs”), had been cleared up, and financial institutions are developing individual strategies using their respective strengths to the full. In response to the changing economic environment, the Group’s ability to secure a competitive edge over our rivals and to consolidate profitability even further are likely to become ever more important.

##### *(b) Outline of Results of Operations*

The Group has deployed various measures based on our group business strategy “Channel to Discovery” Plan and has further boosted the Group’s comprehensive profitability centered on income from Customer Groups. In July this year we fully repaid the public funds provided to us, and in November we listed on the NYSE . We are placing an emphasis on ensuring a firm management base for further growth of the Group in ways including strengthening the internal controls relating to our financial reporting. Consolidated Net Income for the first half of fiscal 2006 was ¥392.3 billion, increasing by ¥53.7 billion from the corresponding period of fiscal 2005, and up ¥52.3 billion from the original estimates of ¥340.0 billion announced in May 2006.

*Consolidated Gross Profits:* Consolidated Gross Profits for the first half of fiscal 2006 came to ¥997.5 billion, decreasing by ¥48.3 billion from the corresponding period of the previous fiscal year. Net Interest Income was ¥535.1 billion, increasing by ¥1.9 billion from the corresponding period of the previous fiscal year, partly due to positive impact of interest rate rises and increase in cash dividends for investments on the back of improved corporate performance in addition to a slower decline in loan interest income. Net Fee and Commission Income was ¥248.9 billion, decreasing by ¥6.4 billion from the corresponding period of the previous fiscal year. Net Trading Income was ¥104.5 billion, increasing by ¥23.0 billion from the corresponding period of the previous fiscal year. Net Other Operating Income was ¥75.5 billion, decreasing by ¥66.0 billion from the corresponding period of the previous fiscal year, mainly due to a decline in market-related income.

*General and Administrative Expenses:* General and Administrative Expenses for the first half of fiscal 2006 amounted to ¥535.3 billion, decreasing by ¥13.0 billion from the corresponding period of the previous fiscal year. This resulted from the outlay on “Strategic Expenses” aimed at increasing top-line profits being more than offset

by reductions in base expenses, especially IT-related expenses, as well as in Expenses related to Employee Retirement Benefits and other factors.

*Credit-related Costs:* Credit-related Costs for the first half of fiscal 2006 resulted in a gain on reversal in costs of ¥93.0 billion, mainly due to decreases in costs related to write-offs with the near-completion of the removal of NPLs from the balance sheet and reversal of reserves with the strengthening of the Group's asset quality.

*Net Gains related to Stocks and Equity in Income from Investments in Affiliates and Other:* Net Gains related to Stocks amounted to ¥89.8 billion, supported by gains on alternative investments (stock-related) which were made as part of an attempt at diversification of profit sources of market-related income.

Equity in Income from Investments in Affiliates amounted to ¥4.2 billion as a result of a positive business performance by our affiliates under the equity method.

We recorded a loss of ¥12.9 billion, down ¥96.6 billion from the corresponding period of the previous fiscal year, partly due to the review of the bond portfolio and recognition of losses in the first half of fiscal 2005.

*Ordinary Profits:* After reflecting the above, Ordinary Profits was ¥530.1 billion, increasing by ¥77.1 billion from the corresponding period of the previous fiscal year.

*Extraordinary Gains and Losses:* Net Extraordinary Gains (Losses) amounted to a gain of ¥102.6 billion, increasing by ¥61.4 billion from the corresponding period of the previous fiscal year, as a result of Reversal of Reserves for Possible Losses on Loans as Extraordinary Gains, etc.

*Taxes and Minority Interests in Net Income:* Income Taxes - Current amounted to ¥19.6 billion, and Income Taxes - Deferred amounted to ¥187.0 billion.

Minority Interests in Net Income amounted to ¥33.8 billion.

*Net Income:* After reflecting the above, Net Income amounted to ¥392.3 billion, increasing by ¥53.7 billion from the corresponding period of the previous fiscal year.

### ***(c) Segment Information***

In addition to the banking business (banking and trust banking business), MHFG and its consolidated subsidiaries are engaged in the securities business and other (credit card business, investment advisory business and others). The proportion of these activities accounting for Ordinary Profits before excluding inter-segment Ordinary Profits was 87.5 % for banking business, 9.4 % for securities business and 3.0 % for other.

Segments of operations by geographic area are Japan, the Americas, Europe and Asia/Oceania. Ordinary Income from International Operations of ¥571.8 billion accounts for 30.6 % of Consolidated Ordinary Income of ¥1,863.9 billion.

### ***(d) Estimates for Fiscal 2006 (for the fiscal year ending March 31, 2007)***

*Earnings Estimates:* As for earnings estimates for fiscal 2006, we estimate Ordinary Income of ¥3,800.0 billion, Ordinary Profits of ¥1,080.0 billion and Net Income of ¥720.0 billion on a consolidated basis.

*Dividend Forecast:* MHFG forecasts a year-end dividend payment of ¥7,000 per share of common stock. MHFG also plans to pay dividends on preferred stocks as prescribed.

The above estimates are based on information that is available at this moment, and assumptions of factors that have an influence on future results of operations. Actual results may differ materially from these estimates, depending on future events.

## (2) Financial Conditions

### *(a) Assets, Liabilities and Shareholders' Equity*

Consolidated total assets as of September 30, 2006 amounted to ¥148,962.3 billion, decreasing by ¥650.4 billion from the end of the previous fiscal year.

Securities were ¥37,093.8 billion, decreasing by ¥609.0 billion from the end of the previous fiscal year. This reflected mainly a decrease in Japanese government bonds.

The balance of Loans and Bills Discounted amounted to ¥65,062.7 billion, decreasing by ¥345.9 billion from the end of the previous fiscal year.

With respect to NPLs, further efforts to improve our financial soundness resulted in a consolidated balance of Disclosed Claims under the Financial Reconstruction Law amounting to ¥1,008.7 billion, decreasing by ¥78.7 billion from the end of the previous fiscal year.

Net Deferred Tax Assets (the amount after netting out Deferred Tax Assets and Deferred Tax Liabilities) were ¥232.2 billion, decreasing by ¥63.4 billion from the end of the previous fiscal year as a result of recording taxable income and others, with the continued conservative assessment of asset recoverability.

Deposits amounted to ¥71,912.2 billion, decreasing by ¥1,095.7 billion from the end of the previous fiscal year, mainly due to decreases in liquid deposits of corporate customers and others.

### *(b) Cash Flows*

Net Cash Used in Operating Activities was ¥3,045.3 billion mainly due to decreases in deposits and debentures.

Net Cash Provided by Investing Activities was ¥2,572.0 billion mainly due to sales and redemption of securities, and Net Cash Used in Financing Activities was ¥823.9 billion mainly due to repurchase of treasury stock.

As a result, Cash and Cash Equivalents as of September 30, 2006 was ¥2,091.3 billion.

### *(c) Consolidated Capital Adequacy Ratio (Preliminary)*

Risk-based Capital amounted to ¥8,567.4 billion, decreasing by ¥425.8 billion from the end of fiscal 2005. While Net Income increased for the period, we repurchased and cancelled public funds of preferred shares amounting to ¥603.5 billion (¥600.0 billion on an issued-price basis) and there was a decrease in unrealized gains on securities, and other factors. Risk-weighted Assets amounted to ¥78,056.6 billion, increasing by ¥522.1 billion from the end of the previous fiscal year due to the increase in assets and further efforts to expand profits after entering into the new phase in our management strategies.

As a result, the Consolidated Capital Adequacy Ratio (BIS Capital Ratio) was 10.97%, decreasing by 0.62% from the end of the previous fiscal year.

March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	September 30, 2006
9.53%	11.35%	11.91%	11.59%	10.97%

## BASIS FOR PRESENTATION AND PRINCIPLES OF CONSOLIDATION

### 1. Scope of Consolidation

a) Number of consolidated subsidiaries: 131

Names of principal companies:

Mizuho Bank, Ltd.

Mizuho Corporate Bank, Ltd.

Mizuho Trust & Banking Co., Ltd.

Mizuho Securities Co., Ltd.

During the period, Mizuho Investment Management (UK) Ltd. and one other company were newly consolidated upon their establishment and other factors.

During the period, Finance & Servicing Corporation was excluded from the scope of consolidation as a result of dissolution.

b) Non-consolidated subsidiaries

Name of principal company:

Innovest Corporation

Non-consolidated subsidiaries are excluded from the scope of consolidation since such exclusion has no material effect as to hinder the rational assessment of the financial condition and the results of operations of the corporate group in terms of Total Assets, Ordinary Income, Net Income/Net Loss (amount corresponding to MHFG's equity position) and Retained Earnings (amount corresponding to MHFG's equity position).

### 2. Application of the Equity Method

a) Number of affiliates under the equity method: 20

Names of principal companies:

The Chiba Kogyo Bank, Ltd.

Shinko Securities Co., Ltd.

Japan Mortgage Co., Ltd.

Since MHFG adopted the "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations" (the Accounting Standards Board of Japan ("ASBJ") Report No. 20, September 8, 2006), Japan Industrial Fund I and two other companies were newly included in the scope of the equity method.

During the period, Basic Capital Management, Limited and one other company were excluded from the scope of the equity method as a result of increases in the equity position due to additional stock repurchases and other factors.

b) Non-consolidated subsidiaries and affiliates not under the equity method:

Names of principal companies:

Innovest Corporation

Asian-American Merchant Bank Limited

Non-consolidated subsidiaries and affiliates are excluded from the scope of the equity method since such exclusion has no material effect on MHFG's consolidated financial statements in terms of Net Income/Net Loss (amount corresponding to MHFG's equity position) and Retained Earnings (amount corresponding to MHFG's equity position).

