

For Immediate Release :

May 26, 2003

Consolidated Financial Statements for the Fiscal 2002

Company name: Mizuho Holdings, Inc. ("MHHD")
 The listed parent company: Mizuho Financial Group, Inc. (Stock code number: 8411)
 URL: <http://www.mizuho-fg.co.jp/english>
 Address: 6-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
 Representative: Name: Terunobu Maeda
 Title: President & CEO
 For inquiry: Name: Tsunenori Suzuki
 Title: General Manager, Accounting Department
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 Meeting of Board of Directors for Financial Results (Consolidated basis): May 26, 2003
 Trading Accounts: Established
 US GAAP: Not applied

1. Financial Highlights for the Fiscal 2002 (from April 1, 2002 to March 31, 2003)

(1) Consolidated Operating Results

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

	Ordinary Income	Change from the previous fiscal year	Ordinary Profits	Change from the previous fiscal year	Net Income/Loss	Change from the previous fiscal year
	¥ million	%	¥ million	%	¥ million	%
Fiscal 2002	3,429,331	(33.8)	(2,121,621)		(2,353,424)	
Fiscal 2001	5,182,183	(9.9)	(1,349,850)		(976,044)	

	Net Income/Loss per Share of Common Stock	Net Income/Loss per Share of Common Stock Assuming Dilution	Net Return/Loss on Equity	Ordinary Profits to Total Asset	Ordinary Profits to Ordinary Income
	¥	¥	%	%	%
Fiscal 2002	(249,644.45)		(199.0)	(1.5)	(61.9)
Fiscal 2001	(108,003.27)		(28.8)	(0.9)	(26.0)

Note: 1. Equity in Earnings (Losses) from Investments in Affiliates : Fiscal 2002 ¥ (4,036) million Fiscal 2001 ¥ 6,771 million
 2. Average Outstanding Balance of Stocks (consolidated basis) : Fiscal 2002 9,427,104 shares Fiscal 2001 9,240,697 shares
 3. Change of Accounting Method: None
 4. Percentages on the above table represent changes of Operating Income, Net Operating Income, Ordinary Profits and Net Income to the respective amounts of the corresponding period of the previous year.

(2) Consolidated Financial Conditions

	Total Assets	Total Shareholders' Equity	Total Shareholders' Equity to Total Assets	Total Shareholders' Equity per Share of Common Stock	Consolidated Capital Adequacy Ratio (BIS Capital Ratio)
	¥ million	¥ million	%	¥	%
Fiscal 2002	127,818,881	1,531,604	1.2	(44,261.38)	9.33 (*)
Fiscal 2001	151,312,427	4,731,420	3.1	295,093.14	10.56

* Preliminary figure.

Note: The Outstanding Balance of stocks at the fiscal year-end (Consolidated basis) : Fiscal 2002 9,430,250 shares
 Fiscal 2001 9,428,955 shares

(3) Conditions of Consolidated Cash Flow

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash & Cash Equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
Fiscal 2002	(2,229,279)	(173,227)	(394,013)	6,393,720
Fiscal 2001	6,776,438	1,530,751	(697,401)	9,847,366

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

Number of Consolidated Subsidiaries	93
Number of Subsidiaries accounted for by the Equity Method	-
Number of Affiliates accounted for by the Equity Method	28

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

Consolidation	Newly Consolidated	8	Equity Method	Newly Applied	12
	Excluded	86		Excluded	14

2 . Consolidated Earnings Performance Forecasts for the Fiscal 2003(from April 1, 2003to March 31, 2004)

As for the Consolidated Earnings Performance Forecasts, please refer to “For Immediate Release” of Mizuho Financial Group, Inc..

Note :

Calculation formulas for indexes

(1) Formula for indexes - Financial Data for Fiscal 2002

Net Income/Loss per Share of Common Stock

$$\frac{\text{Net Income} - \text{Cash Dividends Declared (Preferred Stocks)}}{\text{Average Outstanding Shares of Common Stocks (*)}}$$

Net Income/Loss per Share of Common Stock Assuming Dilution

$$\frac{\text{Net Income} - \text{Cash Dividends Declared (Preferred Stocks)} + \text{Adjustment to Net Income}}{\text{Average Outstanding Shares of Common Stocks (*) + Number of Shares Assuming Dilution}}$$

Net Return/Loss on Equity

$$\frac{\text{Net Income} - \text{Cash Dividends Declared (Preferred Stocks)} \times 100}{\{(\text{Total Shareholders' equity (Beginning)} - \text{Shares of Preferred Stocks (Beginning)} \times \text{Issue Price}) + (\text{Total Shareholders' Equity (Year-end)} - \text{Shares of Preferred Stocks (Year-end)} \times \text{Issue Price})\} / 2} \times 100$$

Total Shareholders' Equity to Total Assets

$$\frac{\text{Total Shareholders' Equity}}{\text{Total Debts} + \text{Stocks held by Minority Shareholders} + \text{Shareholders' Equity (March.31,2002)}} \times 100$$

Total Shareholders' Equity per Share of Common Stock

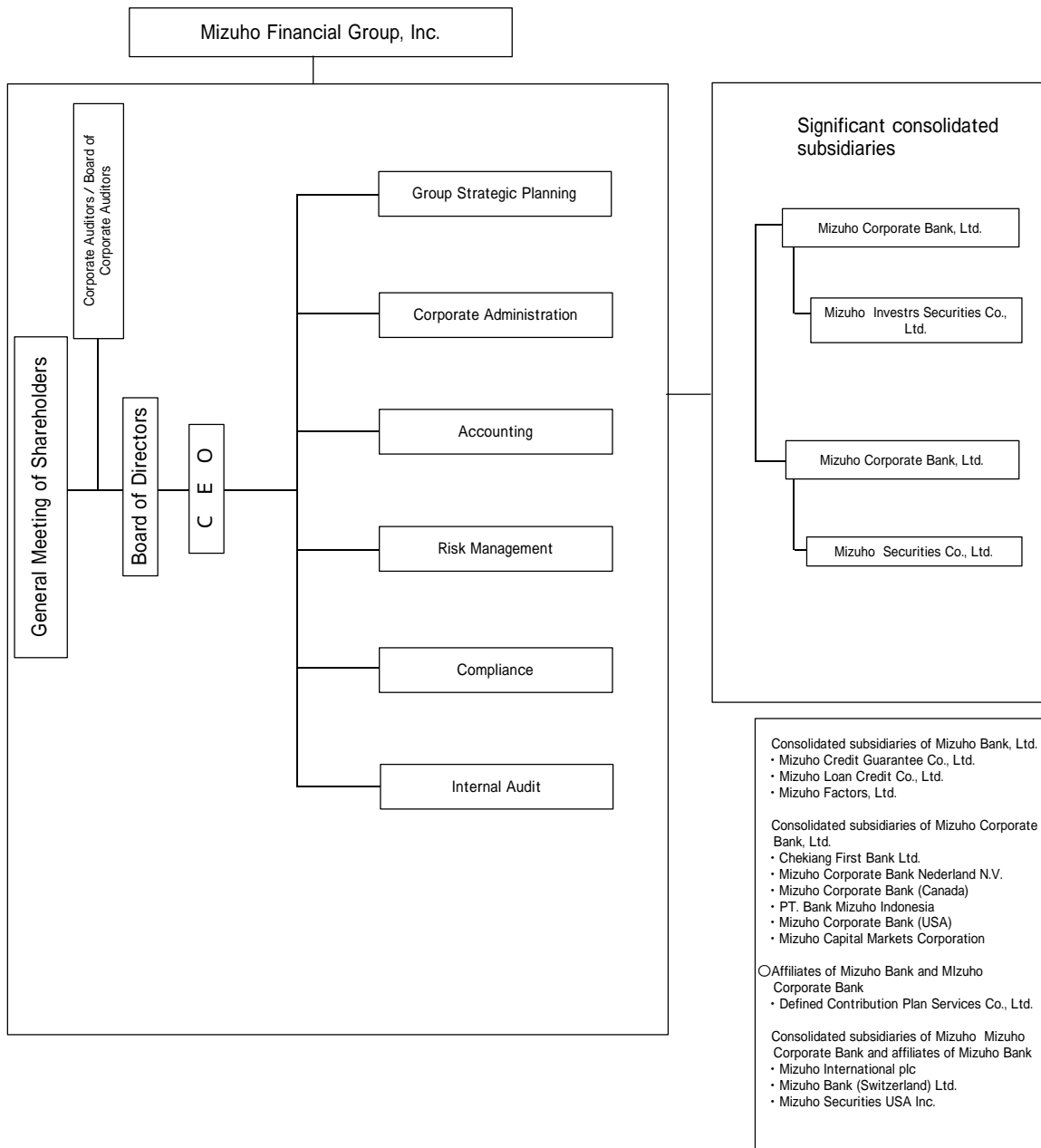
$$\frac{\text{Total Shareholders' Equity} - \text{Shares of Preferred Stocks} \times \text{Issue Price}}{\text{Shares of Common Stock (*)}}$$

* Excluding Treasury Stock.

1. Organization structure of Mizuho Financial Group

Mizuho Holdings, Inc. ("MHHD") became a wholly-owned subsidiary of Mizuho Financial Group, Inc. ("MHFG") on March 12, 2003 as a result of a stock-for-stock exchange ("kabushiki-kokan") by and between MHHD and MHFG. MHHD's organization as of March 31, 2003 is as follows.

(as of March 31, 2003)



Of the major domestic subsidiaries, the following company is listed on Japanese domestic stock exchanges.

Company Name	Location	Main Business	Ownership Percentage %	Listed Stock Exchanges
Mizuho Investors Securities Co., Ltd.	Chuo-Ku, Tokyo	Securities Business	65.2 (65.2)	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section) Nagoya Stock Exchange(First Section)

(): Percentage interest held by subsidiaries

2. Management Policies

(1) Management Policies

Through the corporate split and merger process, on April 1, 2002, Mizuho Financial Group consolidated and reorganized The Dai-Ichi Kangyo Bank, Limited, The Fuji Bank, Limited and The Industrial Bank of Japan, Limited (collectively, the “3 banks”) under Mizuho Holdings, Inc. (MHHD), a holding company for the 3 banks, to form Mizuho Bank, Limited (MHBK), whose main customers are individuals, domestic corporations and local public organizations and Mizuho Corporate Bank, Limited (MHCB), whose main customers are large corporations, financial institutions and their group companies, public organizations (national government entities) and overseas customers.

In addition, MHFG’s second tier subsidiaries, Mizuho Securities Co., Ltd. (MHSC) and Mizuho Trust & Banking Co., Ltd. (MHTB), became directly-owned subsidiaries of MHHD. As a result of this, MHFG launched its new business structure with the four companies referred to above as the core of the revitalized MHFG.

In November 2002, MHHD announced the “Change & Speed-up Program” and on March 12, 2003 it implemented a “Business Reorganization”, completely reorganizing its group management structure. Specific action under the “Business Reorganization” was the establishment of a new financial holding company “Mizuho Financial Group, Inc.” (“MHFG”), and a stock-for-stock exchange (“*kabushiki-kokan*”) by and between MHHD and MHFG. In addition to consolidating its position in growth business areas such as credit card business with its credit card company and asset management company etc., subsidiaries which are of particular strategic importance having a bearing on the management infrastructure of the whole group such as the information and technology companies etc. were placed directly under MHFG. Under the “Business Reorganization”, MHFG directly manages the primary subsidiaries and will enhance group-wide synergies, pursuing a swift enhancement in the group’s profitability by improving the comprehensive financial service capabilities of the group. MHSC was placed under MHCB and Mizuho Investors Securities Co. Ltd under MHBK, in order that the banking and securities customer sectors could complement each other, drawing out further profit potential. MHHD is now placed as an intermediate holding company, further strengthening business ties between MHBK and MHCB in addition to managing the banking and securities business sectors. In addition to the above, trust banking business was unified with the merger of MHTB and Mizuho Asset Trust & Banking Co., Limited.

