Management Structure

Management Framework

Group Management Framework

As the financial holding company, MHFG manages principal banking subsidiaries and other core group companies* including banks, the trust bank, securities companies directly, and other group companies indirectly via principal banking subsidiaries and other core group companies. Bearing in mind the basic policies formulated by MHFG, individual group companies make the most of their own expertise and have established an organization that allows them to satisfy the many and varied needs of customers through stronger mutual cooperation.

Corporate Governance Structure

We devote our efforts to making our corporate management more transparent and efficient and carrying out our business activities with integrity and fairness in conformity with social standards. To this end, we position compliance as one of the fundamental principles of sound business management and comply strictly with all laws, ordinances, rules and regulations.

● Board of Directors

MHFG's board of directors consists of nine members who set management policy and determine important matters for MHFG and its group companies, and supervise the manner in which directors and executive officers fulfill their duties. Three of its members are outside directors who participate in board meetings to strengthen the management and monitoring functions of the board of directors from a position that is independent of the actual execution of duties.

To ensure transparency and objectivity in personnel matters relating to the board of directors and directors' remuneration, MHFG has established two advisory bodies, the nominating committee and the compensation committee, both of which include outside directors.

● Corporate Auditors

MHFG has adopted a corporate auditor system consisting of five corporate auditors, three of whom are outside corporate auditors. The corporate auditors monitor whether operational execution by directors is legal by attending board meetings and expressing their views.

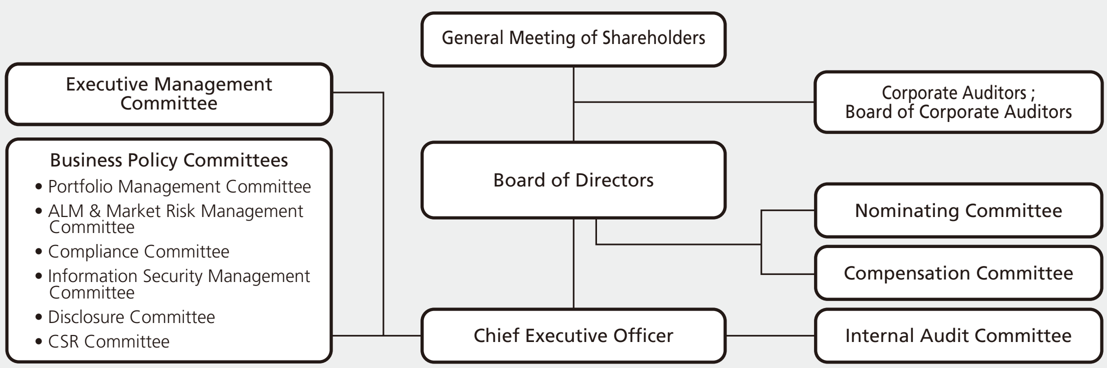
● Execution of Duties

MHFG has adopted the executive officer system in order to separate the managerial auditing function from the execution of duties, and clarify lines of authority and responsibility. The chief executive officer controls MHFG's overall business with ultimate responsibility for execution of duties according to the fundamental management policies determined by the board of directors. MHFG has established the executive management committee to serve as an advisory body to the chief executive officer and discuss important matters concerning the execution of duties. It has also set up business policy committees, including the compliance committee, the information security management committee and the disclosure committee to facilitate the discussion and coordination of company-wide issues of concern to the executive officers.

● Internal Audit Group

MHFG has established the internal audit committee to fulfill an internal audit function under the chairmanship of the chief executive officer. The committee discusses and determines important matters concerning internal audit

Management Structure of Mizuho



on the basis of the basic policy determined by the board and reports all decisions made by the committee to the board. To ensure independence of the internal audit function from the audited sections, we separate the Internal Audit Group from the groups which it audits and establish it as an independent group in its own right under the control of the internal audit committee. Outside specialists (one lawyer and one accountant) participate in the internal audit committee as special members to reinforce its expertise and objectivity.

*Principal banking subsidiaries and other core group companies:
MHCB, MHBK, MHTB, MHSC, MHIS, TCSB, Dai-Ichi Kangyo Asset Management (DKA), Fuji Investment Management (FIMCO), DIAM, MHRI, MHIR, MHFS, MHPW
On July 1, 2007, DKA and FIMCO merged to become MHAM.

(As of June 26, 2007)

Profit Management System

Profit Management System Based on Legally Separate Subsidiaries in Accordance with Customer Segmentation and Business Functions

We have adopted the basic policy of reinforcing our financial strength by vigorously increasing profitability and cutting costs. Centered on MHFG, we conduct profit management for the group based primarily on our principal banking subsidiaries and other core group companies.

More specifically, we have clarified the strategic positions of our principal banking subsidiaries and other core group companies within the group on the basis of our group business portfolio strategy and, having ensured their autonomy and independence while bringing them closer together through the unifying force of MHFG, we are seeking to maximize group corporate value.

Based on our principal banking subsidiaries and other core group companies, MHFG is making efforts to optimize its business portfolio, managing profits through the following:

- formulating plans for net business profits and net income, and carrying out performance management,
- allocating management resources such as personnel, investment and risk capital, and
- risk controls and profitability assessments based on allocation of risk capital.

Further, our principal banking subsidiaries and certain other core group companies establish their own profit plans for and manage the performance of their respective company's business group/units based on the management policy, overall profit plans and resource allocations drawn up by MHFG.

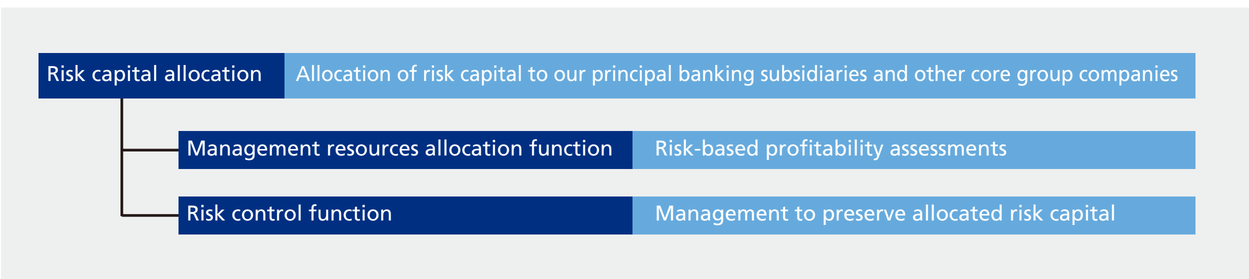
The above group companies have also introduced the allocation of risk capital among each company's business groups/units, which is one of the most important management frameworks of the group. Each group company engages in business activities within the limits of that risk capital and RAROC is then used as a performance index to evaluate the return on allocated risk capital.

Basically, the group companies have adopted a common profit management system and framework, but in actual operations, each takes a flexible and swift approach best suited for its individual business models.

Consolidated Profit Management

While each principal banking subsidiary or core group company works to enhance its own profitability, we manage their profits on a consolidated basis as a means of building an optimal business portfolio that is balanced for the entire group.

Specifically, in addition to our principal banking subsidiaries and other core group companies, we formulate



profit plans and manage performance for the strategically important subsidiaries and include their profits with those of our principal banking subsidiaries and other core group companies.

Allocation of Risk Capital

In an environment where the financial sector faces progressive deregulation and globalization, and financial technology is growing in sophistication, financial institutions must strengthen their profitability while managing various types of risk.

Based on MHFG's business portfolio strategy, we have built a management structure under which optimized business activities are conducted within the limits of allocations of risk capital drawn from equity capital and other sources.

Under this framework, RAROC is used as an index to evaluate performance in terms of return on allocated risk capital at the level of the holding company and our principal banking subsidiaries and other core group companies. Our aim as a group is to improve capital efficiency by allocating resources more efficiently based on the results of these evaluations.

Glossary

▶ RAROC (Risk-Adjusted Return on Capital)

RAROC is a measure of the profitability of allocated capital and is used as an index for assessing capital efficiency. RAROC is calculated by dividing risk-adjusted profits (profits adjusted to reflect statistically expected risk) by capital.

(As of June 26, 2007)

Human Resources System

Vision for Human Resources: ROE on Human Resources Investment

The group and its employees have set a shared vision for human resources as follows:

"We promote the 'ROE' principle for human resources with a view to lasting value creation and creating an attractive and fulfilling working environment for employees."

In this vision, "ROE" stands for the following:

ROE on Human Resources Investment	
Responsibility:	Observe the principles of independent judgment and self-accountability.
Opportunity:	Provide equal opportunity.
Employability:	Develop expertise to enhance competitiveness.

Establishing a Corporate Culture Full of Vitality

We have established the following five values as the group's common code of conduct. These values, serving as the axis of our personnel evaluation system used by general managers, along with the 360-degree employee performance evaluation*, are being instilled in all employees of the group.

(1) Possessing a "customer-first" corporate objective.

(2) Facing the challenges of innovation.

(3) Being rational and fair in making decisions.

(4) Placing importance on speed.

(5) Being accountable for all actions.

*Personnel evaluation scheme whereby personal evaluations of managers involve subordinates and persons from other divisions with whom they have close working relationships.