### 3. Balance Sheet Dates of Consolidated Subsidiaries

a) Balance sheet dates of consolidated subsidiaries are as follows:

March 31	1 company
April 30	1 company
June 30	48 companies
September 30	62 companies
The day before the last business day of December	19 companies

b) Consolidated subsidiaries with interim balance sheet dates of March 31, April 30 and the day before the last business day of December were consolidated based on their tentative financial statements as of and for the period ended June 30. Other consolidated subsidiaries were consolidated based on their financial statements as of and for the interim period ended their respective balance sheet dates.

The necessary adjustments have been made to the financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated financial statements.

# **CONSOLIDATED BALANCE SHEET** **SEPTEMBER 30, 2006**

*Millions of yen*

<b>Assets</b>		
Cash and Due from Banks	¥	3,490,918
Call Loans and Bills Purchased		458,825
Receivables under Resale Agreements		8,655,773
Guarantee Deposits Paid under Securities Borrowing Transactions		7,567,197
Other Debt Purchased		2,907,480
Trading Assets		10,584,892
Money Held in Trust		39,024
Securities		37,093,870
Loans and Bills Discounted		65,062,729
Foreign Exchange Assets		781,032
Other Assets		5,916,106
Tangible Fixed Assets		796,615
Intangible Fixed Assets		237,804
Deferred Debenture Charges		58
Deferred Tax Assets		378,429
Customers' Liabilities for Acceptances and Guarantees		5,735,419
Reserves for Possible Losses on Loans		(742,778)
Reserve for Possible Losses on Investments		(1,080)
<b>Total Assets</b>	<b>¥</b>	<b>148,962,319</b>
<b>Liabilities</b>		
Deposits	¥	71,912,235
Negotiable Certificates of Deposit		9,624,366
Debentures		5,553,640
Call Money and Bills Sold		7,229,632
Payables under Repurchase Agreements		12,345,445
Guarantee Deposits Received under Securities Lending Transactions		6,402,587
Commercial Paper		30,000
Trading Liabilities		7,743,727
Borrowed Money		4,794,865
Foreign Exchange Liabilities		208,210
Short-term Bonds		887,683
Bonds and Notes		2,815,959
Due to Trust Accounts		1,145,828
Other Liabilities		6,483,986
Reserve for Bonus Payments		27,572
Reserve for Employee Retirement Benefits		37,201
Reserve for Contingencies		31,764
Reserves under Special Laws		2,509
Deferred Tax Liabilities		146,130
Deferred Tax Liabilities for Revaluation Reserve for Land		114,236
Acceptances and Guarantees		5,735,419
<b>Total Liabilities</b>		<b>143,273,005</b>
<b>Net Assets</b>		
Common Stock and Preferred Stock		1,540,965
Capital Surplus		411,110
Retained Earnings		1,201,502
Treasury Stock		(32,006)
<b>Total Shareholders' Equity</b>		<b>3,121,572</b>
Net Unrealized Gains on Other Securities, net of Taxes		1,196,840
Net Deferred Hedge Losses, net of Taxes		(103,971)
Revaluation Reserve for Land, net of Taxes		160,783
Foreign Currency Translation Adjustments		(41,284)
<b>Total Valuation and Translation Adjustments</b>		<b>1,212,367</b>
Minority Interests		1,355,374
<b>Total Net Assets</b>		<b>5,689,314</b>
<b>Total Liabilities and Net Assets</b>	<b>¥</b>	<b>148,962,319</b>

## NOTES TO CONSOLIDATED BALANCE SHEET

1. Amounts less than one million yen are rounded down.
2. Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of securities and related indices are recognized on a trade date basis and recorded in Trading Assets or Trading Liabilities on the consolidated balance sheet.  
Securities and other short-term credit instruments held for trading purposes are stated at fair value at the consolidated balance sheet date. Derivative financial products, such as swaps, forward contracts and option transactions, are stated at their fair values, assuming that such transactions were terminated and settled at the consolidated balance sheet date.
3. Bonds held to maturity are stated at amortized cost (straight-line method) and determined by the moving average method. Investments in non-consolidated subsidiaries and affiliates, which are not under the equity method, are stated at acquisition cost and determined by the moving average method. Other Securities which have readily determinable fair value are stated at fair value. Fair value of Japanese stocks with a quoted market price is determined based on the average quoted market price over the month preceding the consolidated balance sheet date. Fair value of securities other than Japanese stocks is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date (cost of securities sold is calculated primarily by the moving average method). Other Securities which do not have readily determinable fair value are stated at acquisition cost or amortized cost and determined by the moving average method. The net unrealized gains on Other Securities are included directly in Net Assets, net of applicable income taxes after excluding gains and losses as a result of the fair-value hedge method.
4. Securities which are held as trust assets in Money Held in Trust accounts are valued in the same way as given in Note 3.
5. Derivative transactions (other than transactions for trading purposes) are valued at fair value.
6. Depreciation of buildings is computed mainly by the straight-line method, and that of equipment is computed mainly by the declining-balance method, and the applicable share of estimated annual depreciation costs for the period is recorded based on the following range of useful lives.  

Buildings:	3 years to 50 years
Equipment:	2 years to 20 years
7. Amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for internally-used software are capitalized and amortized over their estimated useful lives of mainly five years as determined by MHFG and consolidated subsidiaries.
8. Deferred Debenture Charges are amortized as follows:
  - (1) Bond issuance costs are expensed as incurred.
  - (2) Until the previous fiscal year, debenture issuance costs were capitalized and amortized over a certain period not exceeding the maximum period stipulated by the former Enforcement Regulations of the Commercial Code of Japan. However, in accordance with the application of the "Tentative Solution on Accounting for Deferred Assets" (the Accounting Standards Board of Japan ("ASBJ") Report No. 19, August 11, 2006) effective from the fiscal year and interim period ending upon or after the public announcement of such, MHFG adopted the new accounting standard commencing with this period. The effect of the change mentioned above on the consolidated balance sheet is immaterial. Debenture

- issuance costs booked on the consolidated balance sheet as of March 31, 2006 are amortized under the straight-line method within a certain period by applying the previous accounting method based on the tentative measure stipulated in the ASBJ report.
- (3) Until the previous fiscal year, bond discounts and debenture discounts were capitalized and amortized under the straight-line method over the term of bonds and debentures. However, in accordance with the partial revision of “Accounting Standards for Financial Instruments” (the Business Accounting Deliberation Council, January 22, 1999) as of August 11, 2006 (ASBJ Statement No. 10) and the application effective from the fiscal year and interim period ending upon or after the public announcement of such, MHFG adopted the revised accounting standard commencing with this period, and bonds and debentures were stated at amortized cost (straight line method). The effect of this application on the consolidated balance sheet is immaterial. Bond discounts and debenture discounts booked on the consolidated balance sheet as of March 31, 2006 are amortized under the straight-line method over the term of the bond and debenture by applying the previous accounting method and the unamortized balance is directly deducted from bonds and debentures, based on the tentative measure stipulated in the “Tentative Solution on Accounting for Deferred Assets” (ASBJ Report No. 19, August 11, 2006).
9. Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of domestic consolidated banking subsidiaries and a domestic consolidated trust banking subsidiary are translated into Japanese yen primarily at the exchange rates in effect at the consolidated balance sheet date, with the exception of the investments in non-consolidated subsidiaries and affiliates not under the equity method, which are translated at historical exchange rates.  
Assets and Liabilities denominated in foreign currencies of the consolidated subsidiaries, except for the transactions mentioned above, are translated into Japanese yen primarily at the exchange rates in effect at their respective balance sheet dates.
10. Reserves for Possible Losses on Loans of major domestic consolidated subsidiaries are maintained in accordance with internally established standards for write-offs and provisions. For credit extended to obligors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Commercial Code or other similar laws (“Bankrupt Obligor”), and to obligors that are effectively in similar conditions (“Substantially Bankrupt Obligor”), reserves are maintained at the amounts of claims net of direct write-offs described below and expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees. For credit extended to obligors that are not yet legally or formally bankrupt but are likely to be bankrupt (“Intensive Control Obligor”), reserves are maintained at the amounts deemed necessary based on overall solvency analyses of the amounts of claims net of expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees.  
For credit extended to Intensive Control Obligors and Obligors with Restructured Loans (defined in Note 27 below) and others, if the exposure to an obligor exceeds a certain specific amount, reserves are provided as follows: (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, under which the reserve is determined as the difference between the book value of the loan and its present value of future cash flows discounted using the contractual interest rate before the loan was classified as a Restructured Loan, and (ii) if future cash flows of the principal and interest cannot be reasonably estimated, reserves are provided for the losses estimated for each individual loan.  
For credit extended to other obligors, reserves are maintained at rates derived from historical credit loss experience and other factors. Reserves for Possible Losses on Loans to Restructuring Countries are maintained in order to cover possible losses based on analyses of the political and economic climates of the countries.  
All credit is assessed by each credit origination department in accordance with the internally established “Self-assessment Standard,” and the results of the assessments are verified and



examined by the independent examination department. Reserves for Possible Losses on Loans are provided for on the basis of such verified assessments.

In the case of loans to Bankrupt Obligors and Substantially Bankrupt Obligors, which are collateralized or guaranteed by a third party, the amounts deemed uncollectible (calculated by deducting the anticipated proceeds from the sale of collateral pledged against the claims and amounts that are expected to be recovered from guarantors of the claims) are written off against the respective loan balances. The total directly written-off amount was ¥633,965 million.

Other consolidated subsidiaries provide the amount necessary to cover the loan losses based upon past experience for general claims and the assessment for each individual loan for other claims.