(2) Issues to be Resolved

We are striving to enhance our competitiveness and maintain a high level of profitability so that we can consolidate the corporate value of MHFG and reinstate dividend payments to our shareholders by pushing forward with the speedy and certain implementation of the measures outlined in our “Change and Speed-up Program” and “Business Reorganization”.

We aim to change and accelerate the deployment of business strategies according to customer sector, a characteristic of our group business strategy, further enhancing our expertise to respond appropriately to customer and business needs, creating business opportunities and enhancing profitability.

Our retail wing, MHBK, which covers both individual and small and medium sized customers, will take advantage of its dominant position supported by both its nationwide and convenient network and enormous customer base. By providing high quality products and services, along with business deployment according to customer sector, it will strengthen its capability to increase both housing loans and good quality loans to SME customers while securing appropriate loan spreads which reflect credit risk and appropriate fee and commission levels which reflect operating costs.

MHBK will also enhance cost competitiveness by bringing forward branch consolidation and staff reductions well ahead of schedule. It has set the lower 40% range as its target expense ratio (ratio of expenses to total gross profits) in Fiscal 2005.

Our wholesale banking wing, MHCB will break away from the conventional business model that is dependent on asset volume so that it can quickly realize a market-oriented indirect financing model. Through the maximum reallocation of managerial resources to strategic businesses such as syndication business, securitization business and real estate and acquisition financing, it will provide its customers with high value-added products with the most advanced financial technology. MHCB has set 50% as its target ratio of non-interest income to total gross profits in Fiscal 2005.

MHSC, MHTB and other securities and trust banking arms of MHFG will strengthen further their capabilities in their respective strategic business areas, and actively pursue synergies with other group companies.

At the same time as pursuing this profit expansion strategy, while aggressively pursuing consolidation effects, MHHD, MHFG, MHBK and MHCB will accelerate cost structure reforms, actively reviewing personnel-related and general expenses. A specific example is additional staff reductions of 3,900 employees planned over the next 2 years to bring the number of employees to 24,000 employees as of the end of March 2005. We also plan to bring forward the consolidation of our branches and offices, with the reduction of 104 domestic branches and 6 overseas offices during fiscal 2003. As a result of these reforms, we plan to reduce expenses by 190 billion yen over a 4 year period from fiscal 2002. with a fiscal 2006 target in the 700 billion yen range.

In order to strengthen MHFG's financial condition and to complete the prompt disposal of the NPL portfolio, we have set up a separate entity for corporate revival, spinning off obligors classified as requiring "special attention" or worse in our self-assessment in an effort to speed up final processing and revitalization.

MHFG deeply apologizes for inconveniencing its customers and shareholders as a result of computer system problems such as delays in the processing of automatic debit transactions and trouble with its ATM services that occurred when MHBK and MHCB launched their new operations on April 1, 2002. Everyone in the Mizuho organization

from senior executives to each and every employee is working their hardest to make sure that this never happens again and to improve the level of service to our customers.

With the above group structure in place MHFG will manage its business through a variety of activities such as planning group strategy and business portfolio strategy, making the enhancements necessary to achieve synergies among group companies, strengthening risk management, compliance and internal audit and other activities to achieve the full comprehensive financial service capabilities of the group. Through the direct management of primary subsidiaries, MHFG will strengthen cost competitiveness through consolidation of group affiliates and promotion of a common group infrastructure, thus bringing forward the benefits derived from consolidation. MHFG will work with MHHD to manage the banking and securities business sectors which are the core group businesses, ensuring proper management and cooperation across the group.

With the shift to a new organization and a strengthening of our financial base, Mizuho Financial Group will make every effort to improve service to its customers ensuring the competitiveness and profitability that benefits the financial group with the largest customer base in Japan.

3. Consolidated Results of Operations

(1) For this fiscal year (From April 1, 2002 to March 31, 2003)

a. Scope of Consolidation

As discussed in BASIS FOR PRESENTATION AND PRINCIPLES OF CONSOLIDATION section of this document, for fiscal 2002, the number of subsidiaries included in the consolidated financial statements was 93, decreasing by 78 from the end of fiscal 2001. The number of companies accounted for by the equity method was 28, decreasing by 2 from the end of fiscal 2001.

b. Results of Operations

Consolidated Ordinary Income, Consolidated Ordinary Loss and Consolidated Net Loss for fiscal 2002 were ¥3,429.3 billion, ¥2,121.6 billion and ¥2,353.4 billion, respectively.

Net Interest Income was ¥1,256.4 billion, decreasing by ¥271.1 billion from fiscal 2001, due to the weak demand for fund in the domestic market and other severe market conditions.

Net Fiduciary Income was ¥55.4 billion, increasing by ¥1.0 billion from fiscal 2001, and Net Fee and Commission Income was ¥409.4 billion, decreasing by ¥91.6 billion from fiscal 2001.

Net Trading Income was ¥244.5 billion, increasing by ¥65.6 billion from fiscal 2001.

Other Operating Income amounted to ¥266.7 billion, increasing by ¥66.7 billion from fiscal 2001 due to the increase of Net Gains Related to Bonds.

As a result, Consolidated Gross Profits amounted to ¥2,232.5 billion, decreasing by ¥229.4 billion.

General and Administrative Expenses for fiscal 2002 amounted to ¥1,237.1 billion, decreasing by ¥131.0 billion, resulting from continuous cost reduction efforts.

Credit Related Costs amounted to ¥2,092.3 billion, as a result of regular disposals of problem loans under the worse deflation and the resultant tough operating result of borrowers, and the aggressive write-offs and provision of reserves to conservatively prepare for deterioration of asset quality and promote removal of problem. Also, we have continuously sold and written-down stock portfolio and recorded Net Losses Related to Stocks and Other Securities of ¥927.9 billion, decreasing by ¥1,044.6 billion from fiscal 2001.

Consolidated Ordinary Loss amounted to ¥2,121.6 billion, decreasing by ¥771.7 billion from fiscal 2002, which are mainly comprised of Consolidated Gross Profit, General and Administrative Expenses, Credit Related Costs, Net Losses Related to Stocks and Other Securities, Equity in Losses from Investments in Affiliates.

Net Extraordinary Loss was ¥131.6 billion, decreasing by ¥56.3 billion from fiscal 2001, primarily due to Losses on Disposal of Premises and Equipment.

Loss before Income Taxes and Minority Interests was ¥2,253.2 billion, decreasing by ¥828.0 from fiscal 2001.

Consolidated Net Loss was ¥2,353.4 billion, decreasing by 1,377.3 billion from fiscal 2001, reflecting Income Tax Expenses-Current, Income Tax Expenses-Deferred and Minority Interests in Net Loss to Loss before Income Taxes and Minority Interests.

Total Assets amounted to ¥127,818.8 billion, decreasing by ¥23,493.5 billion from fiscal 2001, because of accelerated disposal of problem loans and liquidation of loan portfolios to improve efficiency of assets, together with decreasing of consolidated subsidiaries as a result of business combination and reorganization (“Business Reorganization”).

Total Shareholders’ Equity was ¥1,531.6 billion due to Net Loss recorded in fiscal 2002 or others.

c. Consolidated Capital Adequacy Ratio

The Consolidated Capital Adequacy Ratio (BIS Standards) was still in sufficient level of 9.33% (a preliminary basis).

March 31, 2001	March 31, 2002	March 31, 2003
11.39%	10.56%	9.33%

*There are no figures before fiscal 1999, because Mizuho Holdings, Inc. was incorporated in fiscal 2000.

d. Cash Flows

Net Cash Used in Operating Activities, Investing Activities and Financing Activities were ¥2,229.2 billion, ¥ 173.2 billion, and ¥ 394.0 billion, respectively.

As a result, Cash and Cash Equivalents at end of the fiscal year was ¥ 6,393.7 billion.

e. Segment Information

MHHD’s segments of operations by geographic area are Japan, Americas, Asia / Oceania and Europe. Ordinary Income from International Operations of ¥ 705.0 billion was comprised in Consolidated Ordinary Income of ¥ 3,429.3 billion. MHHD and its consolidated subsidiaries are engaged in activities other than banking, however, such segment information is not presented, as the percentages for those activities are insignificant.

(2) Forecast for the Fiscal 2003 (From April 1, 2003 to March 31, 2004)

As for the consolidated operating forecast for the Fiscal 2003, please refer to MHFG’s Consolidated Financial Statements (“Kessan-Tanshin”).

Basis for Presentation and Principles of Consolidation

(1) Scope of Consolidation

Number of consolidated subsidiaries: 93

Names of principal companies:

Mizuho Bank, Limited
Mizuho Corporate Bank, Limited
Mizuho Securities Co., Ltd.

The Dai-Ichi Kangyo Bank, Limited, The Fuji Bank, Limited and The Industrial Bank of Japan, Limited, subsidiaries of MHHD, were combined and reorganized as Mizuho Bank, Limited and Mizuho Corporate Bank, Limited as the result of the corporate split and merger process. The Dai-Ichi Kangyo Bank, Limited changed its name to Mizuho Bank, Limited and The Fuji Bank, Limited to Mizuho Corporate Bank, Limited.

During the consolidated fiscal term, Mizuho Holdings Cayman and 7 other companies were newly consolidated on their establishment, etc. Mizuho Trust & Banking Co. Ltd. and 85 other companies were excluded as a result of merger, corporate split etc.

Non-consolidated subsidiaries

Names of principal companies:

ONKD, Inc.

Non-consolidated subsidiaries are excluded from the scope of consolidation because they do not have such a material effect as to hinder the rational assessment of the financial position and business performance of the corporate group in terms of total assets, ordinary income, net income (the amounts corresponding to MHHD's equity position), and retained earnings (the amounts corresponding to MHHD's equity position) when excluded from the scope of consolidation.

(2) Application of the Equity Method

Number of affiliates accounted for by the equity method: 28

Names of principal companies:

The Chiba Kogyo Bank, Ltd.
Shinko Securities Co., Ltd.
Japan Mortgage Co., Ltd.
Fuyo General Lease Co., Ltd.
IBJ Leasing Co., Ltd.

IBJ Leasing Co., Ltd. and 11 other companies were newly accounted for by the equity method as a result of the increase of MHHD's interests in these companies.

DKB Information Systems Inc. and 13 other companies were excluded from the scope of non-consolidated subsidiaries and affiliates accounted for by the equity method due to corporate split etc.

Non-consolidated subsidiaries and affiliates not accounted for by the equity method:

Names of principle companies:

ONKD, Inc.
Hanto Real Estate Management Co., Ltd.

The equity method was not applied to the above non-consolidated subsidiaries and affiliates because their net income (the amounts corresponding to MHHD's equity position), and retained earnings (the amounts corresponding to MHHD's equity position) do not have a material effect on MHHD's consolidated financial statements when excluded from the scope of companies accounted for by the equity method.