Optimizing the Uniqueness of Group Companies and Synergies

Employees are employed by one of the group companies (MHFG, MHCB, MHBK, MHTB, MHSC, MHIR) with the aim of creating a group of specialists that can deliver maximum innovativeness and speed.

At the same time, facilitated by the group's common compensation system (group-wide common platform for human resources), we are able to maximize group synergy through cross-company personnel transfers to place the right person in the right job.

Promoting the "Professional Career Path"

We have put in place multi-featured compensation systems that meet the needs of employees and the increasingly fluid labor market.

One example is the promotion of the "Professional Career Path," with a salary system that is in line with market standards.

Rejuvenating the Organization and Pursuing Specialization

In January 2003, we launched an internal job application system for branch general manager positions to encourage the quick development and advancement of younger employees. As of May 31, 2007, we achieved a dynamic rejuvenation of the organization by selecting 54 applicants in their thirties and appointing them as branch general managers.

We also introduced a group-wide "job application system" and a "rookies' job request system" for young employees who have not experienced personnel transfers to encourage employees to acquire greater specialization in which employees can apply for specific positions throughout the group. We intend to strengthen this scheme further by expanding the number of positions available for the "job application system."

Positive Action Initiatives

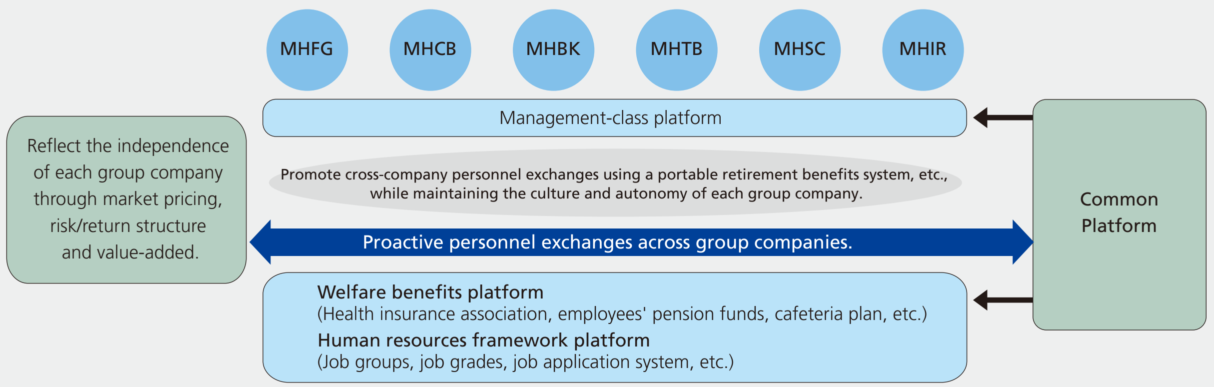
With the aims of invigorating our organization by proactively recruiting women, and of improving the morale of female employees, we are taking joint measures in our approach to positive action*.

*Initiatives that a company adopts proactively and autonomously in order to eliminate gender discrimination in recruitment and to promote the utilization of womens' capabilities to the fullest extent possible.

Note: Contents appearing in this section describe the group's human resources system in Japan.

(As of June 26, 2007)

Common Platform for Human Resources



Compliance Structure

Basic Compliance Policy

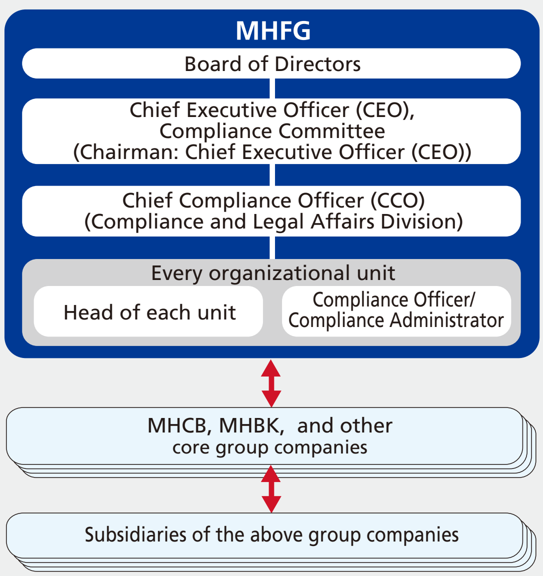
We are acutely conscious at all times of our social responsibilities and public mission as Japan's leading comprehensive financial services group. We, therefore, work to ensure that we observe all laws and regulations, and pursue corporate activities in a fair and honest manner that conform to the norms accepted by society.

Placing thoroughgoing compliance as one of the fundamental principles of sound business management, each group company pursues compliance and establishes its own compliance structure in line with the basic policies indicated by MHFG.

Compliance Structure

The chief executive officer of MHFG, MHCB and MHBK each generally oversees compliance matters of the respective company, and such chief executive officers also head their respective compliance committees at which important matters concerning compliance are discussed. The three companies also have individual compliance divisions under a chief compliance officer. These divisions are responsible for compliance planning and implementation and control overall compliance management at the respective companies. At the level of each organizational unit (such as branches and divisions) at the three companies, the head of the unit is responsible for guidance and implementation related to compliance matters within such unit, and the compliance officer or the compliance administrator at each unit reviews the status of compliance.

Compliance Structure



MHFG has established the Internal Controls and Audit Hotline, a system designed for obtaining concerns regarding questionable accounting or auditing matters from in and outside the company.

Other core group companies such as MHTB and MHSC have also established compliance structures adapted to the characteristics of their respective businesses.

MHFG monitors the status of compliance of the group through reports submitted by our principal banking subsidiaries and other core group companies and adopts appropriate responses when necessary.

Compliance at subsidiaries of our principal banking subsidiaries and other core group companies is monitored and managed by their respective parent.

Compliance Activities

We have established the "Mizuho Code of Conduct," which sets forth clear and concrete standards of ethical behavior, and distributed it to all directors, senior management and employees of the group so that they are well aware of its content and act accordingly.

Each of our group companies has also prepared a compliance manual, which serves as a practical guidebook for rigorous compliance enforcement and clarifies the laws and regulations that the group companies must observe in pursuing their business activities and the compliance activities they are required to follow.

We conduct compliance training for directors, senior management and employees so that they are fully acquainted with the contents of the manual. We monitor the status of compliance levels through primary self assessments by individual organizational units and secondary assessments by the internal audit division of each company.

Every fiscal year, each of our group companies establishes a compliance program, which contains concrete measures for compliance enforcement such as measures related to the management of the compliance framework, training and assessments. Progress regarding the implementation of the compliance program is monitored every six months.

"Internal Controls and Audit Hotline"

—A system designed for obtaining concerns regarding questionable accounting or auditing matters—

Reporting Items:

MHFG has established a hotline to receive reports from in and outside the company in connection with problems concerning internal controls and audits of accounts and financial reports.

Contact Point:

This hotline has been established within an external law office. Please use conventional mail or e-mail for reporting.

Conventional mail:

6F Round–Cross Ichibancho Bldg., Ichibancho 13-banchi, Chiyoda-ku, Tokyo 102-0082

Mizuho Accounting Hotline, c/o Ohta Ishii Law Office

E-mail : mizuho-kaikei@ohta-ishii.com

○ When reported matters are within the scope of the reporting items, MHFG will do reasonable efforts to investigate the facts behind the information received and report back on the results.

○ Anonymous tips are also acceptable, but there are cases where it will not be possible to fully satisfy the intentions behind such tips owing to constraints on investigations and the inability to report back.

○ Information on persons making such reports is not disclosed to third parties except in cases where the assent of the person in question has been obtained or such disclosure is required under laws and ordinances, etc.

(As of June 26, 2007)

Information Security Management System

Basic Approach

As the advanced information-telecommunication society evolves and use of information increases exponentially, appropriate protection of the informational assets held by a company becomes a social responsibility, while appropriate usage of the same assets becomes the foundation of the company's competitiveness. As a provider of comprehensive financial services in Japan and abroad, we believe that appropriate protection and use of informational resources are extremely important issues.

We are striving to strengthen our information security management system, defining information security management as all acts associated with the appropriate protection and use of group informational assets. This includes adopting information security management measures to ensure the confidentiality, integrity and availability of our informational assets, and responding to requests for disclosure from "data subjects" (the people to whom specific information pertains) concerning personal information.

Overview of the Information Security Management System

We have clarified the group management system as well as management methods for information security management, and each company has drawn up its own regulations concerning information security management. We are also building an information security management system, stipulating that the compliance departments of the individual companies are to act as information security management departments.