11. Reserve for Possible Losses on Investments is maintained to provide against possible losses on investments in securities, after taking into consideration the financial condition and other factors concerning the investee company.
12. Reserve for Bonus Payments, which is provided for future bonus payments to employees, is maintained at the amount accrued at the end of the interim period, based on the estimated future payments.
13. Reserve for Employee Retirement Benefits (including Prepaid Pension Cost), which is provided for future pension payments to employees, is recorded as the required amount accrued at the end of the interim period, based on the projected benefit obligation and the estimated plan asset amounts at the end of the fiscal year. Unrecognized actuarial differences are recognized as income or expenses from the following fiscal year under the straight-line method over a certain term within the average remaining service period of the current employees.
14. Reserve for Contingencies is maintained to provide against possible losses from contingencies, which are not covered by other specific reserves in off-balance transactions, trust transactions and others.  
The balance is an estimate of possible future losses, on an individual basis, considered to require a reserve.
15. Finance leases of MHFG and domestic consolidated subsidiaries that do not involve transfer of ownership to the lessee are accounted for as operating leases.
16. Consolidated subsidiaries apply the deferred method, the fair-value hedge method or the exceptional accrual method for interest rate swaps as hedge accounting methods.  
The portfolio hedge for large-volume, small-value financial assets and liabilities of domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries is accounted for by the method stipulated in the “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (The Japanese Institute of Certified Public Accountants (“JICPA”) Industry Audit Committee Report No.24). The effectiveness of hedging activities for the portfolio hedge for large-volume, small-value financial assets and liabilities is assessed as follows:
  - (i) as for hedging activities to offset market fluctuation risks, the effectiveness is assessed by bracketing both the hedged instruments, such as deposits and loans, and the hedging instruments, such as interest-rate swaps, in the same maturity bucket.
  - (ii) as for hedging activities to fix the cash flows, the effectiveness is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.
 The effectiveness of the individual hedge is assessed based on the correlation between the fluctuation in the market or cash flows of the hedged instruments and that of the hedging instruments.

Deferred hedge gains/losses recorded on the consolidated balance sheet resulted from the application of the macro-hedge method based on the “Tentative Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No.15), under which the overall interest rate risks inherent in loans, deposits and others are controlled on a macro-basis using derivatives transactions. These deferred hedge gains/losses are amortized as interest income or interest expenses over the remaining maturity and average remaining maturity of the respective hedging instruments.

The unamortized amounts of gross deferred hedge losses and gross deferred hedge gains on the macro-hedges, before net of applicable income taxes, were ¥297,319 million and ¥286,860 million, respectively.

17. Domestic consolidated banking subsidiaries and a domestic consolidated trust banking subsidiary apply the deferred method of hedge accounting to hedge foreign exchange risks associated with various foreign currency denominated monetary assets and liabilities as stipulated in the “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No.25). The effectiveness of the hedge is assessed by confirming both the amount for the foreign currency position of the hedging instruments of currency-swap transactions, exchange swap transactions and similar transactions as the method of hedging the foreign exchange risks of monetary assets and liabilities denominated in foreign currencies and the amount for the foreign currency position of the hedged monetary assets and liabilities denominated in foreign currency are equivalent.  
In addition to the above methods, these subsidiaries apply the deferred method or the fair-value hedge method to portfolio hedges of the foreign exchange risks associated with investments in subsidiaries and affiliates in foreign currency and Other Securities in foreign currency (except for bonds) identified as hedged items in advance, as long as the amount of foreign currency payables of spot and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged foreign securities in foreign currency.
18. Inter-company interest rate swaps, currency swaps and similar derivatives among consolidated companies or between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the income statement or deferred under hedge accounting, because these inter-company derivatives are executed according to the criteria for appropriate outside third-party cover operations which are treated as hedge transactions objectively in accordance with JICPA Industry Audit Committee Reports Nos. 24 and 25.
19. With respect to MHFG and its domestic consolidated subsidiaries, Japanese consumption taxes and local consumption taxes are excluded from transaction amounts.
20. Reserves under Special Laws are recorded as follows:  
Reserve for Contingent Liabilities from Futures Transactions: ¥83 million  
This reserve is maintained pursuant to Article 81 of the Financial Futures Transaction Law.  
Reserve for Contingent Liabilities from Securities Transactions: ¥2,426 million  
This reserve is maintained pursuant to Article 51 of the Securities and Exchange Law.
21. Loans to directors and corporate auditors of MHFG concerning transactions between the parties amounted to ¥30 million (non-consolidated basis).
22. Investments in subsidiaries and affiliates amounted to ¥87,079 million (excluding consolidated subsidiaries).
23. Accumulated depreciation of Tangible Fixed Assets amounted to ¥717,129 million.

24. The book value of Tangible Fixed Assets adjusted for gains on sales of replaced assets amounted to ¥43,602 million.
25. Loans and Bills Discounted include Loans to Bankrupt Obligors of ¥48,921 million and Non-Accrual Delinquent Loans of ¥375,106 million.  
Loans to Bankrupt Obligors are loans, excluding loans written-off, on which delinquencies in payment of principal and/or interest have continued for a significant period of time or for some other reason there is no prospect of collecting principal and/or interest (“Non-Accrual Loans”), as per Article 96 Paragraph 1 No. 3, subsections 1 to 5 or No. 4 of the Corporate Tax Law Enforcement Ordinance (Government Ordinance No. 97, 1965).  
Non-Accrual Delinquent Loans represent non-accrual loans other than (i) Loans to Bankrupt Obligors and (ii) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the obligors.
26. Balance of Loans Past Due for Three Months or More: ¥11,471 million  
Loans Past Due for Three Months or More are loans for which payments of principal and/or interest have not been received for a period of three months or more beginning with the next day following the last due date for such payments, and which are not included in Loans to Bankrupt Obligors, or Non-Accrual Delinquent Loans.
27. Balance of Restructured Loans: ¥515,255 million  
Restructured Loans represent loans on which contracts were amended in favor of obligors (e.g. reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate the restructuring of the obligors. Loans to Bankrupt Obligors, Non-Accrual Delinquent Loans and Loans Past Due for Three Months or More are not included.
28. Total balance of Loans to Bankrupt Obligors, Non-accrual Delinquent Loans, Loans Past Due for Three Months or More and Restructured Loans: ¥950,755 million  
The amounts given in Notes 25 through 28 are gross amounts before deduction of amounts for the Reserves for Possible Losses on Loans.
29. In accordance with JICPA Industry Audit Committee Report No. 24, bills discounted are accounted for as financing transactions, although the banking subsidiaries have rights to sell or pledge certain bankers’ acceptances, commercial bills, documentary bills and foreign exchange bills. The face value amount of these bills amounted to ¥865,989 million.
30. The following assets were pledged as collateral:
 

Trading Assets:	¥4,344,050 million
Securities:	¥10,769,873 million
Loans and Bills Discounted:	¥6,209,611 million
Other Assets:	¥1,324 million
Tangible Fixed Assets:	¥80 million

  
 The following liabilities were collateralized by the above assets:
 

Deposits:	¥477,339 million
Call Money and Bills Sold:	¥1,925,546 million
Payables under Repurchase Agreements:	¥4,910,755 million
Guarantee Deposits Received under Securities Lending Transactions:	¥5,613,973 million
Borrowed Money:	¥3,347,889 million
Other Liabilities:	¥9,742 million

In addition to the above, the settlement accounts of foreign and domestic exchange transactions or derivatives transactions and others were collateralized, and margins for futures

transactions were substituted by Cash and Due from Banks of ¥9,074 million, Trading Assets of ¥551,460 million, Securities of ¥2,699,402 million and Loans and Bills Discounted of ¥343,328 million.

None of the assets was pledged as collateral in connection with borrowings by the non-consolidated subsidiaries and affiliates.

Other Assets includes guarantee deposits of ¥122,503 million, collateral pledged for derivatives transactions of ¥333,530 million, margins for futures transactions of ¥63,013 million and other guarantee deposits of ¥7,587 million.

31. In accordance with the Land Revaluation Law (Proclamation No.34 dated March 31, 1998), land used for business operations of domestic consolidated banking subsidiaries was revalued. The income tax on the entire excess of revaluation is included in Deferred Tax Liabilities for Revaluation Reserve for Land under Liabilities, and the remainder, net of taxes, is stated as Revaluation Reserve for Land included in Net Assets.  
 Revaluation date: March 31, 1998  
 Revaluation method as stated in Article 3 Paragraph 3 of the above law: Land used for business operations was revalued by calculating the value on the basis of the valuation by road rating stipulated in Article 2 Paragraph 4 of the Enforcement Ordinance relating to the Land Revaluation Law (Government Ordinance No.119 promulgated on March 31, 1998) with reasonable adjustments to compensate for sites with long depth and other factors, and also on the basis of the appraisal valuation stipulated in Paragraph 5.
32. Borrowed Money includes subordinated borrowed money of ¥765,001 million.
33. Bonds and Notes include subordinated bonds of ¥2,079,440 million.
34. The principal amounts promised to be indemnified for money trusts and loan trusts with contracts guaranteeing the principal, which are entrusted to domestic consolidated trust banking subsidiaries, were ¥995,144 million and ¥238,490 million, respectively.
35. Net Assets per share of common stock: ¥ 288,908.63  
 “Guidance for Accounting Standards for Net Earning per Share” (ASBJ Guidance No.4, September 25, 2002) revised on January 31, 2006 took effect as of the interim period that ended upon or after the enforcement of the Company Law. Accordingly, MHFG has applied the above guidance starting this period, and included “Net Deferred Hedge Losses, net of Taxes” for calculation of net assets per share. As a result, Net Assets per share of common stock declined by ¥ 8,957.28 compared to that under the previous accounting method.
36. Figures for fair value and unrealized gains (losses) on securities are as follows. In addition to “Securities” on the consolidated balance sheet, negotiable certificates of deposit (“NCDs”) in “Cash and Due from Banks” and certain items in “Other Debt Purchased” and certain items in “Other Assets” are also included. The same inclusion applies through Note 41 inclusive.