(3) Balance Sheet Dates of Consolidated Subsidiaries

Balance sheet dates of consolidated subsidiaries are as follows:

October 31	:	1 company
November 30	:	1 company
December 31	:	57 companies
January 31	:	1 company
March 31	:	28 companies
The day before the last business day of June	:	5 companies

Consolidated subsidiaries whose balance sheet date falls on October 31, November 30 and the day before the last business day of June were consolidated based on their assumed fiscal statements as of December 31, 2002. Other consolidated subsidiaries were consolidated based on their assumed financial statements as of 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.

(4) Amortization of Consolidation Differences

As a rule, consolidation differences are amortized over a period of 20 years using the straight-line method. If the amount should have no material impact on the consolidated financial statements of MHHD, the entire difference amount is amortized in the fiscal year that the difference takes place.

(5) Evaluation of Consolidated Subsidiaries' Assets and Liabilities

Assets and liabilities of consolidated subsidiaries are valued at fair value at the respective date of acquisition.

(6) Consolidated Statement of Retained Earnings

The Consolidated Statement of Retained Earnings is prepared based on the appropriation of retained earnings confirmed during the consolidated accounting period.

Consolidated Balance Sheet

March 31, 2003

Mizuho Holdings, Inc.

(in millions of yen)

Assets		Liabilities	
Cash and Due from Banks	7,180,792	Deposits	62,559,984
Call Loans and Bills Purchased	727,908	Negotiable Certificates of Deposit	6,610,430
Receivables Under Resell Agreements	3,736,424	Debentures	11,796,466
Guarantee Deposit Paid under Securities Borrowing Transactions	6,297,721	Call Money and Bills Sold	10,836,163
Other Debt Purchased	1,116,160	Payables Under Repurchase Agreements	8,209,283
Trading Assets	9,794,362	Guarantee Deposit Received under Securities Lending Transactions	3,815,328
Money Held in Trust	32,989	Commercial Paper	563,400
Securities	22,420,618	Trading Liabilities	6,163,511
Loans and Bills Discounted	65,922,885	Borrowed Money	1,393,633
Foreign Exchange Assets	718,774	Foreign Exchange Liabilities	190,879
Other Assets	4,378,594	Bonds and Notes	2,283,606
Premises and Equipment	1,534,747	Other Liabilities	5,198,937
Deferred Debenture Charges	1,041	Reserve for Bonus Payment	29,891
Deferred Tax Assets	1,966,929	Reserve for Employee Retirement Benefits	8,480
Customers' Liabilities for Acceptances and Guarantees	4,101,824	Reserve for Possible Losses on Loans Sold	24,936
Reserve for Possible Losses on Loans	(2,107,902)	Reserve for Contingencies	141,124
Reserve for Possible Losses on Securities	(4,993)	Reserve under Special Laws	884
		Deferred Tax Liabilities	4,169
		Deferred Tax Liabilities for Revaluation Reserve for Land	258,515
		Acceptances and Guarantees	4,101,824
		Total Liabilities	124,191,450
		Minority Interests	
		Minority Interests	2,095,826
		Shareholders' Equity	
		Common Stock and Preferred Stock	2,442,000
		Capital Surplus	117,726
		Retained Earnings (Accumulated Deficits)	(1,269,098)
		Revaluation Reserve for Land, net of Taxes	380,120
		Net Unrealized Losses on other Securities, net of Taxes	(42,984)
		Foreign Currency Translation Adjustments	(96,160)
		Total Shareholders' Equity	1,531,604
Total Assets	127,818,881	Total Liabilities, Minority Interests and Shareholders' Equity	127,818,881

Notes to Consolidated Balance Sheet

1. Amounts less than one million yen are rounded down.
2. **Trading Transactions**
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.
Trading Assets and Trading Liabilities are valued as follows. Securities and Monetary Claims 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 theoretical values, assuming that such transactions were settled at the consolidated balance sheet date.
3. **Securities**
Investments in stocks of non-consolidated subsidiaries and affiliates, which are not accounted for by the equity method, are valued on a cost basis using the moving average method. Regarding Other Securities Japanese stocks with a market price are valued on a mark-to-market basis using the average market price over the month preceding the consolidated balance sheet date, others with a market price are valued on a mark-to-market basis at the consolidated balance sheet date (cost of securities sold is calculated primarily by the moving average method) and securities without a market price are stated at cost as determined by the moving average method or amortized cost. The net unrealized gains (losses) on Other Securities are booked directly to Shareholders' Equity, net of applicable income taxes.
4. Securities which are held as trust assets in individually managed Money Held in Trust accounts, in which the principal objective is investment, are valued by the mark to market method.
5. Derivative transactions (other than transactions categorized as trading transactions) are valued on a mark-to-market basis.
6. **Premises and Equipment**
Depreciation of premises and equipment is calculated on an annual basis primarily using the declining-balance method (however in the case of buildings, depreciation is calculated primarily using the straight-line method). The general useful life for buildings and equipment is as follows:

Buildings	3 ~ 50 years
Equipment	2 ~ 20 years
7. Development costs for software internally-used are capitalized and amortized using the straight-line method over the estimated useful life determined by MHHD and its consolidated subsidiaries (primarily 5 years).
8. **Deferred Debenture Charges** are amortized as follows:
 - (1) Discounts of debentures are amortized over the term of the debenture.
 - (2) Debenture issuance costs are amortized over the term of the debentures up to a maximum of 3 years, which is the longest period permitted under the Commercial Code of Japan.
9. Stock issuance costs are all recognized as expenses when incurred.
10. **Foreign Currency Items**
Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of domestic banking subsidiaries are translated into Japanese yen primarily at the exchange rates in effect at the consolidated balance sheet date, with the exception of the stocks of non-consolidated subsidiaries and affiliates, which are translated at historical exchange rates.

Up until now, in the case of transactions etc. denominated in foreign currencies, domestic banking subsidiaries had adopted “Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No. 20). Effective this consolidated fiscal year, “Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No. 25) has been adopted.

For this consolidated fiscal year, domestic banking subsidiaries treated fund-related swap transactions, currency-swap transactions, and internal contracts and internal transaction on the basis of JICPA Industry Audit Committee Report No. 20 applying the transitional methods mentioned in JICPA Industry Audit Committee Report No. 25. The net amount of yen exchange difference relating to forward foreign exchange transactions etc. is recorded on the consolidated balance sheet.

Fund-related swap transactions are accounted for as follows on the basis of the transitional methods mentioned in JICPA Industry Audit Committee Report No.25:

- Amounts equal to the principal amounts of the lending/borrowing transactions to which the relevant fund-related swap transaction applies are translated into Japanese yen using exchange rates in effect at the consolidated balance sheet date and the net amount is recorded on the consolidated balance sheet.
- The spot/forward differences which reflect the differences in interest rates between the different currencies are recognized as gains or losses on an accrual basis for the period from the date of the spot leg to the forward leg, and entered in the consolidated statement of income, together with the accrued income and expense amounts on the consolidated balance sheet.

Fund-related swap transactions are originated for the purpose of lending and borrowing in different currencies, where (1) the notional amounts of lending and borrowing are equal to the amounts of foreign exchange purchased or sold as a spot transaction and (2) the amounts of future payment for and proceed from borrowing and lending, respectively, with the contractual interest payment or receipt denominated in foreign currency, are equal to the amounts of foreign exchange purchased or sold as a forward transaction.

Flat currency swap transactions, in which the transactions are (1) originated for the purpose of lending and borrowing in different currencies, (2) amounts payable/receivable at the maturity date are equal to amounts receivable/payable at the contract date and (3) the swap rates applied to principal and interest are rational, are accounted for as follows on the basis of the transitional methods mentioned in JICPA Industry Audit Committee Report No. 25 (includes those flat currency swap transactions in which the amount of currency equivalent to the principal of one of the currencies is changed on each date the amount equivalent to the interest is paid, in order to reflect market exchange rates at the time, and in which moreover the principal swapped at the beginning of each interest payment period is equal to the principal swapped at the end of the interest payment period):

- Principal amounts of lending/borrowing transactions are translated into Japanese yen using exchange rates in effect at the consolidated balance sheet date and the net amount is recorded on the consolidated balance sheet.
- The amount of foreign currency equivalent to the interest is recognized as gains or losses on an accrual basis for the period from the date of the spot leg to the forward leg, and entered in the consolidated statement of income, together with the accrued income and expense amounts on the consolidated balance sheet.

Assets and Liabilities denominated in foreign currencies of consolidated subsidiaries, except for the above transactions, are translated primarily at the exchange rates in effect at each balance sheet date.

11. Reserves for Possible Losses on Loans

Reserves for Possible Losses on Loans of major domestic consolidated subsidiaries are provided as follows in accordance with internally-developed standards for write-offs and providing reserves for possible losses on loans.

The reserve for loans to obligors which are classified as substantially bankrupt (“substantially bankrupt obligors”) or which are legally bankrupt, as evidenced by a declaration of bankruptcy, special liquidation, or other similar circumstances (“bankrupt obligors”), is provided based on the amount remaining after direct write-offs and deduction of the amount expected to be collected from the disposal of collateral and the amount recoverable from guarantees. Also a reserve is provided for loans to obligors which are not currently bankrupt but are likely to become bankrupt (“intensive control obligors”). In this case, the reserve is provided based on the amount the obligor is capable of repaying of the loan amount remaining after deducting the expected amount recoverable from disposal of collateral and amounts under guarantees.

In the case of those obligors which are classified as intensive control obligors or worse, with Restructured Loans as per paragraph 26 below and which are large obligors to which the exposure exceeds a certain specific amount, if the principal and interest payment cash flows can be reasonably estimated then a reserve is provided on the basis of the discounted cash flow, using the difference amount between the present value of expected future cash flows discounted at the contractual interest rate before the loan was classified as a restructured loan, and the loan book value (DCF or “discounted cash flow” method).

In the case of such a large obligor, if it is difficult to make a rational estimate of the future principal and interest cash flows, then the reserve is provided for the estimated loss amount individually.

In the case of all other loans to such borrowers, a reserve is provided on the basis of the loan failure rates calculated using the amount of actual loan failures etc. during a specific period in the past.

The Reserve for Loans to Restructuring Countries is provided based on the prospective loss after consideration of the relevant country's political and economic situation, etc.

All loans are assessed by the business promotion division, office or branch where the credit originated based on the internal rules for self-assessment of assets. A credit review and auditing section, which is independent of the originating sections, reviews the results of the self-assessment of assets for all loans based on the internal rules. The above Reserves for Possible Losses on Loans are provided based on the results of the review.

For loans to bankrupt obligors and substantially bankrupt obligors etc. which are collateralized or guaranteed by a third party etc., 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 directly written off against the respective loan balances. The total amounts directly written-off are ¥1,665,916 million.

With respect to the Reserves for Possible Losses on Loans of other consolidated subsidiaries, for normal obligors the amounts deemed necessary are provided in the reserve based on the actual ratio of failure in the past, etc. In the case of intensive control obligors or similar obligors, the expected uncollectible amounts are provided in the reserve after considering the creditworthiness of each claim.

12. Reserve for Possible Losses on Investments

This reserve is provided to cover any future potential losses on investment securities in other companies. It is booked as the amount deemed necessary taking into consideration the financial situation and other relevant factors of the investment securities' issuers.