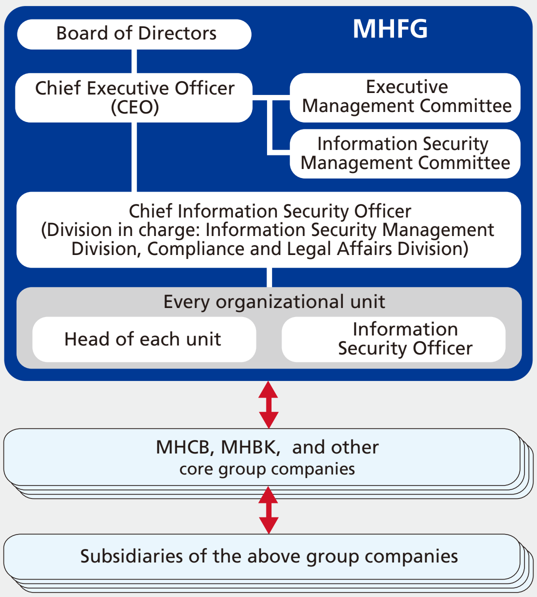
The chief executive officer of MHFG appoints a chief information security officer who supervises planning, proposals and implementation in connection with overall group information security management, and the information security management committee handles discussions and coordination of cross-divisional issues relating to overall group information security management. In addition, the Information Security Management Office has been established within the Compliance and Legal Affairs Division to specialize in information security management and provide centralized monitoring and control of the information security management situation at our principal banking subsidiaries and other core group companies.

The information security management situation at subsidiaries of our principal banking subsidiaries and other core group companies is monitored and managed by our principal banking subsidiaries and other core group companies themselves. In every organizational unit, the head of each unit is also responsible for information security management, and an information security management officer is appointed to check on how information is handled and ensure that personnel are fully aware of and well trained in safety management measures.

Based on this information security management system, we have drawn up and published the Privacy Policy Regarding Customer Information* that complies with Japan's Law Concerning the Protection of Personal Information. We are also building a system to deal with requests for disclosure, and strengthening our safety management measures.

*The Privacy Policy Regarding Customer Information includes the policy and procedures for management of customer information. Our group companies have each established privacy policies regarding customer information, which are published on their individual websites and via other disclosure tools.

Information Security Management System



MHFG Acquires Certification for Information Security Management

MHFG obtained certifications for the Information Security Management Systems of all divisions of the company under both the Conformity Assessment Scheme, "ISO/IEC27001: 2005," the international standard, and "JIS Q 27001: 2006," the domestic standard. MHBK also obtained the same certifications for its "Planning, promotion and sales supporting divisions of financial products and services for individuals, corporate and public sector customers" of the head office.

MHFG is striving to strengthen its information management procedures by promoting efforts to obtain a broader range of credentials. This includes encouraging our principal banking subsidiaries and other core group companies to acquire certification in specific operational sectors.

(As of June 26, 2007)

Strengthening Disclosure Controls and Procedures

Basic Principles

We aim to win the highest regard of our shareholders and the market and to earn the trust of society as Japan's leading comprehensive financial services group. For this reason, we place one of the highest management priorities on continuing to disclose information to our customers, shareholders, and investors both in and outside Japan in a fair, timely and appropriate manner, in order that they may form proper judgments and appraisals of the group. To achieve this aim, we observe applicable domestic and international laws and regulations as well as stock exchange rules relating to corporate disclosure, and we establish and implement appropriate Disclosure Controls and Procedures.

Outline of Disclosure Controls and Procedures

● Establishment and Implementation of Disclosure Controls and Procedures

Our Disclosure Controls and Procedures are established to observe applicable domestic and international laws and regulations as well as stock exchange rules and to implement fair, timely and appropriate corporate disclosure. The Disclosure Controls and Procedures are the process carried out by directors, officers and employees of our group and include internal controls designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. We have established the basic principles underlying our Disclosure Controls and Procedures as well as our internal rules related to Disclosure Controls and Procedures that govern the management framework for the entire group including group companies, and we endeavor to establish, implement and continuously improve our Disclosure Controls and Procedures. Our disclosure committee is the principal management body that is responsible for discussing and exploring matters relating to Disclosure Controls and Procedures.

● Evaluation of Effectiveness of Disclosure Controls and Procedures

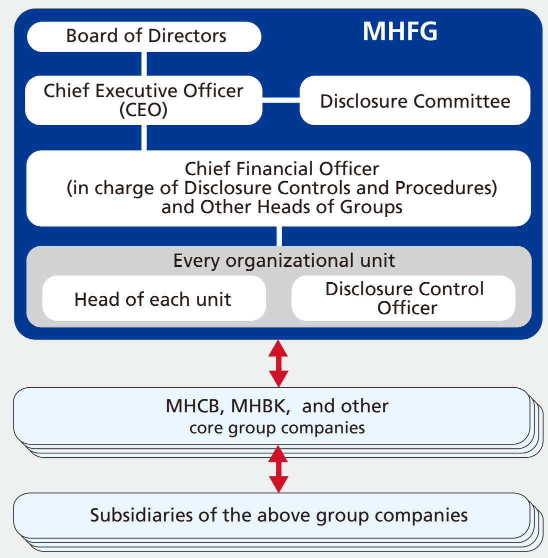
Our Disclosure Controls and Procedures are documented, and evaluation of the overall effectiveness of our Disclosure Controls and Procedures is conducted regularly by reviewing the contents of such documentation and their implementation. In addition, evaluation of the effectiveness and appropriateness of Disclosure Controls and Procedures is conducted through internal audits.

● Others

We established a "Code of Ethics for Financial Professionals" to be observed by all directors and executive officers, as well as all managers and other employees within our group who engage in financial reporting, accounting or disclosure. We have also developed the "Internal Controls and Audit Hotline", a system designed for obtaining concerns regarding questionable accounting or auditing matters from both inside and outside the group (Please refer to page 49).

Moreover, we established "Disclosure Policy" which includes basic principles regarding disclosure and framework of disclosure controls and procedures, and announce on our website as well as this annual report.

Disclosure Controls and Procedures System



(As of June 26, 2007)

Risk Management Structure

Commitment to Risk Management

Basic Approach

Progress in financial deregulation and internationalization has led to rapid growth in the diversity and complexity of banking operations, exposing financial institutions to various risks, including credit, market operations, information technology, legal, settlement and other risks. We recognize the conducting of operations tailored to the risks and managing such risks as a key issue relating to overall management. In order to implement our business strategy while maintaining our financial stability, we maintain comprehensive risk management and control measures.

MHFG maintains basic policies for risk management established by our board of directors that are applicable to the entire group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, we maintain various measures to strengthen and enhance the sophistication of our risk management system.

Risk Management Structure

Each of our subsidiaries adopts appropriate risk management measures for its business based on the size and nature of its risk exposures, while MHFG controls risk management for the group as a whole. MHFG regularly receives reports and applications concerning the risk management situation from our principal banking subsidiaries and other core group companies and gives them appropriate instructions concerning risk management. Our principal banking subsidiaries and other core group companies each maintains its own system for managing various types of risk, regularly receiving reports on the status of risk at their respective subsidiaries, and gives them appropriate instructions concerning risk management.

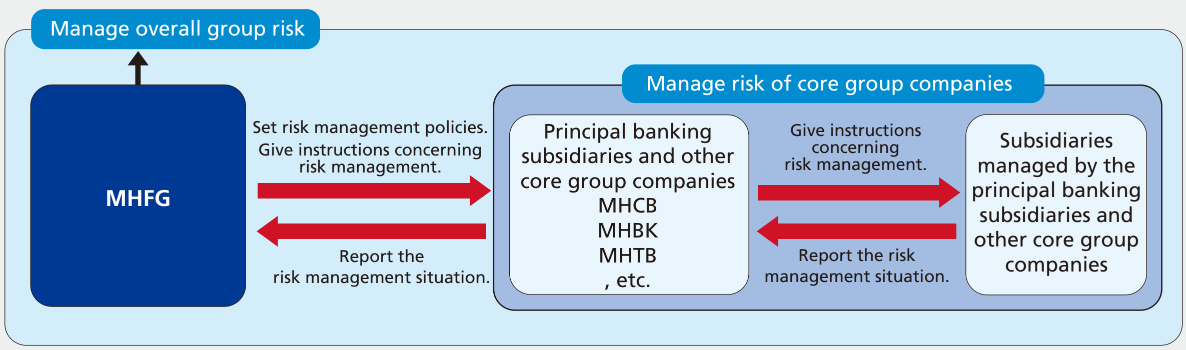
Approach to Basel II

Current regulations for international standards of the health of banks, first implemented in 1992, have been revised in light of developments in risk management methods in order to better reflect the actual substance of the risks. These amended regulations, known as "Basel II," were implemented in Japan beginning in March 2007.

These regulations focus on three main points. The first is minimum capital requirements relating to risk which should be maintained by banks, with respect to which the calculation method for credit risk was changed and operational risk was added. The second is a supervisory review process with respect to assessment of risks that cannot be fully addressed through minimum capital requirements alone. The third is market discipline allowing for assessment by the market through appropriate disclosure.

Based on the principles of Basel II, we prepared for the implementation of the prescribed procedures and in March 2007 obtained the necessary approvals of regulators with respect to the use of calculation methods for each type of risk. In addition, we are moving forward with a plan to transition to advanced approaches for the calculation of credit risk and operational risk.

Risk Management Structure



General Concept of Risk Management

Basic Approach

We classify our risk exposures according to the various kinds of risk, including credit risk, market risk, liquidity risk and operational risk, and manage each type of risk according to its characteristics.

In addition to managing each type of risk individually, we have established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses to keep risk within limits that are managerially acceptable in both qualitative and quantitative terms.

In line with the basic policies relating to overall risk management laid down by MHFG, companies within the group identify risk broadly and take a proactive and sophisticated approach to risk management, including methodologies for operations that involve exposures to multiple categories of risk such as settlement and trust businesses.