*Bonds Held to Maturity which have readily determinable fair value:*

	<i>Millions of yen</i>		
	Amount on Consolidated BS	Fair Value	Net Unrealized Gains / Losses
Japanese Government Bonds	¥968,557	¥967,176	¥(1,381)
Japanese Local Government Bonds	50,705	50,580	(124)
Other	317,773	309,903	(7,869)
Total	¥1,337,035	¥1,327,659	¥(9,375)

*Other Securities which have readily determinable fair value:*

	<i>Millions of yen</i>		
	Acquisition Cost	Amount on Consolidated BS	Net Unrealized Gains / Losses
Japanese Stocks	¥3,019,696	¥5,311,074	¥2,291,377
Japanese Bonds	18,937,648	18,781,460	(156,187)
Japanese Government Bonds	18,122,589	17,973,185	(149,404)
Japanese Local Government Bonds	88,548	87,709	(839)
Japanese Short-term Bonds	9,967	9,966	(0)
Japanese Corporate Bonds	716,542	710,599	(5,942)
Other	7,792,451	7,695,587	(96,864)
Total	¥29,749,796	¥31,788,122	¥2,038,326

Net Unrealized Losses include ¥15,617 million, which was recognized in the statement of income by applying the fair-value hedge method. As a result, the base amount to be recorded directly to Net Assets was ¥2,053,943 million and ¥1,196,766 million of the amount after the following adjustments were included in Net Unrealized Gains on Other Securities, net of Taxes:

Difference between acquisition cost and fair value:	¥2,053,943 million
Deferred Tax Assets:	1,916 million
Less: Deferred Tax Liabilities:	(813,038) million
Less: Amount corresponding to Minority Interests:	(51,073) million
Amount corresponding to Net Unrealized Gains on Other Securities owned by affiliates, which corresponds to the holding share of their investor companies:	5,018 million
Amount included in Net Unrealized Gains on Other Securities, net of Taxes:	¥1,196,766 million

Certain Other Securities which have readily determinable fair value are devalued to the fair value, and the difference between the acquisition cost and the fair value is treated as the loss for the interim period ("devaluation"), if the fair value (primarily the closing market price at the consolidated balance sheet date) has significantly deteriorated compared with the acquisition cost (including amortized cost), and unless it is deemed that there is a possibility of a recovery in the fair value. The amount of devaluation for the interim period was ¥2,890 million.

The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows:

- Securities whose fair value is 50% or less of the acquisition cost
- Securities whose fair value exceeds 50% but is 70% or less of the acquisition cost and the quoted market price maintains a certain level or lower

37. Major components of securities not stated at fair value and their amount on the consolidated balance sheet are as follows:

	<i>Millions of yen</i>
	Amount on Consolidated BS
<i>Other Securities:</i>	

Non-publicly offered bonds	¥2,098,353
Unlisted foreign securities	1,048,060
Unlisted stock	738,926
Beneficial certificate of loan trust and other	2,013,043

38. Details of Money Held in Trust are as follows:

	<i>Millions of yen</i>		
	Acquisition Cost	Amount on Consolidated BS	Net Unrealized Gains / Losses
Other Money Held in Trust	¥663	¥663	—

There is no money held in trust held to maturity.

39. Unsecured securities loaned that allow borrowers to sell amounted to ¥11,941 million and were included in stocks under Securities and trading securities under Trading Assets.  
A portion of unsecured borrowed securities, securities purchased under resale agreements and securities borrowed with cash collateral have the right to sell or repledge. Among them, the total of securities repledged was ¥8,657,647 million, securities re-loaned was ¥377 million and securities neither repledged nor re-loaned was ¥3,945,678 million, respectively.
40. Overdraft protection on current accounts and contracts for the commitment line for loans are contracts by which banking subsidiaries are bound to extend loans up to the prearranged amount, at the request of customers, unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounted to ¥51,653,450 million. Of this amount, ¥44,213,677 million relates to contracts in which the original contractual maturity is one year or less, or which are unconditionally cancelable at any time.  
Since many of these contracts expire without being exercised, the unutilized balance itself does not necessarily affect future cash flows. A provision is included in many of these contracts that entitles the banking subsidiaries to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim or other similar reasons. The banking subsidiaries obtain, moreover, real estate or securities as collateral at the time the contract is entered into, if needed, and periodically monitor customers' business conditions, based on and in accordance with established internal procedures, and take measures to control credit risks such as amendments to contracts, if needed.
41. "Acceptances and Guarantees" and "Customers' Liabilities for Acceptances and Guarantees" include those of domestic consolidated banking subsidiaries against bonds held by these subsidiaries.
42. The appendix forms of "Banking Law Enforcement Regulations" (Ministry of Finance Ordinance No. 10, 1982) have been revised by the "Cabinet Office Ordinance to Amend Part of Detailed Enforcement Regulations on Mutual Loan Business Law and Banking Law" (Cabinet Office Ordinance No. 60, April 28, 2006), following the application of "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No. 5, December 9, 2005) and "Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No. 8, December 9, 2005) effective from the interim period ending on or after the enforcement date of the Company Law. In accordance with the application of the revised "Banking Law Enforcement Regulations" commencing with the fiscal year beginning on or after April 1, 2006, presentation of account items has been changed as follows:  
(1) Former "Shareholders' Equity" is presented as "Net Assets" and classified into

“Shareholders’ Equity,” “Valuation and Translation Adjustments” and “Minority Interests.”

The amount corresponding to former “Shareholders’ Equity” as of the end of this period was ¥4,437,911 million.

- (2) The net realized and unrealized losses from hedging instruments formerly included in “Other Assets” as deferred hedge losses are presented as “Net Deferred Hedge Losses, net of Taxes” included in Valuation and Translation Adjustments, net of applicable income taxes.
  - (3) “Minority Interests” formerly listed after Liabilities is included in Net Assets.
  - (4) Former “Premises and Equipment” is classified into “Tangible Fixed Assets,” “Intangible Fixed Assets” and “Other Assets.”
  - (5) Software and other items formerly included in “Other Assets” is included in “Intangible Fixed Assets.”
  - (6) Amortization of consolidation differences formerly recognized as “Other Ordinary Expenses” under Ordinary Expenses is included as amortization of intangible fixed assets in “General and Administrative Expenses” under Ordinary Expenses.
43. In response to the “Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations” (ASBJ Report No. 20, September 8, 2006) effective from the interim period ending upon or after the public announcement, MHFG adopted the new accounting standard commencing with this period. This adoption has no effect on the consolidated balance sheet since investment associations deemed subsidiaries in the ASBJ report had already been consolidated.
44. “Accounting Standards for Treasury Shares and Appropriation of Legal Reserve” (ASBJ Statement No. 1, February 21, 2002) and “Guidance on Accounting Standards for Treasury Shares and Appropriation of Legal Reserve” (ASBJ Guidance No. 2, February 21, 2002) were partially revised as of December 27, 2005 and August 11, 2006. Given that the revisions apply to procedures stipulated by the Company Law, MHFG has applied the above standards and guidance commencing with this period. The effect of this application on the consolidated balance sheet is immaterial.

# **CONSOLIDATED STATEMENT OF INCOME** **FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006**

			<i>Millions of yen</i>
<b>Ordinary Income</b>	¥	¥	1,863,970
Interest Income		1,153,833	
<i>Interest on Loans and Bills Discounted</i>		605,511	
<i>Interest and Dividends on Securities</i>		255,464	
Fiduciary Income		33,344	
Fee and Commission Income		305,539	
Trading Income		108,217	
Other Operating Income		137,863	
Other Ordinary Income		125,170	
<b>Ordinary Expenses</b>			1,333,814
Interest Expenses		618,708	
<i>Interest on Deposits</i>		206,150	
<i>Interest on Debentures</i>		18,222	
Fee and Commission Expenses		56,610	
Trading Expenses		3,658	
Other Operating Expenses		62,303	
General and Administrative Expenses		535,340	
Other Ordinary Expenses		57,192	
<b>Ordinary Profits</b>			530,155
<b>Extraordinary Gains</b>			119,326
<b>Extraordinary Losses</b>			16,661
<b>Income before Income Taxes and Minority Interests</b>			632,821
Income Taxes:			
Current			19,610
Deferred			187,040
<b>Minority Interests in Net Income</b>			33,832
<b>Net Income</b>		¥	392,338



## NOTES TO CONSOLIDATED STATEMENT OF INCOME

1. Amounts less than one million yen are rounded down.
2. Net Income per share of common stock for the interim period: ¥33,498.33
3. Diluted Net Income per share of common stock for the interim period: ¥30,787.31
4. Income or expenses on trading transactions are recognized on a trade date basis and are recorded in Trading Income or Trading Expenses on the consolidated statement of income. Trading Income and Trading Expenses include the interest received and the interest paid during the interim period, the gains or losses resulting from any change in the value of securities and monetary claims between the beginning and the end of the interim period, and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of the interim period, assuming they were settled at the end of the interim period.
5. Other Ordinary Income includes gains on sales of stocks of ¥101,529 million.
6. Other Ordinary Expenses includes losses on write-offs of loans of ¥12,758 million, losses on devaluation of stocks of ¥12,747 million, foreign taxes of ¥4,548 million and costs related to consolidating branches of ¥4,245 million.
7. Extraordinary Gains comprises Reversal of Reserves for Possible Losses on Loans of ¥61,306 million, Recovery of Written-off Claims of ¥35,403 million, Reversal of Reserve for Contingencies of ¥11,894 million and Gains on Disposition of Fixed Assets of ¥10,722 million.
8. Extraordinary Losses includes Losses on Disposition of Fixed Assets of ¥13,714 million and Losses on Impairment of Fixed Assets of ¥2,789 million.
9. The differences between the recoverable amount and the book value of the following assets were recognized as Losses on Impairment of Fixed Assets during the interim period:

<i>Millions of yen</i>			
Area	Principal purpose of use	Type	Losses
Tokyo Metropolitan Area	Branch premises to be closed                      1 branch	Land and premises, etc.	877
	Idle assets                      27 items		
Other	Idle assets                      47 items	Land and premises, etc.	1,911

Domestic consolidated banking subsidiaries recognize Losses on Impairment of Fixed Assets for branch premises to be closed and idle assets. For the purposes of identifying impaired assets in such cases, the individual asset is assessed as a unit. The recoverable amount is calculated based on net realizable value. Net realizable value is calculated based on the valuation by road rating with reasonable adjustments to compensate for sites with long depth, etc., and on the appraisal value, and other factors, less estimated cost of disposition.

# CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006

	Shareholders' Equity					Valuation and Translation Adjustments					Minority Interests	Total Net Assets
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Losses, net of Taxes	Revaluation Reserve for Land, net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
<b>Balance as of March 31, 2006</b>	¥ 1,540,965	¥ 411,160	¥ 1,498,143	¥ (46,814)	¥ 3,403,455	¥ 1,279,216	¥ —	¥ 170,384	¥ (48,062)	¥ 1,401,538	¥ 1,359,122	¥ 6,164,116
<b>Changes during the period</b>												
Cash Dividends *	-	-	(79,849)	-	(79,849)	-	-	-	-	-	-	(79,849)
Board Members' Bonuses *	-	-	(36)	-	(36)	-	-	-	-	-	-	(36)
Net Income	-	-	392,338	-	392,338	-	-	-	-	-	-	392,338
Repurchase of Treasury Stock	-	-	-	(603,980)	(603,980)	-	-	-	-	-	-	(603,980)
Disposition of Treasury Stock	-	19	-	24	44	-	-	-	-	-	-	44
Cancellation of Treasury Stock	-	(70)	(618,693)	618,763	-	-	-	-	-	-	-	-
Transfer from Revaluation Reserve for Land, net of Taxes	-	-	9,600	-	9,600	-	-	-	-	-	-	9,600
Net Changes in Items other than Shareholders' Equity	-	-	-	-	-	(82,376)	(103,971)	(9,600)	6,778	(189,170)	(3,748)	(192,919)
<b>Total Changes during the period</b>	-	(50)	(296,640)	14,808	(281,882)	(82,376)	(103,971)	(9,600)	6,778	(189,170)	(3,748)	(474,802)
<b>Balance as of September 30, 2006</b>	¥ 1,540,965	¥ 411,110	¥ 1,201,502	¥ (32,006)	¥ 3,121,572	¥ 1,196,840	¥ (103,971)	¥ 160,783	¥ (41,284)	¥ 1,212,367	¥ 1,355,374	¥ 5,689,314

\* Appropriation of Retained Earnings approved at the ordinary general meeting of shareholders in June 2006.

## NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

1. Amounts less than one million yen are rounded down.

2. Types and number of outstanding shares and of treasury stock are as follows:

	<i>Thousands of Shares</i>				
	As of March 31, 2006	Increase during the period	Decrease during the period	As of September 30, 2006	Remarks
<b>Outstanding shares</b>					
Common stock	12,003	—	131	11,872	*1
Fourth Series Class IV Preferred Stock	150	—	150	—	*2
Sixth Series Class VI Preferred Stock	150	—	150	—	*2
Eleventh Series Class XI Preferred Stock	943	—	—	943	
Thirteenth Series Class XIII Preferred Stock	36	—	—	36	
Total	13,284	—	431	12,852	
<b>Treasury stock</b>					
Common stock	396	0	131	264	*3
Fourth Series Class IV Preferred Stock	—	150	150	—	*2
Sixth Series Class VI Preferred Stock	—	150	150	—	*2
Total	396	300	431	264	

\*1. Decreases are due to cancellation of treasury stock (common stock).

\*2. Increases and decreases are due to repurchase and cancellation of treasury stock (preferred stock).

\*3. Increases are due to repurchase of fractional shares (0 thousand shares), decreases are due to cancellation of treasury stock (131 thousand shares of common stock) and additional purchase of fractional shares (0 thousand shares).

## 3. Cash dividends distributed by MHFG are as follows (non-consolidated basis):

Resolution	Types	Cash Dividends (Millions of yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 27, 2006  Ordinary General Meeting of Shareholders	Common Stock	48,005	4,000	March 31, 2006	June 27, 2006
	Fourth Series Class IV Preferred Stock	7,140	47,600	March 31, 2006	
	Sixth Series Class VI Preferred Stock	6,300	42,000	March 31, 2006	
	Eleventh Series Class XI Preferred Stock	18,874	20,000	March 31, 2006	
	Thirteenth Series Class XIII Preferred Stock	1,100	30,000	March 31, 2006	

4. “Accounting Standards for Statement of Changes in Net Assets” (ASBJ Statement No. 6, December 27, 2005) and “Guidance on Accounting Standards for Statement of Changes in Net Assets” (ASBJ Guidance No. 9, December 27, 2005) took effect as of the interim period ending on or after the enforcement date of the Company Law. Thus, the standards and guidance were adopted commencing with this period, with the “Consolidated Statement of Changes in Net Assets” newly prepared instead of the former “Consolidated Statement of Capital Surplus and Retained Earnings.”

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006

*Millions of yen*

<b>I. Cash Flow from Operating Activities</b>		
Income before Income Taxes and Minority Interests	¥	632,821
Depreciation		63,391
Losses on Impairment of Fixed Assets		2,789
Amortization of Goodwill		758
Equity in Income from Investments in Affiliates		(4,201)
Increase (Decrease) in Reserves for Possible Losses on Loans		(71,426)
Increase (Decrease) in Reserve for Possible Losses on Investments		(128)
Increase (Decrease) in Reserve for Contingencies		(13,802)
Increase (Decrease) in Reserve for Bonus Payments		(8,525)
Increase (Decrease) in Reserve for Employee Retirement Benefits		(1,467)
Interest Income - accrual basis		(1,153,833)
Interest Expenses - accrual basis		618,708
Losses (Gains) on Securities		(100,016)
Losses (Gains) on Money Held in Trust		31
Foreign Exchange Losses (Gains) - net		(30,451)
Losses (Gains) on Disposition of Fixed Assets		2,992
Decrease (Increase) in Trading Assets		(523,687)
Increase(Decrease) in Trading Liabilities		(190,778)
Decrease (Increase) in Loans and Bills Discounted		354,570
Increase(Decrease) in Deposits		(1,107,502)
Increase(Decrease) in Negotiable Certificates of Deposit		265,235
Increase(Decrease) in Debentures		(1,052,665)
Increase(Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)		2,053,014
Decrease (Increase) in Due from Banks (excluding Due from Central Banks)		230,096
Decrease (Increase) in Call Loans, etc.		(2,396,650)
Decrease (Increase) in Guarantee Deposits Paid under Securities Borrowing Transactions		1,076,372
Increase(Decrease) in Call Money, etc.		(279,665)
Increase(Decrease) in Commercial Paper		(20,000)
Increase(Decrease) in Guarantee Deposits Received under Securities Lending Transactions		(898,952)
Decrease (Increase) in Foreign Exchange Assets		28,906
Increase(Decrease) in Foreign Exchange Liabilities		(181,447)
Increase(Decrease) in Short-term Bonds (Liabilities)		(497,416)
Increase(Decrease) in Bonds and Notes		378,851
Increase(Decrease) in Due to Trust Accounts		(209,060)
Interest and Dividend Income - cash basis		1,118,722
Interest Expenses - cash basis		(578,028)
Board Members' Bonuses		(70)
Other - net		(528,489)
Subtotal		(3,021,005)
Cash Paid in Income Taxes		(24,296)
<b>Net Cash Used in Operating Activities</b>		<b>(3,045,302)</b>
<b>II. Cash Flow from Investing Activities</b>		
Payments for Purchase of Securities		(29,222,483)
Proceeds from Sale of Securities		17,578,658
Proceeds from Redemption of Securities		14,226,624
Payments for Increase in Money Held in Trust		(21,114)
Proceeds from Decrease in Money Held in Trust		31,911
Payments for Purchase of Tangible Fixed Assets		(25,568)
Payments for Purchase of Intangible Fixed Assets		(13,537)
Proceeds from Sale of Tangible Fixed Assets		18,148
Proceeds from Sale of Intangible Fixed Assets		214
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)		(800)
<b>Net Cash Provided by Investing Activities</b>		<b>2,572,052</b>
<b>III. Cash Flow from Financing Activities</b>		
Proceeds from Issuance of Subordinated Borrowed Money		34,757
Repayments of Subordinated Borrowed Money		(62,000)
Proceeds from Issuance of Subordinated Bonds		202,191
Payments for Redemption of Subordinated Bonds		(273,700)
Cash Dividends Paid		(79,748)
Cash Dividends Paid to Minority Shareholders		(41,525)
Payments for Repurchase of Treasury Stock		(603,980)
Proceeds from Sale of Treasury Stock		44
<b>Net Cash Used in Financing Activities</b>		<b>(823,961)</b>
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>		<b>657</b>
<b>V. Net Decrease in Cash and Cash Equivalents</b>		<b>(1,296,553)</b>
<b>VI. Cash and Cash Equivalents at the beginning of the fiscal year</b>		<b>3,387,929</b>
<b>VII. Decrease in Cash and Cash Equivalents for Exclusion from Scope of Consolidation</b>		<b>(0)</b>
<b>VIII. Cash and Cash Equivalents at the end of the period</b>	¥	<b>2,091,375</b>

## NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

1. Amounts less than one million yen are rounded down.
2. For the purpose of the consolidated statement of cash flows, Cash and Cash Equivalents consist of cash and due from central banks included in Cash and Due from Banks on the consolidated balance sheet.
3. Cash and Cash Equivalents on the consolidated statement of cash flows at the end of the period reconciles to Cash and Due from Banks on the consolidated balance sheet as follows:

Millions of yen

Cash and Due from Banks	¥3,490,918
<u>Due from Banks excluding central banks</u>	<u>(1,399,542)</u>
Cash and Cash Equivalents	¥2,091,375

4. The appendix forms of the “Banking Law Enforcement Regulations” (Ministry of Finance Ordinance No. 10, 1982) have been revised by the “Cabinet Office Ordinance to Amend Part of Detailed Enforcement Regulations on Mutual Loan Business Law and Banking Law” (Cabinet Office Ordinance No. 60, April 28, 2006). In accordance with the application of the revised regulations commencing with the fiscal year beginning on or after April 1, 2006, the presentation of the consolidated statement of cash flows has been changed as follows:
  - (1) Former “Amortization of Consolidation Differences” is included in “Amortization of Goodwill.”
  - (2) Former “Losses (Gains) on Disposition of Premises and Equipment” is presented as “Losses (Gains) on Disposition of Fixed Assets” following the new classification of former “Premises and Equipment” on the consolidated balance sheet into “Tangible Fixed Assets,” “Intangible Fixed Assets” and others.  
Former “Payments for Purchase of Premises and Equipment” is presented as “Payments for Purchase of Tangible Fixed Assets” and others, and former “Proceeds from Sale of Premises and Equipment” is presented as “Proceeds from Sale of Tangible Fixed Assets” and others.
  - (3) Payments for purchase and proceeds from sale of software and others formerly included in “Other – net” under “Cash Flow from Operating Activities” is included in “Payments for Purchase of Intangible Fixed Assets” and “Proceeds from Sale of Intangible Fixed Assets” under “Cash Flow from Investing Activities.”

## SEGMENT INFORMATION

## 1. Segment Information by Type of Business

For the six months ended September 30, 2005

*Millions of yen*

	Banking Business	Securities Business	Other	Total	Elimination	Consolidated Results
Ordinary Income						
(1) Ordinary Income from outside customers	1,356,849	246,372	98,420	1,701,642	—	1,701,642
(2) Inter-segment Ordinary Income	12,883	17,840	49,149	79,873	( 79,873 )	—
Total	1,369,732	264,212	147,570	1,781,516	( 79,873 )	1,701,642
Ordinary Expenses	997,114	194,147	131,044	1,322,306	( 73,684 )	1,248,621
Ordinary Profits	372,618	70,065	16,525	459,209	( 6,188 )	453,021

Notes: 1. Ordinary Income and Ordinary Profits are presented in lieu of Sales and Operating Profits as utilized by non-financial companies.

2. Major components of type of business are as follows:

- (1) Banking Business: banking and trust banking business
- (2) Securities Business: securities business
- (3) Other: credit card business, investment advisory business and other

For the six months ended September 30, 2006

*Millions of yen*

	Banking Business	Securities Business	Other	Total	Elimination	Consolidated Results
Ordinary Income						
(1) Ordinary Income from outside customers	1,488,724	296,261	78,983	1,863,970	—	1,863,970
(2) Inter-segment Ordinary Income	18,925	30,790	57,076	106,793	( 106,793 )	—
Total	1,507,650	327,052	136,060	1,970,763	( 106,793 )	1,863,970
Ordinary Expenses	1,036,921	276,100	119,934	1,432,956	( 99,142 )	1,333,814
Ordinary Profits	470,729	50,951	16,126	537,807	( 7,651 )	530,155

Notes: 1. Ordinary Income and Ordinary Profits are presented in lieu of Sales and Operating Profits as utilized by non-financial companies.

2. Major components of type of business are as follows:

- (1) Banking Business: banking and trust banking business
- (2) Securities Business: securities business
- (3) Other: investment advisory business and other

For the fiscal year ended March 31, 2006

*Millions of yen*

	Banking Business	Securities Business	Other	Total	Elimination	Consolidated Results
Ordinary Income						
(1) Ordinary Income from outside customers	2,813,124	558,830	185,594	3,557,549	—	3,557,549
(2) Inter-segment Ordinary Income	24,379	48,741	115,480	188,600	( 188,600 )	—
Total	2,837,503	607,572	301,075	3,746,150	( 188,600 )	3,557,549
Ordinary Expenses	2,121,573	438,404	258,502	2,818,479	( 181,999 )	2,636,480
Ordinary Profits	715,930	169,167	42,572	927,670	( 6,601 )	921,069

Notes: 1. Ordinary Income and Ordinary Profits are presented in lieu of Sales and Operating Profits as utilized by non-financial companies.

2. Major components of type of business are as follows:

- (1) Banking Business: banking and trust banking business
- (2) Securities Business: securities business
- (3) Other: investment advisory business and other

## 2. Segment Information by Geographic Area

For the six months ended September 30, 2005

Millions of yen

	Japan	Americas	Europe	Asia/Oceania excluding Japan	Total	Elimination	Consolidated Results
Ordinary Income							
(1) Ordinary Income from outside customers	1,357,032	161,315	126,203	57,092	1,701,642	—	1,701,642
(2) Inter-segment Ordinary Income	26,316	68,448	13,982	3,779	112,527	( 112,527 )	—
Total	1,383,348	229,763	140,186	60,871	1,814,170	( 112,527 )	1,701,642
Ordinary Expenses	976,239	195,297	124,812	46,246	1,342,595	( 93,973 )	1,248,621
Ordinary Profits	407,109	34,466	15,374	14,625	471,575	( 18,554 )	453,021

Notes: 1. Geographic analyses are presented based on geographic contiguity, similarities in economic activities and correlation between business operations. Ordinary Income and Ordinary Profits are presented in lieu of Sales and Operating Profits as utilized by non-financial companies.

2. Americas includes the United States of America and Canada, etc., Europe includes the United Kingdom, etc. and Asia/Oceania includes Hong Kong and the Republic of Singapore, etc.

For the six months ended September 30, 2006

Millions of yen

	Japan	Americas	Europe	Asia/Oceania excluding Japan	Total	Elimination	Consolidated Results
Ordinary Income							
(1) Ordinary Income from outside customers	1,292,138	278,858	196,835	96,137	1,863,970	—	1,863,970
(2) Inter-segment Ordinary Income	25,212	64,508	19,088	2,215	111,024	( 111,024 )	—
Total	1,317,350	343,366	215,924	98,353	1,974,994	( 111,024 )	1,863,970
Ordinary Expenses	849,902	311,172	201,118	78,801	1,440,995	( 107,180 )	1,333,814
Ordinary Profits	467,448	32,194	14,805	19,551	533,999	( 3,843 )	530,155

Notes: 1. Geographic analyses are presented based on geographic contiguity, similarities in economic activities, and correlation between business operations. Ordinary Income and Ordinary Profits are presented in lieu of Sales and Operating Profits as utilized by non-financial companies.

2. Americas includes the United States of America and Canada, etc., Europe includes the United Kingdom, etc. and Asia/Oceania includes Hong Kong and the Republic of Singapore, etc.

For the fiscal year ended March 31, 2006

Millions of yen

	Japan	Americas	Europe	Asia/Oceania excluding Japan	Total	Elimination	Consolidated Results
Ordinary Income							
(1) Ordinary Income from outside customers	2,724,307	413,195	314,021	106,025	3,557,549	—	3,557,549
(2) Inter-segment Ordinary Income	52,129	118,943	59,183	40,604	270,861	( 270,861 )	—
Total	2,776,437	532,139	373,205	146,629	3,828,411	( 270,861 )	3,557,549
Ordinary Expenses	2,014,512	451,753	293,742	113,076	2,873,084	( 236,603 )	2,636,480
Ordinary Profits	761,925	80,385	79,462	33,552	955,326	( 34,257 )	921,069

Notes: 1. Geographic analyses are presented based on geographic contiguity, similarities in economic activities, and correlation between business operations. Ordinary Income and Ordinary Profits are presented in lieu of Sales and Operating Profits as utilized by non-financial companies.

2. Americas includes the United States of America and Canada, etc., Europe includes the United Kingdom, etc. and Asia/Oceania includes Hong Kong and the Republic of Singapore, etc.



### 3. Ordinary Income from Overseas Entities

For the six months ended September 30, 2005

*Millions of yen*

Ordinary Income from Overseas Entities	Total Ordinary Income	Ordinary Income of Overseas Entities' Ratio
344,610	1,701,642	20.2%

Notes: 1. Ordinary Income from Overseas Entities is presented in lieu of Sales as utilized by non-financial companies.

2. Ordinary Income from Overseas Entities represents Ordinary Income recorded by overseas branches of domestic subsidiaries and overseas subsidiaries excluding inter-segment Ordinary Income.

Geographical analyses of Ordinary Income from Overseas Entities are not presented as no such information is available.

**For the six months ended September 30, 2006**

*Millions of yen*

Ordinary Income from Overseas Entities	Total Ordinary Income	Ordinary Income of Overseas Entities' Ratio
<b>571,831</b>	<b>1,863,970</b>	<b>30.6%</b>

Notes: 1. Ordinary Income from Overseas Entities is presented in lieu of Sales as utilized by non-financial companies.

2. Ordinary Income from Overseas Entities represents Ordinary Income recorded by overseas branches of domestic subsidiaries and overseas subsidiaries excluding inter-segment Ordinary Income.

Geographical analyses of Ordinary Income from Overseas Entities are not presented as no such information is available.

For the fiscal year ended March 31, 2006

*Millions of yen*

Ordinary Income from Overseas Entities	Total Ordinary Income	Ordinary Income of Overseas Entities' Ratio
833,242	3,557,549	23.4%

Notes: 1. Ordinary Income from Overseas Entities is presented in lieu of Sales as utilized by non-financial companies.

2. Ordinary Income from Overseas Entities represents Ordinary Income recorded by overseas branches of domestic subsidiaries and overseas subsidiaries excluding inter-segment Ordinary Income.