13. Reserve for Bonus Payments

This reserve is provided for future bonus payments to employees. It is booked as the amount deemed necessary for employees' bonuses at the end of the consolidated fiscal year.

14. Reserve for Employee Retirement Benefits, and Prepaid Pension Cost

This reserve and prepaid pension cost are provided for future pension payments to employees. They are recorded as the amounts accrued at the end of the consolidated fiscal year, based on the projected benefit obligation and the plan asset amount at the end of the consolidated fiscal year.

Unrecognized actuarial gains (losses) are recognized as income or expenses from the following consolidated fiscal year and amortized over a fixed number of years (from 10 to 12 years) within the average remaining service period of the current employees using the straight-line method.

With respect to the unrecognized net obligation of the domestic consolidated subsidiaries at the date of amendment of the pension accounting policy, the amount is to be amortized principally over 5 years.

15. Reserve for Possible Losses on Loans Sold

This reserve is provided to cover contingent losses on loans sold to the Cooperative Credit Purchasing Company Limited, taking into account the value of the collateral pledged. This reserve is provided in accordance with former Article 287-2 of the Commercial Code of Japan.

16. Reserve for Contingencies
This reserve is provided to cover possible losses arising from matters not covered by specific reserves which are likely to occur and regarding which losses are reasonably determinable. This reserve is provided in accordance with former Article 287-2 of the Commercial Code of Japan.
17. MHHD and its domestic consolidated subsidiaries treat finance leases which do not involve the transfer of ownership to the lessee as operating leases.
18. Domestic consolidated banking subsidiaries apply the macro-hedge method as a hedge accounting for the overall interest rate risk involved in various financial assets and liabilities, such as loans and deposits, etc. using derivatives. This method is applied on the basis of the transitional method stipulated in “Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 24). This is the risk management method stipulated in “Temporary Treatment for Accounting and Auditing Application of Accounting Standards for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No.15) as the “Risk Adjusted Approach”, and uses the deferral method of hedge accounting. Hedge effectiveness is assessed by checking (1) whether the total risk amount of derivative instruments, used as the risk adjusting measure, is within the established risk limit as set out in the risk management policy and (2) whether interest risks from hedged items have been reduced.
In addition to the macro-hedge method, in order to hedge the foreign exchange risk attendant upon foreign securities (except bonds), the domestic consolidated banking subsidiaries applies the comprehensive hedge method outlined in the Accounting Standards for Financial Instruments, using deferred hedges and fair-value hedges in accordance with certain conditions, such as the stipulation in advance of precisely which company’s foreign securities are to be hedged, existence in foreign currency of a spot-forward liability in excess of the acquisition cost of the relevant foreign securities, etc.
For certain assets and liabilities and the assets and liabilities of other consolidated subsidiaries, deferred hedges, fair-value hedges or the special method for interest rate swaps are applied.
19. Consumption Taxes and Local Taxes
With respect to MHHD and its domestic consolidated subsidiaries, consumption taxes and local taxes are excluded from the transaction amounts.
20. Reserves under Special Law are recorded as follows:
Reserve for Contingent Liabilities from Broking of Financial Futures Transactions: ¥ 64 million
This reserve is maintained pursuant to Article 82 of the Financial Futures Transaction Law.
Reserve for Contingent Liabilities from Broking of Securities Transactions: ¥ 819 million
This reserve is maintained pursuant to Article 51 of the Securities & Exchange Law.
21. Accumulated depreciation of Premises and Equipment amounted to ¥ 673,852 million.
22. The book value of Premises and Equipment adjusted for gains on sales of replaced assets amounted to ¥ 134,644 million.
23. Computers, as well as Premises and Equipment, are used in lease contracts.
24. Balance of Loans to Bankrupt Borrowers: ¥ 278,258 million
Balance of Non-accrual Delinquent Loans: ¥ 1,496,815 million
Of the above loan amounts, ¥ 9,988 million comprises loans entrusted to Resolution and Collection Corporation (“RCC”) which leads to removal from balance sheet.
Loans to Bankrupt Borrowers 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 reasons 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 Implementation Ordinances for the Corporate Tax Law (Government Ordinance No. 97, 1965).
Non-accrual Delinquent Loans represent non-accrual loans other than (1) Loans to Bankrupt Borrowers and (2) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the borrowers.

25. Balance of Loans Past Due for 3 Months or More: ¥ 49,222 million.
Loans Past Due for 3 Months or More are those 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 are not included in Loans to Bankrupt Borrowers, or Non-accrual Delinquent Loans.
26. Balance of Restructured Loans: ¥ 2,635,503 million.
Restructured Loans represent loans on which contracts were amended in favor of borrowers (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 borrowers. Loans to Bankrupt Borrowers, Non-accrual Delinquent Loans and Loans Past Due for 3 Months or More are not included.
27. Total balance of Loans to Bankrupt Borrowers, Non-accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans: ¥ 4,459,799 million.
Of the above loan amounts, ¥ 9,988 million comprises loans entrusted to RCC which leads to removal from balance sheet.
The amounts given in paragraphs 24 through 27 are gross amounts before deduction of amounts for the Reserve for Possible Losses on Loans.
28. The total amount of loan participation, which is accounted as sales of loans to participants, is ¥ 1,643,072 million. The above treatment is based on JICPA Accounting Standard Committee Report No.3 issued June 1, 1995.
29. Bills discounted is accounted for as financial transactions on the basis of “Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 24). As a result, the banking subsidiaries have rights to sell or pledge certain commercial bills and foreign exchange bills discounted. The principal amount of these bills amounted to ¥ 1,158,882 million.
30. Breakdown of assets pledged as collateral
The following assets have been pledged as collateral:
- | | |
|-----------------------------|----------------------|
| Trading Assets: | ¥ 3,881,057 million |
| Securities: | ¥ 12,426,712 million |
| Loans and Bills Discounted: | ¥ 3,823,977 million |
| Premises and Equipment: | ¥ 63 million |
- The following liabilities are collateralized by the above assets:
- | | |
|--|---------------------|
| Deposits: | ¥ 703,235 million |
| Call Money and Bills Sold: | ¥ 7,472,000 million |
| Payables under Repurchase Agreements: | ¥ 5,554,998 million |
| Pledged Money for Securities Lending Transactions: | ¥ 3,615,769 million |
| Borrowed Money: | ¥ 333,160 million |
- In addition to the above, Deposits with Banks amounting to ¥ 7,544 million, Trading Assets amounting to ¥ 15,205 million, Securities amounting to ¥ 1,646,177 million, Loans and Bills Discounted amounting to ¥ 466,821 million and Other Assets amounting to ¥ 8,220 million are pledged as collateral in connection with foreign exchange settlement transactions, or as a substitute for margin payments for future transactions.
None of the assets has been pledged as collateral in connection with borrowings by non-consolidated subsidiaries or affiliates.
Premises and Equipment include Security Deposits of ¥ 128,830 million and Other Assets include Margin Payments for Futures Transactions of ¥ 39,811 million.
Bills re-discounted is accounted for as financial transactions on the basis of “Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry” (Industry Audit Committee Report No.24). The total face value of commercial bills and foreign bills of exchange bought as a result of re-discounting: ¥ 14,399 million
31. The net realized and unrealized gains (losses) from hedging instruments are included in Other Assets as Deferred Hedge Losses. The gross amounts of deferred hedge losses and gains before netting were as follows:
- | | |
|------------------------------|---------------------|
| Total deferred hedge losses: | ¥ 1,814,011 million |
| Total deferred hedge gains: | ¥ 1,738,056 million |

32. In accordance with the Law Concerning Land Revaluation (Proclamation No.34 dated March 31, 1998), land used for business activities has been revalued. The amount of tax payable on the amount of the revaluation differences has been shown in the item Deferred Tax Liabilities for Revaluation Reserve for Land indicated under Liabilities. In addition, the amount of revaluation differences less this tax liability has been shown in the item Revaluation Reserve for Land, net of Taxes under Shareholders' Equity.

Revaluation Date: March 31, 1998

Revaluation method as stated in Article 3-3 of the above law:

Land used for the Bank's business activities was revalued by calculating the value on the basis of the valuation by road rating stipulated in Article 2-4 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, etc. and also on the basis of the appraisal valuation stipulated in Article 2-5.

The difference at the consolidated balance sheet date between the total market value of land used for business activities revalued as stipulated in Article 10 of the above law, and the total book value of land used for business activities after revaluation: ¥ 303,917 million

Certain overseas subsidiaries revalue land used for their business activities in the same way.

33. Borrowed Money includes subordinated borrowings of ¥ 637,131 million.

34. Bonds and Notes include subordinated bonds of ¥ 2,170,788 million.

35. Net asset per share: (¥ 44,261.37)

From this consolidated fiscal term onwards, the "Accounting Standard for Net Income per Share" (Corporate Accounting Standard No. 2) etc. has been applied. The resulting increase/decrease in the Net asset per share amount is given in paragraph 47 below.

36. Figures for the market price and unrealized gains (losses) on securities are as follows. In addition to Securities, Trading Securities, Securities Held for Hedged Trading Transactions, NCDs and Commercial Paper in Trading Assets, NCDs in Cash and Due From Banks, and Commercial Paper in Other Debt Purchased are also included. The same applies up to and including paragraph 39.

Trading Securities

Balance of trading securities at the consolidated balance sheet date: ¥ 6,381,128 million

Unrealized gains (losses) recorded on the consolidated statement of income: ¥ 4,966 million

Securities Available for Sale which have a market price:

(Millions of yen)

	Acquisition Cost	Amount on Consolidated BS	Unrealized Gains (Losses)		
				Gains	Losses
Japanese Stocks	3,839,469	3,631,255	(208,213)	148,855	357,068
Japanese Bonds Total	11,492,084	11,576,439	84,354	85,333	979
Japanese Government Bonds	11,140,507	11,218,389	77,881	78,371	489
Japanese Municipal Bonds	90,980	96,325	5,345	5,384	39
Japanese Corporate Bonds	260,596	261,724	1,127	1,578	450
Other	5,192,774	5,274,255	81,480	102,222	20,472
Total	20,524,327	20,481,950	(42,378)	336,412	378,790

The following amounts are included in Net Unrealized Gains (Losses) on Other Securities, net of applicable income taxes:

Net Unrealized Losses:	¥ (42,378 million)
Amount corresponding to Deferred Tax Assets:	¥ 212 million
Less: Amount corresponding to Deferred Tax Liabilities :	¥ (1,078 million)
Amount corresponding to Minority Interests:	¥ (295 million)
Amount corresponding to Net Unrealized Losses on Other Securities owned by affiliates, which corresponds to the holding shares of their investor companies:	¥ 109 million
Amount included in Net Unrealized Losses on Other Securities, net of Taxes:	¥ (42,840 million)

Of those Other Securities which have a market price, if the market price (as a rule, the closing price on the last day of the fiscal term) has markedly deteriorated against the acquisition cost (including amortized cost) then except in cases where it is deemed that there is a possibility of a recovery in the market price, the market price is taken as the amount recorded on the consolidated balance sheet (book value) and the difference between the acquisition cost and the market price is treated as the loss for the consolidated fiscal year ("devaluation"). The amount of devaluation for the consolidated fiscal year was ¥ 534,776 million. The criteria for determining whether a security's market price has "markedly deteriorated" are outlined as follows:

Securities whose market price is 50% or less of the acquisition cost

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

During this consolidated fiscal year, in order to reduce exposure to the market price fluctuation risk of securities held, the portfolio was treated in line with the Mizuho Financial Group "Business Reorganization" and the "Change & Speed-up Program". In the case of securities where the market price exceeded 50% but was 70% or less of the acquisition cost and it was deemed necessary, even if the quoted price had maintained a certain level, the conservative approach was adopted and the market price was taken as the amount recorded on the consolidated balance sheet (book value), and the difference between the acquisition cost and the market price was recognized as a loss on devaluation.