Risk Capital Allocation

We endeavor to obtain a clear grasp of the group's overall risk exposure and have implemented measures to keep such risks within the group's financial base in accordance with the risk capital allocation framework.

More specifically, we allocate risk capital to our principal banking subsidiaries, including their respective subsidiaries, and other core group companies to control risk within the limits set for each company. We also control risk within managerially acceptable limits by working to ensure that the overall risk we hold on a consolidated basis does not exceed shareholders' equity and other measures of financial strength. To ensure the ongoing financial health of MHFG, our principal banking subsidiaries and other core group companies, we regularly monitor the manner in which risk capital is being used in order to obtain a proper grasp of the risk profile within this framework. Reports are also submitted to the board of directors and other committees of each company. Risk capital is allocated to MHCB, MHBK, MHSC and MHTB by risk category, and is further allocated within their respective business units based on established frameworks.

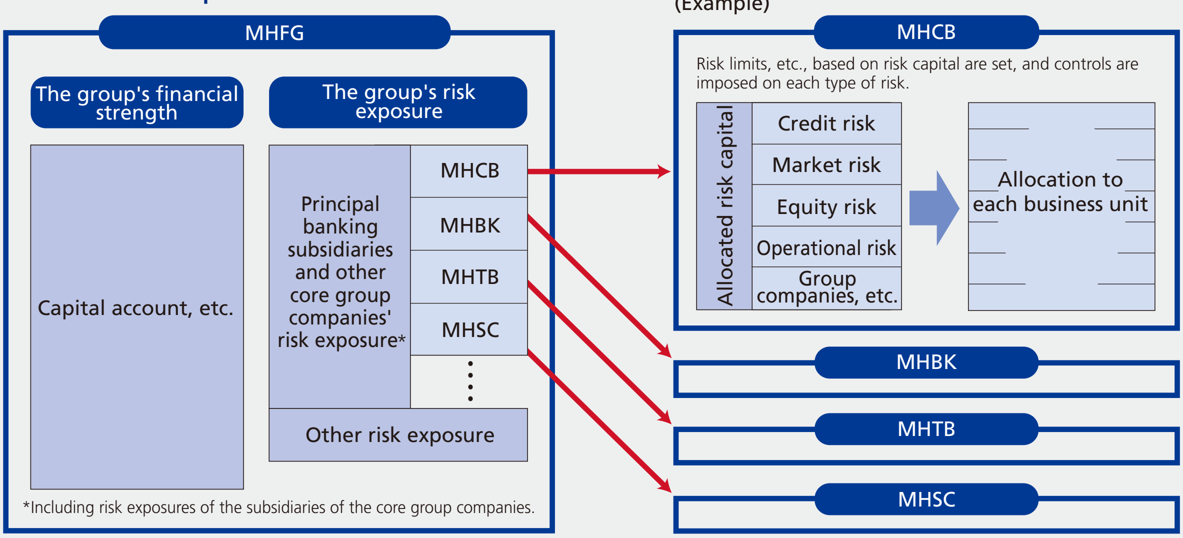
Credit Risk Management

Basic Approach

We define credit risk as the group's exposure to the risk of losses that may be incurred due to a decline in, or total loss of, the value of assets and off-balance-sheet instruments, as a result of deterioration in a counterparty's financial position. We have established the methods and structures necessary for grasping and managing credit risk, which has become increasingly complex due to financial deregulation, internationalization and the growing sophistication of transactions.

MHFG manages credit risk for the group as a whole. More specifically, we have adopted two different but mutually complementary approaches in credit risk management. The first approach is "credit management," in which we manage the process for each individual transaction and

Allocation of Risk Capital



*Including risk exposures of the subsidiaries of the core group companies.

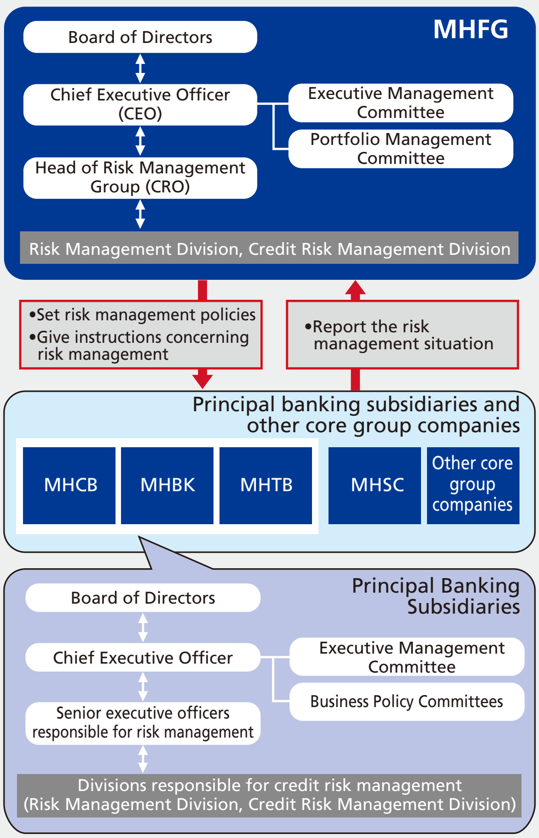
individual obligor from execution until collection, based on our assessment of the credit quality of the customer. Through this process, we curb losses in the case of a credit event. The second is "credit portfolio management," in which we utilize statistical methods to assess the potential for losses related to credit risk. Through this process, we identify credit risk and respond appropriately.

Credit Risk Management Structure

● Credit Risk Management of MHFG

Our board of directors determines the group's basic credit risk management policies. In addition, the portfolio management committee of MHFG discusses and coordinates basic credit risk policy and overall credit portfolio management and monitoring for the group. The chief risk officer of MHFG is responsible for matters relating to credit risk management planning and operations. The Risk Management Division and the Credit Risk Management Division of MHFG jointly monitor, analyze and submit suggestions concerning credit risk and formulate and execute plans in connection with basic matters pertaining to credit risk management.

Credit Risk Management Structure



● Credit Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies

MHCB, MHBK and MHTB (principal banking subsidiaries) and other core group companies manage their credit risk according to the scale and nature of their exposures in line with basic policies set forth by MHFG. Each company's board of directors determines key matters pertaining to credit risk.

Principal banking subsidiaries have each established business policy committees to discuss and coordinate overall management of their individual credit portfolios and transaction policies towards obligors. The senior executive officer of each principal banking subsidiary responsible for risk management oversees matters relating to credit risk management planning and operations. The credit risk management division of each principal banking subsidiary is responsible for credit management and credit risk measuring and monitoring, and such division regularly presents reports regarding the risk management situation of such banking subsidiary to MHFG. Individual credit examination divisions approve individual transactions in accordance with the lines of authority set forth in the basic policies for credit risk management. To provide checks and balances, each of our principal banking subsidiaries have also established credit review divisions to function as internal auditors that are independent of the business divisions.

● Individual Credit Management

Our principal banking subsidiaries use a unified internal rating system and credit risk measurement tools to ascertain and monitor the status of their portfolios. They are also improving their credit decisions and post-transaction management functions by examining individual transactions from these viewpoints, providing internal audits and risk management guidance to individual business promotion offices. MHSC and other core group companies follow credit risk management procedures that suit the characteristics of their respective business sectors.

● Credit Policies

The basic code of conduct for all of our officers and employees engaged in the credit activities is set forth in our credit policies. Seeking to fulfill the bank's public and social role, our basic policy for credit activities is determined in light of fundamental principles focusing on public welfare, safety, growth and profitability.

Connection between Obligor Ratings, Definition of Obligor Classifications of Self-Assessments, Claims Disclosed under the FRL and Non-Accrual, Past Due & Restructured Loans