Geographical analyses of Ordinary Income from Overseas Entities are not presented as no such information is available.

## MANUFACTURING, ORDER-BOOK AND RETAIL SITUATION

There is no applicable information on "Manufacturing, order-book and retail situation."

## MARKET VALUE INFORMATION ON DERIVATIVE TRANSACTIONS

Please refer to the EDINET system.

## COMPARISON OF CONSOLIDATED BALANCE SHEETS (selected items)

						Millions of yen	
	As of September 30, 2006 (A)	As of September 30, 2005 (B)	Change (A) - (B)	As of March 31, 2006 (C)	Change (A) - (C)		
<b>Assets</b>							
Cash and Due from Banks	¥ 3,490,918	¥ 5,124,514	¥ (1,633,596)	¥ 5,016,216	¥ (1,525,297)		
Call Loans and Bills Purchased	458,825	316,184	142,640	938,435	(479,610)		
Receivables under Resale Agreements	8,655,773	6,146,366	2,509,407	5,976,043	2,679,730		
Guarantee Deposits Paid under Securities Borrowing Transactions	7,567,197	8,848,749	(1,281,551)	8,643,570	(1,076,372)		
Other Debt Purchased	2,907,480	1,435,121	1,472,359	2,476,132	431,348		
Trading Assets	10,584,892	11,389,933	(805,040)	10,007,149	577,742		
Money Held in Trust	39,024	42,783	(3,759)	49,898	(10,873)		
Securities	37,093,870	38,447,107	(1,353,236)	37,702,957	(609,086)		
Loans and Bills Discounted	65,062,729	63,811,414	1,251,315	65,408,672	(345,942)		
Foreign Exchange Assets	781,032	844,340	(63,308)	809,205	(28,173)		
Other Assets	5,916,106	5,443,942	472,164	6,463,242	(547,136)		
Tangible Fixed Assets	796,615	—	796,615	—	796,615		
Intangible Fixed Assets	237,804	—	237,804	—	237,804		
Premises and Equipment	—	983,510	(983,510)	955,888	(955,888)		
Deferred Debenture Charges	58	269	(211)	267	(209)		
Deferred Tax Assets	378,429	795,742	(417,312)	423,572	(45,142)		
Customers' Liabilities for Acceptances and Guarantees	5,735,419	4,274,258	1,461,160	5,556,929	178,489		
Reserves for Possible Losses on Loans	(742,778)	(1,014,562)	271,784	(814,178)	71,399		
Reserve for Possible Losses on Investments	(1,080)	(1,676)	596	(1,208)	128		
<b>Total Assets</b>	<b>¥ 148,962,319</b>	<b>¥ 146,887,998</b>	<b>¥ 2,074,320</b>	<b>¥ 149,612,794</b>	<b>¥ (650,474)</b>		
<b>Liabilities</b>							
Deposits	¥ 71,912,235	¥ 71,923,164	¥ (10,929)	¥ 73,007,994	¥ (1,095,758)		
Negotiable Certificates of Deposit	9,624,366	8,479,821	1,144,545	9,359,131	265,235		
Debentures	5,553,640	7,242,231	(1,688,591)	6,606,305	(1,052,665)		
Call Money and Bills Sold	7,229,632	8,362,955	(1,133,323)	9,466,054	(2,236,421)		
Payables under Repurchase Agreements	12,345,445	10,976,813	1,368,631	10,079,585	2,265,860		
Guarantee Deposits Received under Securities Lending Transactions	6,402,587	6,413,986	(11,399)	7,301,540	(898,952)		
Commercial Paper	30,000	51,400	(21,400)	50,000	(20,000)		
Trading Liabilities	7,743,727	8,809,022	(1,065,294)	7,880,634	(136,907)		
Borrowed Money	4,794,865	2,697,826	2,097,038	2,768,811	2,026,053		
Foreign Exchange Liabilities	208,210	361,597	(153,387)	389,638	(181,427)		
Short-term Bonds	887,683	2,359,900	(1,472,216)	1,385,100	(497,416)		
Bonds and Notes	2,815,959	2,423,541	392,417	2,488,498	327,461		
Due to Trust Accounts	1,145,828	1,497,206	(351,377)	1,354,889	(209,060)		
Other Liabilities	6,483,986	5,903,351	580,635	5,382,931	1,101,054		
Reserve for Bonus Payments	27,572	25,498	2,074	35,374	(7,801)		
Reserve for Employee Retirement Benefits	37,201	37,622	(420)	38,616	(1,415)		
Reserve for Contingencies	31,764	40,136	(8,371)	45,567	(13,802)		
Reserves under Special Laws	2,509	2,043	465	2,352	157		
Deferred Tax Liabilities	146,130	36,854	109,275	127,847	18,282		
Deferred Tax Liabilities for Revaluation Reserve for Land	114,236	127,662	(13,425)	120,873	(6,636)		
Acceptances and Guarantees	5,735,419	4,274,258	1,461,160	5,556,929	178,489		
<b>Total Liabilities</b>	<b>143,273,005</b>	<b>142,046,896</b>	<b>1,226,109</b>	<b>143,448,677</b>	<b>(175,672)</b>		
<b>Net Assets</b>							
<b>Total Shareholders' Equity</b>	<b>3,121,572</b>	<b>—</b>	<b>3,121,572</b>	<b>—</b>	<b>3,121,572</b>		
<b>Total Valuation and Translation Adjustments</b>	<b>1,212,367</b>	<b>—</b>	<b>1,212,367</b>	<b>—</b>	<b>1,212,367</b>		
Minority Interests	1,355,374	—	1,355,374	—	1,355,374		
<b>Total Net Assets</b>	<b>5,689,314</b>	<b>—</b>	<b>5,689,314</b>	<b>—</b>	<b>5,689,314</b>		
<b>Total Liabilities and Net Assets</b>	<b>¥ 148,962,319</b>	<b>¥ —</b>	<b>¥ 148,962,319</b>	<b>¥ —</b>	<b>¥ 148,962,319</b>		
<b>Minority Interests</b>							
Minority Interests	—	1,157,819	(1,157,819)	1,359,122	(1,359,122)		
<b>Shareholders' Equity</b>							
<b>Total Shareholders' Equity</b>	<b>—</b>	<b>3,683,283</b>	<b>(3,683,283)</b>	<b>4,804,993</b>	<b>(4,804,993)</b>		
<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	<b>¥ —</b>	<b>¥ 146,887,998</b>	<b>¥ (146,887,998)</b>	<b>¥ 149,612,794</b>	<b>¥ (149,612,794)</b>		

Note : Amounts less than one million yen are rounded down.

## COMPARISON OF CONSOLIDATED STATEMENTS OF INCOME (selected items)

				<i>Millions of yen</i>	
	For the six months ended September 30, 2006	For the six months ended September 30, 2005	Change	For the fiscal year ended March 31, 2006	
<b>Ordinary Income</b>	¥ 1,863,970	¥ 1,701,642	¥ 162,327	¥ 3,557,549	
Interest Income	1,153,833	904,469	249,363	1,935,048	
<i>Interest on Loans and Bills Discounted</i>	605,511	522,111	83,400	1,071,892	
<i>Interest and Dividends on Securities</i>	255,464	196,704	58,759	456,749	
Fiduciary Income	33,344	34,103	(759)	78,843	
Fee and Commission Income	305,539	301,915	3,624	650,549	
Trading Income	108,217	82,921	25,296	211,029	
Other Operating Income	137,863	201,097	(63,233)	354,481	
Other Ordinary Income	125,170	177,134	(51,963)	327,595	
<b>Ordinary Expenses</b>	1,333,814	1,248,621	85,192	2,636,480	
Interest Expenses	618,708	371,301	247,407	872,403	
<i>Interest on Deposits</i>	206,150	100,699	105,450	249,176	
<i>Interest on Debentures</i>	18,222	26,307	(8,085)	48,208	
Fee and Commission Expenses	56,610	46,496	10,113	94,614	
Trading Expenses	3,658	1,401	2,257	6,088	
Other Operating Expenses	62,303	59,487	2,815	254,408	
General and Administrative Expenses	535,340	548,388	(13,048)	1,095,243	
Other Ordinary Expenses	57,192	221,546	(164,353)	313,722	
<b>Ordinary Profits</b>	530,155	453,021	77,134	921,069	
<b>Extraordinary Gains</b>	119,326	64,666	54,660	174,616	
<b>Extraordinary Losses</b>	16,661	23,407	(6,746)	115,543	
<b>Income before Income Taxes and Minority Interests</b>	632,821	494,279	138,541	980,142	
Income Taxes:					
Current	19,610	24,897	(5,287)	64,038	
Deferred	187,040	89,485	97,554	185,035	
<b>Minority Interests in Net Income</b>	33,832	41,305	(7,473)	81,164	
<b>Net Income</b>	¥ 392,338	¥ 338,590	¥ 53,747	¥ 649,903	

Note : Amounts less than one million yen are rounded down.