37. Other Securities sold during this consolidated fiscal year are as follows:

Amount Sold	Gains on Sales	Losses on Sales
¥ 48,709,089 million	¥ 352,189 million	¥ 435,822 million

38. Major components of securities without a market price and their book value are as follows:

(Millions of yen)	
Details	Amount on Consolidated BS
<u>Other Securities:</u>	
Unlisted Japanese Stocks (other than OTC stocks)	525,051
Private Bonds	987,762

39. The redemption schedule by term for Other Securities with maturities is as follows:

(Millions of yen)				
	1 year or less	1 year to 5 years	5 years to 10 years	Over 10 years
Japanese Bonds Total	3,216,773	4,926,659	4,312,307	108,436
Japanese Government Bonds	3,112,476	3,986,171	4,067,396	52,345
Japanese Municipal Bonds	7,003	28,765	59,835	12,530
Japanese Corporate Bonds	97,293	911,722	185,074	43,561
Other	722,739	2,905,046	528,836	1,250,830
Total	3,939,512	7,831,706	4,841,143	1,359,270

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

For the Purpose of Investing in Securities

Book value on the consolidated balance sheet: ¥ 31,769 million

Revaluation gains (losses) recognized in the consolidated statement of income: ¥ (26) million

Other Money Held in Trust:

Cost: ¥ 1,220 million

Book value on the consolidated balance sheet: ¥ 1,220 million

41. Unsecured lending transactions which allow borrowers to re-sell securities, amounting to ¥ 8,585 million, are included in Trading Securities under Trading Assets. Securities lending transactions which do not allow borrowers to re-sell securities, amounting to ¥ 1,438 million, are included in Japanese Government Bonds, Japanese Local Government Bonds, etc. in Securities.

In certain transactions subsidiaries have the right to re-sell or re-pledge securities held under securities borrowing agreements and cash-collateralized securities borrowing agreements and securities purchased with resale agreements. Of these, securities re-pledged as collateral, re-sold, and held without being re-pledged or re-sold amounted to ¥ 4,461,802 million, ¥ 2,140 million and ¥ 3,599,504 million, respectively. ¥ 1,911 million of stocks for margin transactions is lodged as collateral for borrowed money.

Up until now, these securities have been recorded on the consolidated balance sheet as separate components of Other Assets (Securities in Custody) or Other Liabilities (Trading Bonds Borrowed, Trading Securities Borrowed or Securities Borrowed). As from this consolidated fiscal year, these securities are not recorded on the consolidated balance sheet but are disclosed in the Notes to the consolidated financial statements in accordance with "Practical Guidelines Concerning Accounting Standards for Financial Instruments" (JICPA Accounting Standards Committee Report No.14.) As a result of this change, Other Assets and Other Liabilities were decreased by ¥ 8,063,447 million.

42. Overdraft protection on current accounts and contracts for the commitment line for loans are contracts by which consolidated 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 amounts to ¥ 41,097,760 million. ¥ 37,536,140 million of these amounts relates to contracts of which the original contractual terms are one year or less, or unconditionally cancelable at any time.

Since many of these contracts expire without the rights exercised, the unutilized balance itself does not necessarily affect future cash flows of MHHD and its consolidated subsidiaries. A provision is included in many of these contracts that entitles the consolidated 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 consolidated subsidiaries obtain, moreover, real estate or securities as collateral at the time the contracts are entered into, if needed, and subsequently monitor a customer's business condition periodically, based on and in accordance with established procedures, and take measures to control credit risks such as amendments to contracts, if necessary.

43. Projected pension benefit obligation etc. as of the consolidated balance sheet date are as follows:

	¥ million
Projected Benefit Obligation	(1,299,013)
Plan Assets (fair value)	897,904
Unfunded Retirement Benefit Obligation	(401,109)
Unrecognized Net Obligation at Date of Initial Application	58,321
Unrecognized Actuarial Gains (Losses)	644,686
Net Amounts on Consolidated Balance Sheet	301,898
Prepaid Pension Cost	310,379
Reserve for Employee Retirement Benefits	(8,480)

44. Assets include provisional tax payments of ¥ 222,682 million made by a certain domestic banking subsidiary. These tax payments were made upon receipt of a Correction Notice from the Tokyo Regional Taxation Bureau ("TRTB") on August 23, 1996 in connection with the write-off of credits due from Japan Housing Loan, Inc. amounting to ¥ 376,055 million recorded in the consolidated fiscal year ended March 1996.

The subsidiary disputed the rationale for the proposed correction and filed an application seeking to void the proposed correction to the National Tax Tribunal for administrative review, but this was dismissed. On October 30, 1997 the subsidiary filed a lawsuit with the Tokyo District Court seeking to void the TRTB's administrative action against the subsidiary and won the case entirely on March 2, 2001. However this was appealed to the Tokyo High Court on March 16, 2001 and the subsidiary lost the case on March 14, 2002. On March 27, 2002 the subsidiary filed an appeal to the Supreme Court.

The subsidiary believes that its claim is appropriate. Nevertheless, the subsidiary provided a Reserve for Contingencies amounting to ¥ 134,806 million from the standpoint of sound financial practice. (Please refer to paragraph 16)

45. With the implementation of the "Metropolitan Ordinance regarding the Imposition of Enterprise Taxes through External Standards Taxation on Banks in Tokyo" (Tokyo Metropolitan Ordinance No. 145, April 1, 2000) ("the metropolitan ordinance"), enterprise taxes which were hitherto levied on income are now levied on *gyomu ararieki* (Gross Profits).

On October 18, 2000, domestic banking subsidiaries and domestic trust banking subsidiaries filed a lawsuit with the Tokyo District Court against the Tokyo metropolitan government and the Governor of Tokyo seeking to void the metropolitan ordinance. Domestic banking subsidiaries and domestic trust banking subsidiaries won the case eventually entirely on March 26, 2002 with a decision of the Tokyo District Court in domestic banking subsidiaries' favor, on the grounds that the metropolitan ordinance was illegal. The District Court ordered the metropolitan government to return to the domestic banking subsidiaries and domestic trust banking subsidiaries advance tax payments of ¥ 18,652 million and also awarded damages of ¥ 300 million.

On March 29, 2002 the metropolitan government lodged an appeal with the Tokyo High Court against the decision and on April 9 of the same year all those banks, which were plaintiffs in the first legal action including domestic banking subsidiaries, lodged an appeal with the Tokyo High Court. The domestic banking subsidiaries won the case eventually entirely on January 30, 2003 with a decision of the Tokyo High Court in their favor, on the grounds that the metropolitan ordinance was illegal. The Tokyo High Court ordered the metropolitan government to return to the domestic banking subsidiaries advance tax payments of ¥ 43,788 million. On February 10, the metropolitan government lodged an appeal and on February 13 all the banks which were plaintiffs in the first legal action including domestic banking subsidiaries lodged an appeal.

It is the opinion of domestic banking subsidiaries that the metropolitan ordinance is both unconstitutional and illegal. Domestic banking subsidiaries have asserted this opinion in the courts and the matter is still in litigation. During this term domestic banking subsidiaries have applied the same treatment as in the previous term, accounting for enterprise taxes through external standards taxation on banks in Tokyo in accordance with the metropolitan ordinance, because domestic banking subsidiaries have deemed it appropriate at this stage to continue with the same accounting treatment as before. This accounting treatment does not constitute in any way an admission on the part of domestic banking subsidiaries either of the constitutionality or of the legality of the metropolitan ordinance.

With the implementation of the metropolitan ordinance, enterprise taxes relating to banks in Tokyo were recorded in Other Expenses in the amount of ¥ 26,439 million in this consolidated fiscal year. As a result, there was a respective decrease (increase) in Ordinary Profit (Loss) as compared with the previous standards under which enterprise taxes were levied on income. Moreover, there was no effect in “Income Taxes – Current” in this consolidated fiscal year. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects, there was a decrease in Deferred Tax Assets of ¥ 43,076 million as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits. There was also a decrease in Deferred Tax Liabilities on Land Revaluation of ¥ 6,293 million and an increase in the Revaluation Reserve for Land, net of Taxes of same amount.

On April 4, 2002 domestic banking subsidiaries filed a lawsuit with the Osaka District Court against the Osaka municipal government and the Governor of Osaka seeking to void the municipal ordinance. With the implementation of the “Revision of Municipal Ordinance regarding the Imposition of the Enterprise Taxes through External Standards Taxation on Banks in Osaka” (Osaka Municipal Ordinance No.77) (“the revised municipal ordinance”) on May 30, 2002 and the implementation of “Revision of Municipal Ordinance regarding the Imposition of the Enterprise Taxes through External Standards Taxation on Banks in Osaka” (Osaka Municipal Ordinance No. 14), enterprise taxes through external standards taxation were applied from the beginning of the consolidated fiscal year starting on April 1, 2002.

The enterprise taxes which the banks are required to pay to the Osaka municipal government this fiscal term are subject to supplementary provision 2 of the revised municipal ordinance which stipulates that the banks shall pay the enterprise taxes based on the lesser of *gyomu ararieki* (Gross Profits) or income. Domestic banking subsidiaries, therefore, are scheduled to file and paid the enterprise taxes based on income. The fact that the domestic banking subsidiaries and domestic trust banking subsidiaries filed and paid the enterprise taxes according to the revised municipal ordinance does not constitute in any way an admission on the part of the domestic banking subsidiaries either of the constitutionality or of the legality of the revised municipal ordinances as well as the municipal ordinance. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects, there was a decrease in Deferred Tax Assets of ¥ 5,116 million as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits. There was also a decrease in Deferred Tax Liabilities on Land Revaluation of ¥ 590 million and an increase in the Revaluation Reserve for Land, net of Taxes of same amount.

With the promulgation of “Revision of Law regarding Regional Taxation etc.” (Law No. 9 of 2003) on March 31, 2002, enterprise taxes imposed on banks through external standards taxation from the consolidated fiscal year beginning April 1, 2004 will be levied on “added value”, “amount of capital etc.” and “income and liquidation income”, as compared with the previous legislation (“Law Regarding Regional Taxation” of 2003 before amendment, Article 72-12) under which enterprise taxes were levied on “income and liquidation income”. It follows that enterprise taxes imposed through external standards taxation levied on added value and amount of capital etc. are not in keeping with a tax which is imposed on income. Moreover, as a result from the consolidated fiscal year beginning April 1, 2004 enterprise taxes relating to banks in Tokyo and Osaka levied respectively by the Tokyo metropolitan government on the basis of the metropolitan ordinance and the Osaka municipal government on the basis of the municipal ordinance, will lose their foundation in law and will cease to apply.

As a result, there was a decrease in Deferred Tax Assets of ¥ 13,674 million, and an increase in Income Tax Expenses – Deferred of ¥ 12,871 million. There was also an increase in Deferred Tax Liabilities on Land Revaluation of ¥ 14,027 million, and a decrease in the Revaluation Reserve for Land, net of Taxes of same amount, in addition to a decrease in the share revaluation difference of ¥ 6 million.