<table>
<tr><th>Definition of Obligor Classifications of Self-Assessment</th><th>Obligor Ratings (Major Category)</th><th>Definition of Ratings</th><th>Category I (Non-Categorized)</th><th>Category II</th><th>Category III</th><th>Category IV (Non-Collateralized)</th><th>Claims Disclosed under the FRL</th><th>Non-Accrual, Past Due & Restructured Loans</th></tr>
<tr><td rowspan="4">Normal Obligors</td><td>A1–A3</td><td>Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is excellent.</td><td rowspan="4">All credit given to Normal Obligors.</td><td rowspan="4" colspan="3"></td><td rowspan="5">Normal Claims</td><td rowspan="5"></td></tr>
<tr><td>B1–B2</td><td>Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, hence their level of credit risk is sufficient.</td></tr>
<tr><td>C1–C3</td><td>Obligors whose certainty of debt fulfillment and their level of credit risk pose no problems for the foreseeable future.</td></tr>
<tr><td>D1–D3</td><td>Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future environmental changes is low.</td></tr>
<tr><td rowspan="2">Watch Obligors</td><td>E1</td><td rowspan="2">Obligors who require close watching going forward because there are problems with their borrowings, such as reduced or suspended interest payments, problems with fulfillment such as de facto postponements of principal or interest payments, or problems with their financial positions as a result of their poor or unstable business conditions.</td><td rowspan="5">Credit to obligors which has pledged collateral or is covered by guarantees, considered of high quality, such as deposit collateral.</td><td rowspan="2">Credit given to Watch Obligors other than those included in Category I.</td><td rowspan="2"></td><td rowspan="3"></td></tr>
<tr><td>E2 R</td><td>Claims for Special Attention</td><td>Restructured Loans
Loans Past Due for 3 Months or More</td></tr>
<tr><td>Intensive Control Obligors</td><td>F1</td><td>Obligors who are not yet bankrupt but are in financial difficulties and are deemed to be very likely to go bankrupt in the future because they are finding it difficult to make progress in implementing their management improvement plans (including obligors who are receiving ongoing support from financial institutions).</td><td rowspan="3">Credit to obligors which is covered by general collateral, such as real estate and guarantees.</td><td>Credit given to Intensive Control Obligors other than those included in Category I and Category II.</td><td>Claims with Collection Risk</td><td rowspan="2">Non-Accrual Delinquent Loans</td></tr>
<tr><td>Substantially Bankrupt Obligors</td><td>G1</td><td>Obligors who have not yet gone legally or formally bankrupt but who are substantially bankrupt because they are in serious financial difficulties and are not deemed to be capable of restructuring.</td><td rowspan="2">The difference between the assessed value and market value of collateral on credit to Bankrupt and Substantially Bankrupt Obligors (i.e., the portion of loans for which final collection problems or losses are anticipated).</td><td rowspan="2">Credit to Bankrupt and Substantially Bankrupt Obligors, other than those in Category I, Category II and Category III (credit that is judged to be unrecoverable or without value).</td><td rowspan="2">Claims against Bankrupt and Substantially Bankrupt Obligors, and equivalent</td></tr>
<tr><td>Bankrupt Obligors</td><td>H1</td><td>Obligors who have already gone bankrupt, from both a legal and/or formal perspective.</td><td>Loans to Bankrupt Obligors</td></tr>
</table>

Method for Write-Offs and Reserves

<table>
<tr><td>Normal Obligors</td><td>Calculate the value of estimated loss based on the probability of failure over the coming year for loans by obligor rating and appropriate it for the General Reserve for Possible Losses on Loans.</td></tr>
<tr><td>Watch Obligors</td><td>Calculate the estimated loss on loans based on the probability of failure over the next three years and appropriate it for the General Reserve for Possible Losses on Loans. Further, in regard to Special Attention Obligors, for obligors with large claims more than a certain amount, if the cash flow from the return of principal and interest payments can reasonably be estimated, set up a reserve under the DCF method.</td></tr>
<tr><td>Intensive Control Obligors</td><td>Provide an amount for Specific Reserve for Possible Losses on Loans as calculated by one of the following methods after deducting amounts anticipated to be recoverable from the sale of collateral held against the claims and from guarantors of the claims: a) an amount calculated based on the overall ability of the obligor to pay, or b) the estimated loss calculated on the basis of the balance and the probability of failure over the next three years.
Further, for obligors with large claims more than a certain amount, if the cash flow from the return of principal and interest payments can reasonably be estimated, set up a reserve under the DCF method.</td></tr>
<tr><td>Substantially Bankrupt Obligors</td><td rowspan="2">Provide the entire balance after deducting amounts anticipated to be recoverable from the sale of collateral held against the claims and from guarantors of the claims for Specific Reserve for Possible Losses on Loans, or write-off the entire balance.</td></tr>
<tr><td>Bankrupt Obligors</td></tr>
</table>

● Internal Rating System

One of the most important elements of the risk management infrastructure of our principal banking subsidiaries is the use of an internal rating system that consists of credit ratings and pool allocations. Credit ratings consist of obligor ratings which represent the level of credit risk of the obligor, and transaction ratings which represent the possibility of ultimately incurring losses related to each individual claim by taking into consideration the nature of any collateral or guaranty and the seniority of the claim. In principle, obligor ratings apply to all obligors and are subject to regular reviews at least once a year to reflect promptly the fiscal period end financial results of the obligors, as well as special reviews as required whenever a obligor's credit standing changes. This enables our principal banking subsidiaries to monitor both individual obligors and the status of the overall portfolio in a timely fashion. Because we consider obligor ratings to be an initial phase of the self-assessment process regarding the quality of our loans and off-balance-sheet instruments, such obligor ratings are closely linked to the obligor classifications and are an integral part of the process for determining the write-offs and reserves in our self-assessment of loans and off-balance-sheet instruments. Pool allocations are applied to small claims that are less than a specified amount by pooling customers and claims with similar risk characteristics and assessing and managing the risk for each such pool. We efficiently manage the credit risk and credit screening by dispersing a sufficient number of small claims within each pool (Please refer to Connection between Obligor Ratings, Definition of Obligor Classifications of Self-Assessments, Claims Disclosed under the FRL and Non-Accrual, Past Due & Restructured Loans).

● Self-Assessment, Write-Offs and Reserves

We conduct self-assessment of assets to ascertain the status of assets both as an integral part of credit risk management and in preparation for appropriate accounting treatment, including write-offs and reserves. During the process of self-assessment, obligors are categorized into certain groups taking into consideration their financial condition and their ability to make payments, and credit ratings are assigned to all obligors, in principle, to reflect the extent of their credit risks. The related assets are then categorized into certain classes based on the risk of impairment. This process allows us to identify and control the actual quality of assets and determine the appropriate accounting treatment, including write-offs and reserves. Specifically, the credit risk management division of each of our principal subsidiaries is responsible for the overall control of the self-assessment of assets of the respective banking subsidiaries, cooperating with the administrative divisions specified for each type of asset, including loan portfolios and securities, in executing and managing self-assessments.

● Credit Screening

Prevention of new non-performing loans through routine credit management is important in maintaining the quality of our overall loan assets.

Credit decisions involve analysis and screening of each potential transaction within the relevant business division. In case the screening exceeds the authority of the division, the credit division at headquarters carries out the screening. The credit division has specialist departments for different industries, business sizes and regions, carries out timely and specialized examinations based on the characteristics of the customer and its market, and provides appropriate advice to the business division. In addition, in the case of obligors with low obligor ratings and high downside risks, the business division and credit division jointly clarify their credit policy and in appropriate cases assist obligors at an early stage in working towards rehabilitation.

● Collection and Disposal of Non-Performing Loans

With respect to collection and disposal of non-performing loans, a specialist unit is designed to pursue corporate revitalization or collection efforts as appropriate.

Specifically, this typically involves business transfers, mergers and acquisitions, obtaining funding from business revitalization funds and the bulk sale of non-performing loans. In addition, we concentrate our loan collection needs into Mizuho Servicing, our subsidiary that specializes in performing collection services for our group companies.

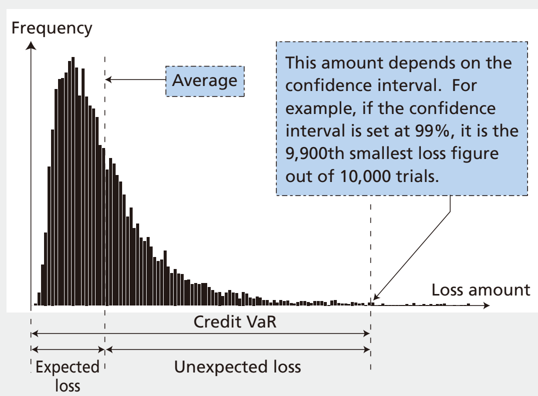
Portfolio Management

● Risk Measurement

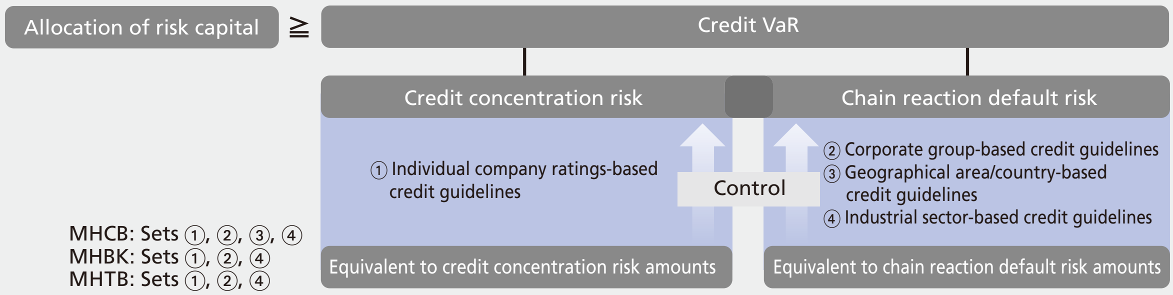
We use statistical methods to manage the possibility of loan losses by measuring the expected average loss for a one-year risk horizon ("expected loss") and the maximum loss within a certain confidence interval ("credit VaR").

In establishing transaction spread guidelines for credit transactions, we aim to ensure an appropriate return from the transaction in light of the level of risk by utilizing expected losses as a reference. Also, we monitor our credit

Loss Distribution



Allocation of Risk Capital and Control of Credit Risk



portfolio from various perspectives and set certain limits so that losses incurred through a hypothetical realization of the full credit VaR amount would be within the amount of risk capital and loan loss reserves.