## COMPARISON OF CONSOLIDATED STATEMENT OF CAPITAL SURPLUS AND RETAINED EARNINGS (selected items)

	Shareholders' Equity					Valuation and Translation Adjustments							Total Net Assets	
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Losses, net of Taxes	Revaluation Reserve for Land, net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets		
<b>Balance as of March 31, 2006</b>	<b>¥ 1,540,965</b>	<b>¥ 411,160</b>	<b>¥ 1,498,143</b>	<b>¥ (46,814)</b>	<b>¥ 3,403,455</b>	<b>¥ 1,279,216</b>	<b>¥ —</b>	<b>¥ 170,384</b>	<b>¥ (48,062)</b>	<b>¥ 1,401,538</b>	<b>¥ 1,359,122</b>	<b>¥ 6,164,116</b>		
<b>Changes during the period</b>														
Cash Dividends *	-	-	(79,849)	-	(79,849)	-	-	-	-	-	-	(79,849)		
Board Members' Bonuses *	-	-	(36)	-	(36)	-	-	-	-	-	-	(36)		
Net Income	-	-	392,338	-	392,338	-	-	-	-	-	-	392,338		
Repurchase of Treasury Stock	-	-	-	(603,980)	(603,980)	-	-	-	-	-	-	(603,980)		
Disposition of Treasury Stock	-	19	-	24	44	-	-	-	-	-	-	44		
Cancellation of Treasury Stock	-	(70)	(618,693)	618,763	-	-	-	-	-	-	-	-		
Transfer from Revaluation Reserve for Land, net of Taxes	-	-	9,600	-	9,600	-	-	-	-	-	-	9,600		
Net Changes in Items other than Shareholders' Equity	-	-	-	-	-	(82,376)	(103,971)	(9,600)	6,778	(189,170)	(3,748)	(192,919)		
<b>Total Changes during the period</b>	<b>-</b>	<b>(50)</b>	<b>(296,640)</b>	<b>14,808</b>	<b>(281,882)</b>	<b>(82,376)</b>	<b>(103,971)</b>	<b>(9,600)</b>	<b>6,778</b>	<b>(189,170)</b>	<b>(3,748)</b>	<b>(474,802)</b>		
<b>Balance as of September 30, 2006</b>	<b>¥ 1,540,965</b>	<b>¥ 411,110</b>	<b>¥ 1,201,502</b>	<b>¥ (32,006)</b>	<b>¥ 3,121,572</b>	<b>¥ 1,196,840</b>	<b>¥ (103,971)</b>	<b>¥ 160,783</b>	<b>¥ (41,284)</b>	<b>¥ 1,212,367</b>	<b>¥ 1,355,374</b>	<b>¥ 5,689,314</b>		

\* Appropriation of Retained Earnings approved at the ordinary general meeting of shareholders in June 2006.

	For the six months ended September 30, 2005		For the fiscal year ended March 31, 2006	
	¥		¥	
<b>Capital Surplus</b>				
Balance at the beginning of the fiscal year	¥	1,022,571	¥	1,022,571
Increases		7		516,262
Decreases		952,913		1,127,672
Balance at the end of the period/fiscal year	¥	69,665	¥	411,160
<b>Retained Earnings</b>				
Balance at the beginning of the fiscal year	¥	1,048,530	¥	1,048,530
Increases		350,806		675,762
Decreases		75,883		226,149
Balance at the end of the period/fiscal year	¥	1,323,453	¥	1,498,143

Note: Amounts less than one million yen are rounded down.

## COMPARISON OF CONSOLIDATED STATEMENTS OF CASH FLOWS (selected items)

	For the six months ended September 30, 2006		For the six months ended September 30, 2005		Change	For the fiscal year ended March 31, 2006		
I. Cash Flow from Operating Activities								
Income before Income Taxes and Minority Interests	¥	632,821	¥	494,279	¥	138,541	¥	980,142
Depreciation		63,391		59,267		4,124		119,417
Losses on Impairment of Fixed Assets		2,789		16,585		(13,796)		22,360
Amortization of Goodwill		758		—		758		—
Amortization of Consolidation Differences		—		1		(1)		68
Equity in Income from Investments in Affiliates		(4,201)		(4,795)		594		(9,161)
Increase (Decrease) in Reserves for Possible Losses on Loans		(71,426)		(132,446)		61,020		(333,202)
Increase (Decrease) in Reserve for Possible Losses on Investments		(128)		(4,575)		4,446		(5,042)
Increase (Decrease) in Reserve for Contingencies		(13,802)		30,028		(43,830)		35,459
Increase (Decrease) in Reserve for Bonus Payments		(8,525)		(8,901)		375		633
Increase (Decrease) in Reserve for Employee Retirement Benefits		(1,467)		485		(1,952)		1,330
Interest Income - accrual basis		(1,153,833)		(904,469)		(249,363)		(1,935,048)
Interest Expenses - accrual basis		618,708		371,301		247,407		872,403
Losses (Gains) on Securities		(100,016)		(77,973)		(22,042)		(39,952)
Losses (Gains) on Money Held in Trust		31		(142)		174		(437)
Foreign Exchange Losses (Gains) - net		(30,451)		(133,150)		102,698		(241,237)
Losses (Gains) on Disposition of Fixed Assets		2,992		—		2,992		—
Losses (Gains) on Disposition of Premises and Equipment		—		(1,591)		1,591		(3,723)
Decrease (Increase) in Trading Assets		(523,687)		(315,948)		(207,739)		1,122,067
Increase(Decrease) in Trading Liabilities		(190,778)		850,965		(1,041,744)		(124,224)
Decrease (Increase) in Loans and Bills Discounted		354,570		(777,902)		1,132,472		(2,266,529)
Increase(Decrease) in Deposits		(1,107,502)		2,420,401		(3,527,904)		3,464,844
Increase(Decrease) in Negotiable Certificates of Deposit		265,235		(2,388,674)		2,653,910		(1,509,370)
Increase(Decrease) in Debentures		(1,052,665)		(552,841)		(499,824)		(1,188,767)
Increase(Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)		2,053,014		118,398		1,934,615		161,779
Decrease (Increase) in Due from Banks (excluding Due from Central Banks)		230,096		(182,592)		412,689		(399,103)
Decrease (Increase) in Call Loans, etc.		(2,396,650)		(1,401,131)		(995,519)		(2,722,165)
Decrease (Increase) in Guarantee Deposits Paid under Securities Borrowing Transactions		1,076,372		(168,411)		1,244,783		36,770
Increase(Decrease) in Call Money, etc.		(279,665)		2,519,634		(2,799,299)		2,552,697
Increase(Decrease) in Commercial Paper		(20,000)		(1,345,800)		1,325,800		(1,347,200)
Increase(Decrease) in Guarantee Deposits Received under Securities Lending Transactions		(898,952)		(1,221,049)		322,096		(333,495)
Decrease (Increase) in Foreign Exchange Assets		28,906		(127,696)		156,603		(91,837)
Increase(Decrease) in Foreign Exchange Liabilities		(181,447)		68,781		(250,228)		96,563
Increase(Decrease) in Short-term Bonds (Liabilities)		(497,416)		2,099,600		(2,597,016)		1,124,800
Increase(Decrease) in Bonds and Notes		378,851		42,057		336,794		104,042
Increase(Decrease) in Due to Trust Accounts		(209,060)		129,636		(338,697)		(12,680)
Interest and Dividend Income - cash basis		1,118,722		905,355		213,366		1,940,172
Interest Expenses - cash basis		(578,028)		(380,295)		(197,732)		(879,807)
Board Members' Bonuses		(70)		—		(70)		—
Other - net		(528,489)		(224,063)		(304,425)		(618,666)
Subtotal		(3,021,005)		(227,673)		(2,793,332)		(1,426,099)
Cash Paid in Income Taxes		(24,296)		(66,701)		42,404		(243,028)
Net Cash Provided by (Used in) Operating Activities		(3,045,302)		(294,374)		(2,750,927)		(1,669,128)
II. Cash Flow from Investing Activities								
Payments for Purchase of Securities		(29,222,483)		(41,414,297)		12,191,814		(66,512,317)
Proceeds from Sale of Securities		17,578,658		20,348,175		(2,769,516)		30,852,118
Proceeds from Redemption of Securities		14,226,624		20,353,611		(6,126,987)		35,572,415
Payments for Increase in Money Held in Trust		(21,114)		(14,211)		(6,903)		(50,347)
Proceeds from Decrease in Money Held in Trust		31,911		240		31,670		29,433
Payments for Purchase of Tangible Fixed Assets		(25,568)		—		(25,568)		—
Payments for Purchase of Intangible Fixed Assets		(13,537)		—		(13,537)		—
Payments for Purchase of Premises and Equipment		—		(31,413)		31,413		(58,263)
Proceeds from Sale of Tangible Fixed Assets		18,148		—		18,148		—
Proceeds from Sale of Intangible Fixed Assets		214		—		214		—
Proceeds from Sale of Premises and Equipment		—		39,074		(39,074)		67,722
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)		(800)		—		(800)		(25)
Net Cash Provided by (Used in) Investing Activities		2,572,052		(718,821)		3,290,874		(99,262)
III. Cash Flow from Financing Activities								
Proceeds from Issuance of Subordinated Borrowed Money		34,757		88,000		(53,242)		278,000
Repayments of Subordinated Borrowed Money		(62,000)		(144,932)		82,932		(307,054)
Proceeds from Issuance of Subordinated Bonds		202,191		226,574		(24,383)		367,177
Payments for Redemption of Subordinated Bonds		(273,700)		(222,309)		(51,390)		(386,515)
Proceeds from Investments in Minority Shareholders		—		—		—		141,857
Cash Dividends Paid		(79,748)		(75,883)		(3,864)		(75,725)
Cash Dividends Paid to Minority Shareholders		(41,525)		(36,778)		(4,747)		(50,478)
Payments for Repurchase of Treasury Stock		(603,980)		(693,197)		89,216		(944,321)
Proceeds from Sale of Treasury Stock		44		32		12		530,388
Net Cash Used in Financing Activities		(823,961)		(858,493)		34,532		(446,671)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		657		(120)		778		928
V. Net Decrease in Cash and Cash Equivalents		(1,296,553)		(1,871,810)		575,256		(2,214,133)
VI. Cash and Cash Equivalents at the beginning of the fiscal year		3,387,929		5,602,062		(2,214,133)		5,602,062
VII. Decrease in Cash and Cash Equivalents for Exclusion from Scope of Consolidation		(0)		—		(0)		—
VIII. Cash and Cash Equivalents at the end of the period/fiscal year	¥	2,091,375	¥	3,730,252	¥	(1,638,876)	¥	3,387,929

Note: Amounts less than one million yen are rounded down.