46. “Accounting Standard for Treasury Stock and Reduction of Legal Reserves”(ASBJ Financial Accounting Standards No.1) took effect as of April 1, 2002. As a result, this accounting standard has been applied commencing this consolidated fiscal year. The effect on assets and equity at the end of this consolidated fiscal year resulting from the application of this standard was minimal.
- 47.“Accounting Standard for Earnings per Share” (ASBJ Financial Accounting Standards No.2) and “Implementation Guidance for Accounting Standard for Earnings per Share” (Financial Accounting Standards Implementation Guidance No. 4) took effect with regard to consolidated financial statements for the consolidated fiscal year beginning April 1, 2002. There is no effect on the amount of net assets per share and net income (loss) per share by applying these accounting standards.
48. Based on accounting standards for financial instruments, the following accounting treatments are applied:
Up until now, cash collateral balances received or paid under securities borrowing and lending transactions had been recorded as Cash Collateral Paid Under Securities Borrowing Transactions in Other Assets and Cash Collateral Received under Securities Lending Transactions in Other Liabilities. Effective this consolidated fiscal year, in accordance with the JICPA Accounting Standard Committee Report No.14 “Practical Guidelines Concerning Accounting for Financial Instruments”, these transactions are presented as lending and borrowing transactions secured by securities, and related cash collateral balances are presented as Guarantee Deposit Paid under Securities Borrowing Transactions or Guarantee Deposits Received under Securities Lending Transactions, respectively. As a result there was a decrease in Other Assets and Other Liabilities of ¥ 6,297,721 million and ¥ 3,815,328 million, respectively and corresponding increases in Guarantee Deposit Paid under Securities Borrowing Transactions and Guarantee Deposits received under Securities Lending Transactions.

Consolidated Statement of Operations

April 1,2002-March 31,2003

Mizuho Holdings, Inc

(In millions of yen)

Ordinary Income		3,429,331
Interest Income	1,991,268	
<i>Interest on Loans and Bills Discounted</i>	1,434,042	
<i>Interest and Dividends on Securities</i>	347,928	
<i>Interest on Call Loans and Bills purchased</i>	11,074	
<i>Interest on Receivables Under Resell</i>	113,940	
<i>Agreements</i>	770	
<i>Interest on Securities Borrowing Transactions</i>	42,801	
<i>Interest on Due from Banks</i>	40,710	
<i>Other Interest Income</i>	55,460	
Fiduciary Income	490,339	
Fee and Commissions Income	244,524	
Trading Income	416,972	
Other Operating Income	230,765	
Other Income		
Ordinary Expenses		5,550,953
Interest Expenses	734,844	
<i>Interest on Deposits</i>	181,037	
<i>Interest on Negotiable Certificates of Deposit</i>	12,878	
<i>Interest on Debentures</i>	117,776	
<i>Amortization of Deferred Debenture Charges</i>	3,146	
<i>Interest on Call money and Bills sold</i>	7,011	
<i>Interest on Payable under Repurchase Agreements</i>	189,919	
<i>Interest on Securities Lending Transactions</i>	8,724	
<i>Interest on Commercial Paper</i>	839	
<i>Interest on Borrowed Money</i>	44,228	
<i>Interest on Bonds and Notes</i>	59,883	
<i>Other Interest Expenses</i>	109,398	
Fee and Commissions Expenses	80,910	
Other Operating Expenses	150,217	
General and Administrative Expenses	1,237,158	
Other Expenses	3,347,821	
<i>Provision of Reserve for Possible Loan Losses</i>	932,377	
<i>Others</i>	2,415,443	
Ordinary Loss		2,121,621
Extraordinary Gains		5,813
Gain on disposal of Premises and Equipment	1,285	
Recovery of Written-off Claims	4,210	
Transfer from Reserve for Contingent Liabilities from	82	
Broking of Future transactions	171	
Transfer from Reserve for Contingent Liabilities from	62	
Broking of Securities transactions		
Other Extraordinary Gains		
Extraordinary Losses		137,454
Losses on disposal of Premises and Equipment	102,104	
Transfer to Reserve for Contingent Liabilities from	20	
Broking of Future transactions	166	
Transfer to Reserve for Contingent Liabilities from	35,162	
Broking of Securities transactions		
Other Extraordinary Losses		
Loss before Income Taxes and Minority Interests		2,253,262
Income Tax Expenses:		
Current		22,261
Deferred		29,572
Minority Interests in Net Loss		48,327
Net Loss		2,353,424

Notes to Consolidated Statement of Income

1. Amounts less than one million yen are rounded down.
2. Net income per share of Capital Stock: ¥249,644.44
3. Income or expenses on trading transactions are recognized on a trade date basis and recorded in Trading Income or Trading Expenses on the consolidated statement of income. Trading Income and Trading Expenses represent the interest received/paid during the consolidated fiscal term plus (1) the gains or losses resulting from any change in the value of securities and monetary claims between the end of the previous consolidated fiscal year and the end of the consolidated fiscal term and (2) the gains or losses resulting from any change in the value of derivative financial instruments between the end of the previous consolidated fiscal year and the end of the consolidated fiscal term, assuming that they were settled at term end.
4. Other Income includes Gains on Sales of Stocks and Other Securities of ¥72,068 million, Accrued Refund Related to Foreign Corporation Tax of ¥30,287 million, and Gains on Assets placed in Employee Retirement Benefit Trusts of ¥43,847 million.
5. Other Expenses include Losses on Write-offs of Loans of ¥735,111 million, Losses on Devaluation of Stocks and Other Securities of ¥606,584 million and Losses on Sales of Stocks and Other Securities of ¥389,554 million.
6. Extraordinary Losses include amortization of net obligation at date of initial application of the new accounting standard for employee retirement benefits of ¥32,967 million.

Consolidated Statement of Capital Surplus and Retained Earnings

April 1, 2002-March 31, 2003

Mizuho Holdings, Inc

(in millions of yen)

Capital Surplus

Balance at April 1, 2002	353,765
Decrease	236,039
Decrease in capital surplus due to the corporate split	236,039
Balance at March 31, 2003	117,726

Retained Earnings (Accumulated Deficits)

Balance at April 1, 2002	997,265
Increase	406,229
Effect of the Change in Scope of Consolidated Subsidiaries	376,329
Transfer from Revaluation Reserve for Land, net of Taxes	29,899
Decrease	2,672,593
Net Loss	2,353,424
Dividends	54,985
Bonuses to Directors and Corporate Auditors	0
Effect of the Change in Scope of Consolidated Subsidiaries	11,148
Effect of the Change in Scope of Affiliates	1,022
Decrease in retained earnings due to the stock exchange transaction	252,012
Balance at September 30, 2002	(1,269,098)

- Notes**
1. Amounts less than one million yen are rounded down.
 2. The balance of Capital Surplus at April 1, 2002 includes decrease of ¥1,849,982 million arising from the split and merger process of The Dai-Ichi Kangyo Bank, Ltd., The Fuji Bank, Ltd. and The Industrial Bank of Japan, Ltd. which took place on that date.
 3. The balance of Retained Earnings at April 1, 2002 includes increase of ¥896,131 million arising from the split and merger process of The Dai-Ichi Kangyo Bank, Ltd., The Fuji Bank, Ltd. and The Industrial Bank of Japan, Ltd. which took place on that date.
 4. Decrease in capital surplus due to the corporate split represents an decrease as a result of the Business Reorganization.

Consolidated Statement of Cash Flows

April 1, 2001-March 31, 2002

Mizuho Holdings, Inc.

(In millions of yen)

I. Cash Flows from Operating Activities

Loss before Income Taxes and Minority Interests	(2,253,262)
Depreciation	144,182
Amortization of Consolidation Differences	53,301
Equity in Losses from Investments in Affiliates	4,036
Increase in Reserve for Possible Losses on Loans	263,907
Increase in Reserve for Possible Losses on Securities	(1,682)
Decrease in Reserve for Possible Losses on Loans Sold	(24,085)
Increase in Reserve for Contingencies	6,920
Increase in Reserve for Bonus Payments	15,167
Increase in Reserve for Employee Retirement Benefits	(36,501)
Interest Income - accrual basis	(1,991,268)
Interest Expense - accrual basis	734,844
Loss on Securities	711,755
Loss from Money Held in Trust	988
Foreign Exchange Loss - Net	116,110
Loss on Dispositions of Premises and Equipment	100,818
Gain on Establishment of Retirement Benefit Trust	(43,847)
Net Increase in Trading Assets	(2,111,812)
Net Increase in Trading Liabilities	1,508,735
Net Decrease in Loans and Bills Discounted	15,264,686
Net Decrease in Deposits	(8,830,032)
Net Decrease in Negotiable Certificates of Deposit (Liabilities)	(4,513,175)
Net Decrease in Debentures (excluding Subordinated Debentures)	(3,614,499)
Net Increase in Borrowed Money (excluding Subordinated Borrowed Money)	23,356
Net Decrease in Due from Banks (excluding Deposits with Central Banks)	1,027,730
Net Increase in Call Loans	(2,509,156)
Net Decrease in Cash Placed as Collateral on Securities Borrowed	3,313,727
Net Increase in Guarantee Deposits Paid under Securities Borrowing Transactions	(6,297,721)
Net Increase in Call Money	5,294,445
Net Decrease in Commercial Paper	(126,856)
Net Decrease in Cash Received as Collateral for Securities Lent	(4,050,050)
Net Increase in Guarantee Deposits Received under Securities Lending Transactions	4,140,383
Net Decrease in Foreign Exchange (Assets)	463,947
Net Decrease in Foreign Exchange (Liabilities)	(517,285)
Net Decrease in Issuance, Redemption of Bonds and Notes	(50,228)
Net Decrease in Due to Trust Account	(286,941)
Interest and Dividends Income - cash basis	2,085,363
Interest Expense - cash basis	(842,885)
Others	684,921
Sub - Total	(2,141,964)
Income Taxes Paid	(87,315)
Net Cash Used in Operating Activities	(2,229,279)

II. Cash Flows from Investing Activities

Payments for Purchase of Securities	(59,435,925)
Proceeds from Sale of Securities	48,003,018
Proceeds from Redemption of Securities	11,261,664
Payments for Increase in Money Held in Trust	(20,364)
Proceeds from Decrease in Money Held in Trust	54,340
Payments for Purchase of Premises and Equipment	(94,326)
Proceeds from Sale of Premises and Equipment	25,257
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)	33,108
Net Cash Used in Investing Activities	(173,227)

III. Cash Flows from Financing Activities

Proceeds from Issuance of Subordinated Borrowed Money	243,000
Repayments of Subordinated Borrowed Money	(1,335,000)
Proceeds from Issuance of Subordinated Bonds, Notes and Bonds with Stock Option	75,000
Repayments of Redemption of Subordinated Bonds, Notes and Bonds with Stock Option	(485,778)
Proceeds from Investment of Minority Interests	1,200,430
Dividends Paid	(54,985)
Dividends Paid for Minority Interests	(36,424)
Payments for Purchase of Treasury Stock	(255)
Net Cash Used in Financing Activities	(394,013)

. Effect of Exchange Rate Changes on Cash and Cash Equivalents	72
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. Net Increase in Cash and Cash Equivalents	(2,796,448)
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. Cash and Cash Equivalents at Beginning of year	9,847,366
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. Net Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	(657,197)
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. Cash and Cash Equivalents at End of year	6,393,720
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NOTES TO CONSOLIDATED STATEMENTS 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 deposits with central banks included in "Cash and Due from Banks" on the Consolidated Balance Sheet.
- 3 Cash and Cash Equivalents at the end of year were reconciled to Cash and Due from Banks on the Consolidated Balance Sheet as follows:

	(in millions of yen)
Cash and Due from Banks	7,180,792
Due from banks except for deposits with the central banks	(787,072)
Cash and Cash Equivalents	6,393,720

Comparison of Consolidated Balance Sheets (Selected Items)

Mizuho Holdings, Inc.