● Risk Control Methods

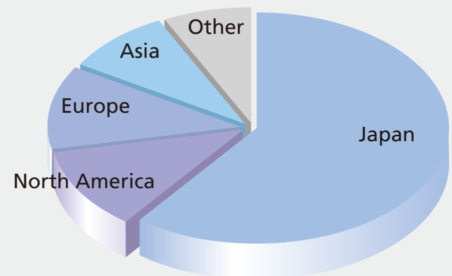
We recognize two types of risk arising from allowing too large a proportion of overall credit risk to be allocated in certain areas. One type is "credit concentration risk," which stems from granting excessive credit to certain individual counterparties. The other type is "chain-reaction default risk," which arises from granting excessive credit to certain corporate groups, industrial sectors and other groupings. We manage these risks in line with our specific guidelines for each. The individual risk management divisions of our principal banking subsidiaries are responsible for monitoring adherence to these guidelines and reporting to their respective business policy committees (Please refer to Allocation of Risk Capital and Control of Credit Risk).

● Portfolios of Our Principal Banking Subsidiaries and Certain Other Core Group Companies

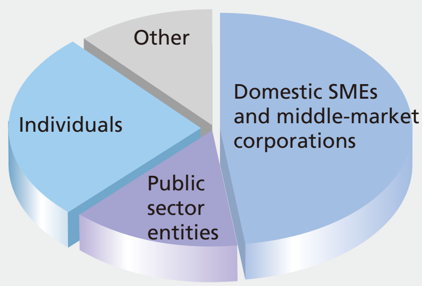
MHCB's credit portfolio is notable for its international diversification between Japanese public companies and other major Japanese enterprises and overseas corporations. MHBK's portfolio is diversified among relatively small accounts centered on individuals, domestic corporations including mainly small and medium-sized enterprises (SMEs) and middle-market corporations, public sector entities and other customers in Japan. While retaining the principal features of each of the two banking subsidiaries' respective portfolios, we aim to reduce expected losses while simultaneously utilizing sophisticated financial tools based on which they make strategic acquisitions and sales of assets. While closely monitoring the potential for unexpected losses, they also aim to raise overall group capital efficiency, boost profitability and shareholder value, and enhance the sophistication of their credit risk management.

To control credit concentration in certain companies, MHTB and MHSC have set credit limits according to their customers' creditworthiness and control their portfolios in an appropriate manner by adhering to these limits.

MHCB's Credit Portfolio



MHBK's Credit Portfolio



Market and Liquidity Risk Management

Basic Approach

We define market risk as the risk of losses incurred by the group due to fluctuations in interest rates, stock prices and foreign exchange rates. Our definition includes the risk of losses incurred when it becomes impossible to execute transactions in the market because of market confusion or losses arising from transactions at prices that are significantly less favorable than usual. We define liquidity risk as the risk of losses arising from funding difficulties due to a deterioration in our financial position that makes it difficult for us to raise the necessary funds or that forces us to raise funds at significantly higher interest rates than usual. MHFG manages market and liquidity risk for the group as a whole.

Market Risk Management Structure

● Market Risk Management of MHFG

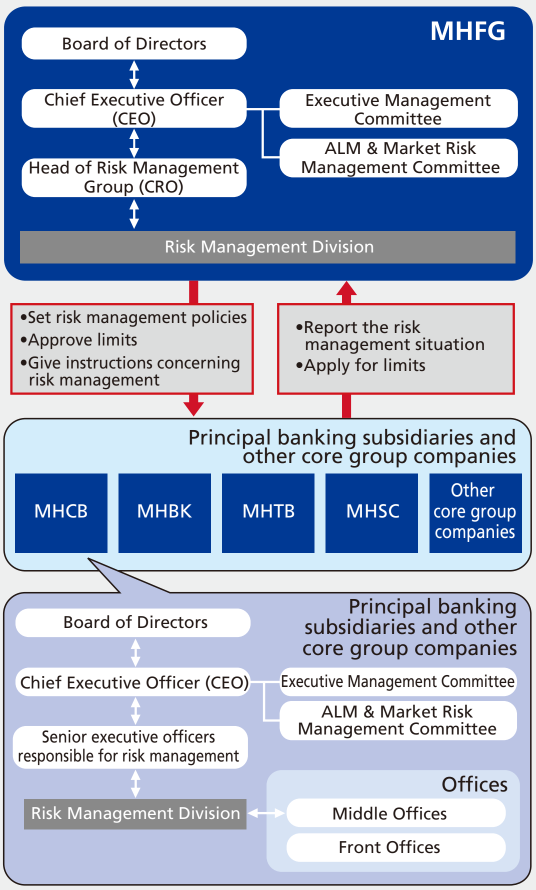
Our board of directors determines key matters pertaining to market risk management policies. The ALM & market risk management committee of MHFG broadly discusses and coordinates matters relating to basic asset and liability management policies, risk planning and market risk management and proposes responses to emergencies such as sudden market changes. The chief risk officer of MHFG is responsible for matters relating to market risk management planning and operations.

The Risk Management Division of MHFG is responsible for monitoring market risk, reports and analyses, proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management. The Risk Management Division assesses and manages overall market risk of the group. It also receives reports from our principal banking subsidiaries and other core group companies on their market risk management that enable it to obtain a solid grasp of the risk situation, submitting reports to the chief executive officer on a daily basis and to our board of directors and the executive management committee of MHFG on a regular basis.

To manage market risk, we set limits that correspond to risk capital allocations according to the risk profiles of our principal banking subsidiaries and other core group companies and thereby prevent market risk from exceeding our ability to withstand losses based on our financial strength represented by capital, etc. The amount of risk capital allocated to market risk corresponds to VaR and additional costs that may arise in order to close relevant positions. For trading and banking activities, we set limits for VaR and for losses. For banking activities, we set position limits based on interest rate sensitivity as needed.

These limits are discussed and coordinated by the ALM & market risk management committee, discussed further by the executive management committee, then determined by the chief executive officer. Various factors are taken into account including business strategies, historical limit usage ratios, risk-bearing capacity (profits, total capital and risk management systems), profit targets and the market liquidity of the products involved.

Market and Liquidity Risk Management Structure



● Market Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies

Our principal banking subsidiaries and MHSC which account for most of the group's exposure to market risk have formulated their basic policies in line with the basic policies determined by MHFG. Their boards of directors determine important matters relating to market risk management while their chief executive officers are responsible for controlling market risk. Their respective business policy committees, including their ALM & market risk management committees, are responsible for overall discussion and coordination of market risk management. Specifically, these committees discuss and coordinate matters relating to basic asset and liability management policies, risk planning and market risk management and propose responses to emergencies such as sudden market changes. The chief risk officer of each subsidiary is responsible for matters pertaining to planning and implementing market risk management. Based on a common group risk capital allocation framework, the above-mentioned subsidiaries manage market risk by setting limits according to the risk capital allocated to market risk by MHFG.

These companies have established specialized company-wide market risk management divisions to provide integrated monitoring of market risk, submit reports, analyses and proposals, set limits and formulate and implement plans relating to market risk management. The risk management divisions of each company submit reports on the status of market risk management to their respective chief executive officers and top management on a daily basis, and to their board of directors and executive management committee on a regular basis. They also provide regular reports to MHFG. To provide a system of mutual checks and balances in market operations, they have established middle offices specializing in risk management that are independent of their front offices, which engage in market transactions, and their back offices, which are responsible for book entries and settlements. When VaR is not adequate to control risk, the middle offices manage risk using additional risk indices, carry out stress tests and set stop loss limits as needed. They monitor their market liquidity risk for individual financial products in the market while taking turnover and other factors into consideration.

Liquidity Risk Management Structure

● Liquidity Risk Management of MHFG

Our liquidity risk management structure is generally the same as the market risk management structure described above. However, the head of the Financial Control & Accounting Group of MHFG is additionally responsible for matters relating to planning and running cash flow management operations, while the Financial Planning Division is responsible for monitoring and adjusting the cash flow management situation and for planning and implementing cash flow management. Reports on the cash flow situation are submitted to the ALM & market risk management committee, the executive management committee and the chief executive officer.

We measure liquidity risk using indices pertaining to cash flow, such as limits on funds raised in the market. Limits on liquidity risk are discussed and coordinated by the ALM & market risk management committee, discussed further by the executive management committee and determined by the chief executive officer. We have established classifications for the cash flow conditions affecting the group, ranging from “normal” to “cause for concern” and “critical,” and have established procedures for dealing with cases which are deemed to fall into the “cause for concern” or “critical” categories. In addition, we have constructed a system under which we will be able to respond smoothly in the event of emergency situations that affect our funding by establishing action plans.

● Liquidity Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies

The liquidity risk management structures of our principal banking subsidiaries and MHSC are generally the same as the aforementioned market risk management structures, but the senior executives responsible for risk management are responsible for matters pertaining to planning and conducting liquidity risk management, while the senior executives of the asset and liability management and trading units are responsible for matters pertaining to planning and conducting cash flow management.

The methodologies used for ensuring precise control of liquidity risk include the formulation of management indices pertaining to cash flow, such as limits on funds raised in the market. As with MHFG, the above-mentioned companies have established classifications for the cash flow affecting them, ranging from “normal” to “cause for concern” and “critical,“ and have established procedures for cases which are deemed to fall into the “cause for concern” or “critical” categories.

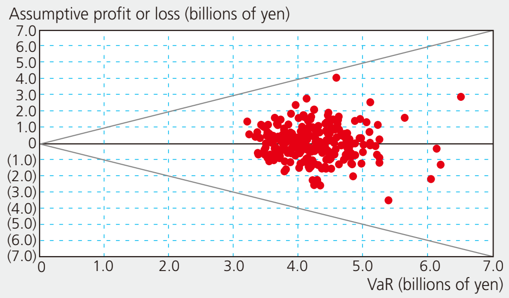
Each subsidiary has adopted stringent controls that call for the submission of reports on liquidity risk management and cash flow management to the ALM & market risk management committee and other business policy committees, the executive management committee and the chief executive officer of each subsidiary.

Status of MHFG's Market Risk

● Back Testing

In order to evaluate the effectiveness of market risk measurements calculated using the value-at-risk method, we carry out regular back tests to compare value-at-risk with assumptive profits and losses. The graph below shows daily value-at-risk of trading activities for the fiscal year ended March 31, 2007, and the corresponding paired distribution of profits and losses:

Fiscal 2006 Back Testing



We had no cases where profits/losses exceeded value-at-risk during the period, and this confirms that our internal value-at-risk models are reasonably accurate in measuring our group's market risk exposure.

● Stress Testing

Because the value-at-risk method is based on statistical assumptions, we conduct stress testing to simulate the levels of losses that could be incurred in cases where the market moves suddenly to levels that exceed these assumptions. The stress testing methods we use include the calculation of losses on the basis of the largest fluctuations occurring over a period of more than five years and the calculation of losses based on market fluctuations occurring during historical market events. The table below shows the assumed maximum loss results of stress testing in trading activities using the methods described above:

Fiscal 2006 Stress Testing

At March 31, 2007 (billions of yen)

Assumed maximum loss result calculated by stress testing	47.4

● Outlier Criteria

As part of the new capital adequacy requirements under Basel II, the losses arising from a banking book in hypothetical interest rate shock scenarios under certain stress conditions are calculated and compared with the sum of Tier I and Tier II capital. If the interest rate risk of the banking book leads to an economic value decline of more than 20% of the sum of Tier I and Tier II capital, we will be deemed an "outlier" and may be required to reduce the banking book risk or adopt other responses. We measure losses arising from our banking book each month as a part of our stress tests.

The table below shows the results of calculations of losses in the banking book in cases where interest rate fluctuations occur under stress conditions. The results of calculations of losses in the banking book show that they are 7.1% of broadly-defined capital. Because the amount of risk on the banking book is therefore well under the 20% threshold and within controllable limits, we do not fall under the "outlier" category.

Fiscal 2006 Results of Calculations under the Outlier Framework

(billions of yen)

	Amount of loss	Broadly-defined capital	Loss ratio to capital
At March 31, 2005	429.6	8,020.2	5.4%
At March 31, 2006	161.3	8,993.2	1.8%
At March 31, 2007	626.1	8,841.3	7.1%
Effect of yen interest rate	382.5		
Effect of dollar interest rate	212.2		
Effect of euro interest rate	27.9		

Notes: 1. In the above results of calculations of losses, a part of demand deposits without fixed intervals for amending applicable interest rates are deemed core deposits and are treated accordingly in the calculation.
2. For the interest rate shock scenario used in connection with the above figures, we generate annual rate fluctuation data for five years derived from daily raw historical interest rate data of the past six years and then apply the actual fluctuation data, which show a rise in interest rates, at a 99.0% confidence level to the shock scenario.

● Value-at Risk

We use the value-at-risk (VaR) method, supplemented with stress testing, as our principal tool to measure market risk. The value-at-risk method measures the maximum possible loss that could be incurred due to market movements within a certain time period (or holding period) and degree of probability (or confidence interval).

Trading Activities

VaR related to our trading activities is based on the following:

- variance co-variance model for linear risk and monte-carlo simulation for non-linear risk;
- confidence interval: one-tailed 99.0%;
- holding period of one day; and
- historical observation period of one year.

The following tables show the VaR related to our trading activities by risk category for the fiscal years ended

March 31, 2005, 2006 and 2007 and as of March 31, 2005, 2006 and 2007:

VaR by Risk Category (Trading Activities)

(billions of yen)

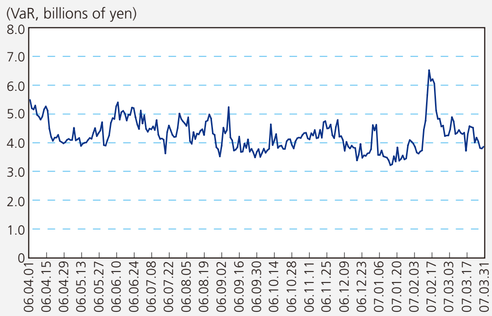
	Fiscal 2004			
	Daily average	Maximum	Minimum	At March 31
Interest rate	1.9	3.7	0.9	1.2
Foreign exchange	1.1	2.8	0.3	0.6
Equities	0.9	1.5	0.6	0.9
Commodities	0.1	0.6	0.0	0.1
Total	**2.9**	**4.3**	**2.0**	**2.2**

	Fiscal 2005			
	Daily average	Maximum	Minimum	At March 31
Interest rate	1.7	2.7	1.1	2.4
Foreign exchange	1.1	1.8	0.3	0.9
Equities	1.4	3.2	0.5	3.0
Commodities	0.2	1.7	0.0	0.1
Total	**3.2**	**5.5**	**2.0**	**5.1**

	Fiscal 2006			
	Daily average	Maximum	Minimum	At March 31
Interest rate	2.3	3.9	1.4	1.5
Foreign exchange	1.2	4.0	0.5	1.8
Equities	1.8	3.5	0.7	1.8
Commodities	0.2	0.4	0.0	0.3
Total	**4.3**	**6.5**	**3.2**	**3.9**

The following graph shows VaR figures of our trading activities for the fiscal year ended March 31, 2007:

Fiscal 2006 VaR (Trading Activities)



The following table shows VaR figures of our trading activities for the fiscal years indicated:

VaR (Trading Activities)

(billions of yen)

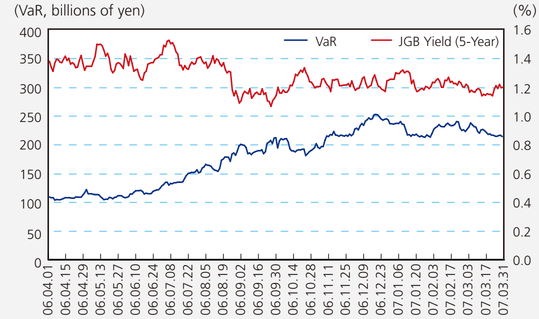
	Fiscal 2004	Fiscal 2005	Fiscal 2006
Maximum	4.3	5.5	6.5
Minimum	2.0	2.0	3.2
Average	2.9	3.2	4.3
The number of cases where profits/losses exceeded VaR	no cases	no cases	no cases

Non-Trading Activities

The VaR related to our banking activities is based on the same conditions as those of trading activities, but the holding period is one month.

The graph below shows the VaR related to our banking activities excluding our strategic equity portfolio for the year ended March 31, 2007.

Fiscal 2006 VaR (Banking Activities)



The following table shows the VaR figures relating to our banking activities denominated in yen for the fiscal years indicated:

VaR (Banking Activities)

(billions of yen)

	Fiscal 2004	Fiscal 2005	Fiscal 2006
Maximum	301.5	247.2	251.5
Minimum	186.1	152.8	103.1
Average	235.8	213.9	179.4

Characteristics of VaR Model

VaR is a commonly used market risk management technique. However, VaR models have the following shortcomings:

- By its nature as a statistical approach, VaR estimates possible losses over a certain period at a particular confidence level using past market movement data. Past market movement, however, is not necessarily a good indicator of future events, particularly potential future events that are extreme in nature.
- VaR may underestimate the probability of extreme market movements.
- The use of a 99.0% confidence level, does not take account of, nor makes any statement about, any losses that might occur beyond this confidence level.
- VaR does not capture all complex effects of various risk factors on the value of positions and portfolios and could underestimate potential losses.

● Interest Sensitivity Analysis

We also conduct interest sensitivity analyses of interest risk, our main source of market risk. The following table shows sensitivity to yen interest risk in our banking activities as of the dates indicated. As shown in the table, we have reduced overall sensitivity to the risk of future increases in interest rates. Interest rate sensitivity (10 BPV) shows how much net present value varies when interest rates rise by 10 basis (0.1%), and it explains the impact of interest rate movements on net present value when short- and long-term interest rates behave differently.