(in millions of yen)

Balance Sheets	March 31, 2003(A)	March 31, 2002(B)	Comparison (A - B)
ASSETS			
Cash and Due from Banks	7,180,792	11,720,134	(4,539,342)
Call Loans and Bills Purchased	727,908	942,285	(214,376)
Receivables Under Resell Agreements	3,736,424	1,768,766	1,967,657
Guarantee Deposit Paid under Securities Borrowing Transactions	6,297,721	-	6,297,721
Other Debt Purchased	1,116,160	604,395	511,764
Trading Assets	9,794,362	7,951,419	1,842,943
Money Held in Trust	32,989	69,762	(36,773)
Securities	22,420,618	24,108,931	(1,688,312)
Loans and Bills Discounted	65,922,885	84,593,656	(18,670,770)
Foreign Exchange Assets	718,774	1,186,977	(468,202)
Other Assets	4,378,594	11,067,767	(6,689,173)
Premises and Equipment	1,534,747	1,753,497	(218,750)
Deferred Debenture Charges	1,041	4,843	(3,802)
Deferred Tax Assets	1,966,929	2,509,110	(542,180)
Consolidation Differences	-	64,296	(64,296)
Customers' Liabilities for Acceptances and Guarantees	4,101,824	4,923,244	(821,419)
Reserve for Possible Losses on Loans	(2,107,902)	(1,949,819)	(158,082)
Reserve for Possible Losses on Securities	(4,993)	(6,841)	1,848
Total Assets	127,818,881	151,312,427	(23,493,546)
LIABILITIES			
Deposits	62,559,984	74,129,456	(11,569,472)
Negotiable Certificates of Deposit	6,610,430	11,476,779	(4,866,348)
Debentures	11,796,466	15,310,890	(3,514,424)
Call Money and Bills Sold	10,836,163	9,453,692	1,382,471
Payables Under Repurchase Agreements	8,209,283	4,855,073	3,354,209
Guarantee Deposit Received under Securities Lending Transactions	3,815,328	-	3,815,328
Commercial Paper	563,400	711,382	(147,982)
Trading Liabilities	6,163,511	4,883,842	1,279,668
Borrowed Money	1,393,633	2,553,382	(1,159,749)
Foreign Exchanges Liabilities	190,879	708,231	(517,352)
Bonds and Notes	2,283,606	2,966,847	(683,240)
Convertible Bonds	-	8,432	(8,432)
Due to Trust Account	-	1,776,404	(1,776,404)
Other Liabilities	5,198,937	11,278,184	(6,079,246)
Reserve for Bonus Payment	29,891	21,801	8,089
Reserve for Employee Retirement Benefits	8,480	36,619	(28,138)
Reserve for Possible Losses on Loans Sold	24,936	49,647	(24,710)
Reserve for Contingencies	141,124	134,203	6,920
Reserve under Special Laws	884	950	(66)
Deferred Tax Liabilities	4,169	15,741	(11,571)
Deferred Tax Liabilities for Revaluation Reserve for Land	258,515	335,108	(76,592)
Acceptances and Guarantees	4,101,824	4,923,244	(821,419)
Total Liabilities	124,191,450	145,629,916	(21,438,466)
MINORITY INTERESTS			
Minority Interests	2,095,826	951,091	1,144,735
SHAREHOLDERS' EQUITY			
Total Shareholders' Equity	1,531,604	4,731,420	(3,199,815)
Total Liabilities, Minority Interests and Shareholders' Equity	127,818,881	151,312,427	(23,493,546)

(Notes) Amounts less than one million yen are rounded down.

Comparison of Consolidated Statements of Operations (Selected Items)

Mizuho Holdings, Inc.

(in millions of yen)

Statements of Operations	Year ended March 31, 2003	Year ended March 31, 2002	Comparison (A-B)
Ordinary Income	3,429,331	5,182,183	(1,752,852)
Interest Income :	1,991,268	3,020,489	(1,029,220)
<i>Interest on Loans and Bills Discounted</i>	<i>1,434,042</i>	<i>2,059,125</i>	<i>(625,082)</i>
<i>Interest and Dividends on Securities</i>	<i>347,928</i>	<i>516,308</i>	<i>(168,380)</i>
Fiduciary Income	55,460	54,443	1,016
Fee and Commissions Income	490,339	544,238	(53,899)
Trading Income	244,524	178,884	65,640
Other Operating Income	416,972	651,035	(234,063)
Other Income	230,765	733,092	(502,326)
Ordinary Expenses	5,550,953	6,532,033	(981,080)
Interest Expenses :	734,844	1,492,876	(758,031)
<i>Interest on Deposits</i>	<i>181,037</i>	<i>470,458</i>	<i>(289,421)</i>
<i>Interest on Debentures</i>	<i>117,776</i>	<i>160,011</i>	<i>(42,234)</i>
<i>Amortization of Deferred Debenture Charges</i>	<i>3,146</i>	<i>10,388</i>	<i>(7,241)</i>
Fee and Commissions Expenses	80,910	43,156	37,753
Other Operating Expenses	150,217	451,041	(300,824)
General and Administrative Expenses	1,237,158	1,368,206	(131,047)
Other Expenses	3,347,821	3,176,752	171,068
Ordinary Profit (Loss)	(2,121,621)	(1,349,850)	(771,771)
Extraordinary Gains	5,813	133,407	(127,594)
Extraordinary Losses	137,454	208,728	(71,274)
Income (Loss) before Income Taxes and Minority Interests	(2,253,262)	(1,425,170)	(828,091)
Income Tax Expenses :			
Current	22,261	110,498	(88,237)
Deferred	29,572	(545,923)	575,495
Minority Interests in Net Income (Loss)	48,327	(13,701)	62,029
Net Income (Loss)	(2,353,424)	(976,044)	(1,377,379)

(Notes) Amounts less than one million yen are rounded down.

Comparison of Consolidated Statements of Capital Surplus and Retained Earnings (Selected Items)

Mizuho Holdings, Inc.

(in millions of yen)

	Year ended March 31,2003	Year ended March 31,2002	Comparison (A-B)
Retained Earnings			
Balance at beginning of the year	-	1,107,231	(1,107,231)
Increase	-	13,560	(13,560)
Decrease	-	43,614	(43,614)
Net Income (Loss)	-	(976,044)	976,044
Balance at end of the year	-	101,133	(101,133)
Capital Surplus			
Balance at beginning of the year	353,765	-	353,765
Decrease	236,039	-	236,039
Balance at end of the year	117,726	-	117,726
Retained Earnings			
Balance at beginning of the year	997,265	-	997,265
Increase	406,229	-	406,229
Decrease	2,672,593	-	2,672,593
Balance at end of the year	(1,269,098)	-	(1,269,098)

(Notes) Amounts less than one million yen are rounded down.

Comparison of Consolidated Statements of Cash Flows

Mizuho Holdings, Inc.

(in millions of Yen)

	Year ended March 31,2003 (A)	Year ended March 31,2002 (B)	Comparison (A-B)
I. Cash Flows from Operating Activities:			
Income (Loss) before Income Taxes and Minority Interests	¥ (2,253,262)	¥ (1,425,170)	¥ (828,092)
Depreciation	144,182	94,749	49,433
Amortization of Consolidation Differences	53,301	21,162	32,139
Equity in Losses (Gains) from Investments in Affiliates	4,036	6,771	(2,735)
Increase (Decrease) in Reserve for Possible Losses on Loans	263,907	361,543	(97,636)
Increase (Decrease) in Reserve for Possible Losses on Securities	(1,682)	2,771	(4,453)
Decrease in Reserve for Possible Losses on Loans Sold	(24,085)	(149,445)	125,360
Increase (Decrease) in Reserve for Contingencies	6,920	110,171	(103,251)
Increase (Decrease) in Reserve for Possible Losses on Support of Specific Borrowers	-	(159,628)	159,628
Increase in Reserve for Bonus Payments	15,167	21,790	(6,623)
Increase in Reserve for Employee Retirement Benefits	(36,501)	(35,370)	(1,131)
Interest Income - accrual basis	(1,991,268)	(3,020,489)	1,029,221
Interest Expense - accrual basis	734,844	1,492,876	(758,032)
Loss (Gain) on Securities	711,755	(201,863)	913,618
Loss from Money Held in Trust	988	17,502	(16,514)
Foreign Exchange Loss - Net	116,110	(413,530)	529,640
Loss on Dispositions of Premises and Equipment	100,818	33,119	67,699
Gains (Losses) on Establishment of Retirement Benefit Trust	(43,847)	(89,036)	45,189
Net Increase (Decrease) in Trading Assets	(2,111,812)	3,150,206	(5,262,018)
Net Increase (Decrease) in Trading Liabilities	1,508,735	(46,227)	1,554,962
Net Decrease in Loans and Bills Discounted	15,264,686	6,394,050	8,870,636
Net Decrease (Increase) in Deposits	(8,830,032)	6,286,547	(15,116,579)
Net Decrease (Increase) in Negotiable Certificates of Deposit (Liabilities)	(4,513,175)	(1,405,177)	(3,107,998)
Net Decrease in Debentures (excluding Subordinated Debentures)	(3,614,499)	(2,537,366)	(1,077,133)
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)	23,356	411,237	(387,881)
Net Decrease (Increase) in Due from Banks (excluding Deposits with Central Banks)	1,027,730	970,963	56,767
Net Increase (Decrease) in Negotiable Certificates of Deposit	-	84,287	(84,287)
Net Increase (Decrease) in Call Loans	(2,509,156)	1,319,767	(3,828,923)
Net Decrease (Increase) in Cash Placed as Collateral on Securities Borrowed	3,313,727	(528,551)	3,842,278
Net Decrease (Increase) in Guarantee Deposits Paid under Securities Borrowing Transactions	(6,297,721)	-	(6,297,721)
Net Increase (Decrease) in Call Money	5,294,445	(390,433)	5,684,878
Net Decrease (Increase) in Commercial Paper	(126,856)	(1,142,331)	1,015,475
Net Decrease (Increase) in Cash Received as Collateral for Securities Lent	(4,050,050)	(555,210)	(3,494,840)
Net Increase (Decrease) in Deposits Received under Securities Lending Transactions	4,140,383	-	4,140,383
Net Decrease (Increase) in Foreign Exchange (Assets)	463,947	(315,128)	779,075
Net Decrease (Increase) in Foreign Exchange (Liabilities)	(517,285)	424,834	(942,119)
Net Decrease (Increase) in Issuance, Redemption of Bonds and Notes	(50,228)	(102,909)	52,681
Net Decrease (Increase) in Due to Trust Account	(286,941)	(50,007)	(236,934)
Interest and Dividends Income - cash basis	2,085,363	3,095,889	(1,010,526)
Interest Expense - cash basis	(842,885)	(1,603,992)	761,107
Others	684,921	(3,220,239)	3,905,160
Sub-total	(2,141,964)	6,908,130	(9,050,094)
Income Taxes Paid	(87,315)	(131,692)	44,377
Net Cash Provided by (Used in) Operating Activities	(2,229,279)	6,776,438	(9,005,717)
II. Cash Flows from Investing Activities:			
Payments for Purchase of Securities	(59,435,925)	(58,967,968)	(467,957)
Proceeds from Sale of Securities	48,003,018	40,450,103	7,552,915
Proceeds from Redemption of Securities	11,261,664	19,571,083	(8,309,419)
Payments for Increase in Money Held in Trust	(20,364)	(109,999)	89,635
Proceeds from Decrease in Money Held in Trust	54,340	429,371	(375,031)
Payments for Purchase of Premises and Equipment	(94,326)	(193,154)	98,828
Proceeds from Sale of Premises and Equipment	25,257	35,109	(9,852)
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)	-	(1,064)	1,064
Proceeds from Sales of Stocks of Subsidiaries (affecting the scope of consolidation)	33,108	318,553	(285,445)
Payments for Purchase of Stocks of Subsidiaries (not affecting the scope of consolidation)	-	(1,282)	1,282
Net Cash Provided by (Used in) Investment Activities	(173,227)	1,530,751	(1,703,978)
. Cash Flows from Financing Activities:			
Proceeds from Issuance of Subordinated Borrowed Money	243,000	116,000	127,000
Repayments of Subordinated Borrowed Money	(1,335,000)	(644,800)	(690,200)
Proceeds from Issuance of Subordinated Bonds, Notes and Bonds with Stock Option	75,000	274,033	(199,033)
Repayments of Subordinated Bonds, Notes and Bonds with Stock Option	(485,778)	(719,117)	233,339
Dividends Paid	(54,985)	(43,393)	(11,592)
Dividends Paid for Minority Interests	(36,424)	(43,421)	6,997
Proceeds from Investment of Minority Interests	1,200,430	379,874	820,556
Repayments of Minority Interests	-	(16,487)	16,487
Payments for Purchase of Treasury Stock	(255)	(323)	68
Proceeds from Sales of Treasury Stock	-	233	(233)
Net Cash Provided by (Used in) Financing Activities	(394,013)	(697,401)	303,388
. Effect of Exchange Rate Changes on Cash and Cash Equivalents	72	17,731	(17,659)
. Net Increase in Cash and Cash Equivalents	(2,796,448)	7,627,520	(10,423,968)
. Cash and Cash Equivalents at Beginning of the Year	9,847,366	2,219,805	7,627,561
. Net Increase in Cash and Cash Equivalents Resulting from Inclusion of Subsidiaries for Consolidation	-	46	(46)
. Net Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	(657,197)	(5)	(657,192)
. Cash and Cash Equivalents at End of Interim Period (the year)	¥ 6,393,720	¥ 9,847,366	¥ (3,453,646)