Interest Sensitivity by Maturity

At March 31, (billions of yen)

	2005	2006	2007	Change
Up to one year	(5)	(7)	(6)	1
From one to five years	(34)	(14)	(21)	(7)
Over five years	(5)	(6)	(20)	(14)
Total	**(44)**	**(27)**	**(48)**	**(21)**

● Market Risk Equivalent

In order to calculate the amount of capital necessary to meet the capital requirements relating to market risk (the "market risk equivalent"), we apply internal models to calculate general market risk (risks related to factors that apply generally to the market, e.g., interest rates, foreign exchange rates) and the standardized measurement method to calculate specific risks (risks other than general market risk, e.g., credit quality and market liquidity of an individual security or instrument). In addition, our internal models are applied to trading transactions with market liquidity based on the relevant holding period. Under the internal models, the market risk equivalent is calculated by taking the greater of (i) VaR on the calculation date and (ii) the average VaR for the preceding 60 business days (including the calculation date) multiplied by a multiplication factor ranging from 3.00 to 4.00 that is determined based on the number of times VaR is exceeded upon back testing.

The following table shows total market risk equivalent as of March 31, 2007 calculated using the standardized measurement method and internal models:

Fiscal 2006 Market Risk Equivalent

At March 31, (billions of yen)

	2007
Calculated using standardized measurement method	138.2
Calculated using internal models	36.7
Total market risk equivalent	**174.9**

VaR used to calculate Market Risk Equivalent is based on the following:

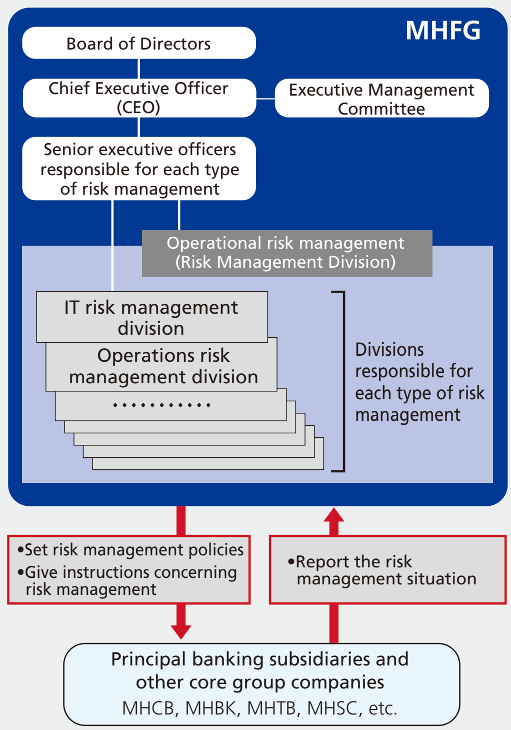
- variance co-variance model for linear risk and monte-carlo simulation for non-linear risk;
- confidence interval: one-tailed 99.0%;
- holding period of 10 days; and
- historical observation period of one year.

Operational Risk Management

Basic Approach

We define operational risk as the risk of loss that we may incur resulting from inadequate or failed internal processes, people and systems or from external events. We recognize that operational risk includes information technology risk, operations risk, legal risk, human resources risk, tangible asset risk, regulatory risk and reputational risk. We have determined risk management policies concerning risk management structures and methods for each kind of risk. MHCB, MHBK, MHTB, MHSC, MHIS and TCSB each manage operational risk in an appropriate manner pursuant to risk management policies determined by MHFG.

Operational Risk Management Structure



MHFG, MHCB, MHBK, MHTB and MHSC share common rules for data gathering, and we measure operational risk on a regular basis, taking into account possible future loss events and the changes in the business environment and internal management.

We have established and are strengthening management methods and systems to appropriately identify, assess, measure, monitor and control the operational risks which arise from the growing sophistication and diversification of financial operations and developments relating to information technology by utilizing control self-assessments and improving measurement methods.

In March 2007, operational risk was introduced under Basel II with respect to regulatory capital requirements. We selected the standardized approach for the calculation of operational risk capital charge, which calculates operational risk by dividing our activities into eight business lines and multiplying gross income of each of those business lines by the applicable factor assigned to each of the business lines.

Glossary

▶ Control Self-Assessments

An autonomous method of risk management in which risk inherent in operations is identified and, after evaluating and monitoring risks that remains despite implementing risk control, the necessary measures are implemented to reduce risk.

Operations Risk Management

Operations risk is the risk that customers may suffer service disruptions, as well as the risk that customers or the group may incur losses because senior executives or employees fail to fulfill their tasks properly, cause accidents or otherwise act improperly.

In line with our basic policies regarding operations risk management, we have established a structure for improving operations by identifying and adopting appropriate measures for mitigating operations risk. More specifically, we have established clearly defined procedures for handling operations and periodically checking the status of operational processes. We have strengthened central operational guidance and oversight and are working to improve the operational expertise of staff and the risk management capabilities of managers. We are also implementing other policies, including the introduction of information technology, office automation and centralization to ensure efficient operations that reduce human error. Further, we are improving the effectiveness of our emergency responses by holding drills and taking other steps to minimize the impact of any possible system failure or disaster on our customers.

Information Technology Risk Management

Information technology risk is the risk that customers may suffer service disruptions, or that customers or the group may incur losses arising from system defects such as failures, faults, or incompleteness in computer operations, or illegal or unauthorized use of computer systems.

In line with our basic policies regarding system risk management as well as our information security policy, we continue to make determined efforts to ensure the stability of our information technology operations and the protection and safety of informational assets relating to systems. More specifically, we are pushing ahead with various efforts, identifying and evaluating information technology-related risk, implementing risk mitigation measures based on these evaluations, ensuring ongoing project management in such areas as process management in systems development and quality control and strengthening security to prevent information leaks.

Further, we are improving the effectiveness of our emergency responses by improving our backup systems and holding drills and taking other steps to minimize the impact of any possible system failures or disasters on customers.

Reputational Risk Management

Reputational risk is the risk of incurring tangible or intangible losses as a result of damage to our credibility or the credibility of the Mizuho brand when market participants or others learn about, or the media reports on, various adverse events, including those that are inaccurate or false.

MHFG has established a framework under which, in the event it receives reports from companies within the group concerning information that may have a serious impact on group management, it identifies and manages the reputational risk for the group as a whole on an integrated basis and responds to such reputational risk in a manner appropriate to its scale and nature.

Each of our group companies also works to identify rumors swiftly and minimize possible losses by devising appropriate responses depending on the urgency and possible impact of the situation.

(As of June 26, 2007)

Internal Audit Structure

Basic Approach

Internal audits are designed as an integrated process, independent from other business operations, for evaluating the extent to which internal control achieves its objectives in key areas, including appropriate risk management, efficient and effective business operations, reliable financial reporting and compliance with laws, regulations and internal rules. We conduct internal audits from an objective and comprehensive standpoint, independent of operational reporting lines, and offer advice and remedial recommendations in connection with any problems that may be identified. Through this process, internal audits assist the boards of directors of each of our group companies to fulfill their managerial duties efficiently and effectively.

In line with the Basic Policy for Internal Audit established by MHFG, our principal banking subsidiaries and other core group companies conduct internal audits, which include the auditing of their respective subsidiaries. In addition, with respect to the management of risks applicable across the group, we coordinate internal audits throughout the group to assess the risk management status of the group as a whole.

Internal Audit Management Structure

● MHFG

Our internal audit committee determines all important matters concerning internal audits. The committee is chaired by our president and chief executive officer and is independent of our other business operations.

Our internal audit committee monitors and manages internal audits at our principal banking subsidiaries and other core group companies through internal audit reports submitted by such subsidiaries. Our internal audit committee discusses and makes decisions regarding internal audits at our principal banking subsidiaries and other core group companies and submits the results, together with the results of their examination of the internal audit reports, to our board of directors.

● MHCB and MHBK

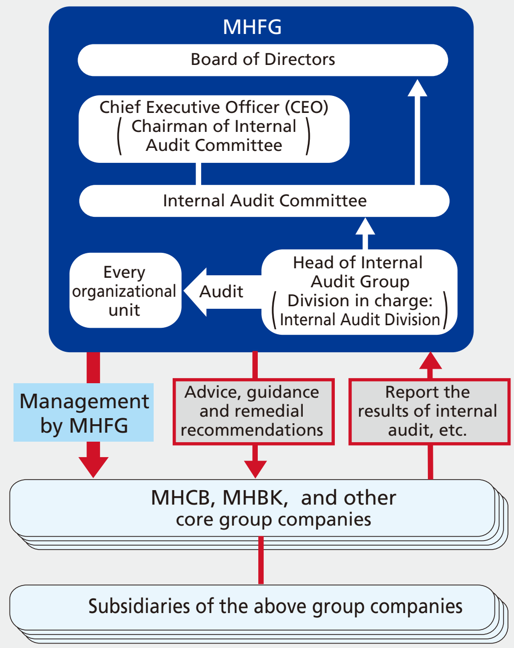
MHCB and MHBK have also established internal audit committees that are independent of their other business operations.

MHCB and MHBK have established internal audit divisions and credit review divisions to conduct internal audits at their respective domestic and overseas business offices, head office divisions and group companies. Specifically, the internal audit divisions assess the suitability and effectiveness of business activities associated with compliance and risk management. The credit review divisions audit credit ratings and the status of credit management in addition to auditing the self-assessment of assets to verify the accuracy and suitability of matters deemed necessary to assure the soundness of assets.

● Other Core Group Companies

MHTB, MHSC and our other core group companies have also established effective and efficient internal audit structures adapted to the characteristics of their respective businesses.

Internal Audit Management Structure



(As of June 26, 2007)