(Notes) Amounts less than one million yen are rounded down.

Segment Information

1. Segment Information by Type of Business

The Mizuho Financial Group is engaged in securities, trust, leasing and other activities. Such segment information, however, has not been presented, as the percentages of those activities are insignificant.

2. Segment Information by Geographic Area

For the Fiscal 2001 (from April 1, 2001 to March 31, 2002)

(in millions of yen)

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
Ordinary Income							
(1) Ordinary Income to outside customers	3,570,407	1,021,454	354,392	235,929	5,182,183		5,182,183
(2) Inter-segment Ordinary Income	150,725	164,690	43,540	59,817	418,773	(418,773)	
Total	3,721,132	1,186,144	397,932	295,747	5,600,956	(418,773)	5,182,183
Ordinary Expenses	5,156,794	1,012,734	381,442	313,293	6,864,264	(332,230)	6,532,033
Ordinary Profit	(1,435,661)	173,409	16,490	(17,545)	(1,263,307)	(86,542)	(1,349,850)
Assets	137,325,053	13,682,037	7,404,657	7,711,025	166,122,774	(14,810,346)	151,312,427

- Notes: 1. Geographic analyses of the Mizuho Financial Group's operations are presented based on geographic contiguity, similarities in economic activities, and relation of business operations. Ordinary Income and Ordinary Profit/Loss are presented in lieu of Sales and Operating Profit/Loss as is the case for 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. In prior years, dividend from stocks that have market prices had been recognized when the dates of General Meeting of Shareholders, or Board of Directors, etc. where the resolution regarding dividend is made effective current fiscal year, accrued dividend were recognized at ex-dividend day in the fiscal year. Criteria for recognition/derecognition of securities other than trading purpose also changed to a contract day basis. As a result, Ordinary Income for "Japan" increased by 36,081 million yen and Ordinary Loss decreased by the same amount.

For the Fiscal 2002 (from April 1, 2002 to March 31, 2003)

(in millions of yen)

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
Ordinary Income							
(1) Ordinary Income to outside customers	2,724,280	312,331	278,081	114,637	3,429,331		3,429,331
(2) Inter-segment Ordinary Income	25,237	92,806	54,865	17,314	190,224	(190,224)	
Total	2,749,517	405,137	332,947	131,952	3,619,555	(190,224)	3,429,331
Ordinary Expenses	4,898,509	349,570	383,136	98,838	5,730,054	(179,101)	5,550,953
Ordinary Profit (Loss)	(2,148,991)	55,567	(50,188)	33,114	(2,110,499)	(11,122)	(2,121,621)
Assets	119,656,530	13,375,709	7,510,016	5,016,293	145,558,549	(17,739,667)	127,818,881

- Notes: 1. Geographic analyses of the Mizuho Financial Group's operations are presented based on geographic contiguity, similarities in economic activities, and relation of business operations. Ordinary Income and Ordinary Profit/Loss are presented in lieu of Sales and Operating Profit/Loss as is the case for 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

(in millions of yen)

Period	Ordinary Income from Overseas Entities	Consolidated Ordinary Income	Ordinary Income from Overseas Entities / Consolidated Ordinary Income
For the Fiscal 2001 (from April 1, 2001 to March 31, 2002)	1,611,776	5,182,183	% 31.10
For the Fiscal 2002 (from April 1, 2002 to March 31, 2003)	705,050	3,429,331	% 20.55

- Notes: 1. Ordinary Income from Overseas Entities is presented in lieu of Sales as is the case for 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 information on “Manufacturing, order-book and retail situation.”

(Derivatives) - Current fiscal year

(1) Interest Rate Related Transactions

(in millions of Yen)

Type of Transactions			(in millions of Yen)			
			March 31, 2003			
			Contract Amount		Fair Value	Revaluation Gain (Loss)
Maturity over One Year						
Listed						
Futures	Sold	30,333,352	2,730,728	(218,277)	(218,277)	
	Bought	31,173,984	2,709,890	222,575	222,575	
Options	Sold	7,036,119	666,435	4,877	1,118	
	Bought	7,959,168	429,337	6,931	3,352	
Over the Counter						
FRAs	Sold	32,797,851	7,228,548	32,768	32,768	
	Bought	29,982,492	5,090,079	(33,979)	(33,979)	
Swaps	Fix receive/Flt Pay	257,562,666	172,666,979	7,806,129	7,806,129	
	Flt receive/Fix Pay	255,431,926	172,227,147	(7,388,901)	(7,388,901)	
	Flt receive/Flt Pay	40,563,658	31,227,895	(11,618)	(11,618)	
	Fix receive/Fix Pay	149,593	137,750	4,349	4,349	
Options	Sold	9,144,409	5,836,780	(64,593)	(64,593)	
	Bought	9,476,903	5,875,857	68,092	68,092	
Total						421,017

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo International Financial Futures Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

(2) Currency-Related Transactions

(in millions of Yen)

Type of Transactions			(in millions of Yen)			
			March 31, 2003			
			Contract Amount		Fair Value	Revaluation Gain (Loss)
	Maturity over One Year					
Over the Counter						
Currency Swaps			19,220,001	12,610,659	(134,631)	(163,960)
Others	Sold	-	-	-	-	
	Bought	-	-	-	-	
Total						(163,960)

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Derivatives transactions being designated as hedging items and the following transactions described in Note 3 are excluded from above table.

2 Fair values of transactions are calculated by the discounted value of future cash flows

3 Currency Swap Transactions which adopt accrual accounting in accordance with "Tentative Accounting and Auditing Treatment relating to Adoption of 'Accounting for Foreign Currency Transaction' for Banks" (JICPA Industry Audit Committee Report No. 20) or "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry"(JICPA Industry Audit Committee Report No.25), are excluded from the above table.

Currency Swap transactions which are accounted by the accrual method are as follows:

(in millions of Yen)

Type of Transactions	March 31, 2003		
	Contract Amount	Fair Value	Unrealized Gain(Loss)
Currency Swaps	252,383	2,124	(1,391)

Similarly, the following currency related derivatives transactions (Forwards, options, etc.) are excluded from the above table.

- Transactions which are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.
- Transactions which are specified for certain financial assets and liabilities denominated in foreign currencies and reflected on the Consolidated Balance Sheet
- Transactions denominated in foreign currencies which are eliminated in consolidation

Currency related derivatives stated at fair value are as follows:

(in millions of Yen)

Type of Transactions		March 31, 2003
		Contract Amount
Listed		
Futures	Sold	2,644
	Bought	3,173
Over the Counter		
Forwards	Sold	12,949,830
	Bought	16,983,861
Options	Sold	4,065,115
	Bought	4,124,246

(Derivatives) - Current fiscal year

(3) Stock-Related Transactions

(in millions of Yen)

Type of Transactions			March 31, 2003			
			Contract Amount		Fair Value	Revaluation Gain (Loss)
				Maturity over One Year		
Listed						
Index Futures	Sold		61,583	-	1,641	1,641
	Bought		3,170	-	(105)	(105)
	Sold		17,671	-	256	(0)
	Bought		50,796	-	390	33
Over the Counter						
Options	Sold		40,095	2,081	1,664	116
	Bought		74,223	6,893	3,527	(938)
Forward	Sold		-	-	-	-
	Bought		2,233	-	(142)	(142)
Total						604

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo Stock Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

(4) Bond-Related Transactions

(in millions of Yen)

Type of Transactions			March 31, 2003			
			Contract Amount		Fair Value	Revaluation Gain (Loss)
				Maturity over One Year		
Listed						
Index Futures	Sold		619,928	-	(514)	(514)
	Bought		852,153	-	3,293	3,293
Futures Options	Sold		173,073	-	409	164
	Bought		133,577	-	465	(129)
Over the Counter						
Options	Sold		31,513	-	114	41
	Bought		68,548	707	563	144
Total						3,000

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo Stock Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

(Derivatives) - Current fiscal year

(5) Commodity-Related Transactions

(in millions of Yen)

Type of Transactions			(in millions of Yen)			
			March 31, 2003			
			Contract Amount		Fair Value	Revaluation Gain (Loss)
	Maturity over One Year					
Over the Counter						
Options	Sold	131,197	77,335	6,174	1,779	
	Bought	131,197	77,335	3,607	1,004	
Total						2,784

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 Underlying commodities are Oil, Copper and Aluminum

(6) Credit Derivatives Transactions

(in millions of Yen)

(in millions of Yen)						
Type of Transactions			March 31, 2003			
			Contract Amount		Fair Value	Revaluation Gain (Loss)
				Maturity over One Year		
Over the Counter						
	Credit Derivatives	Sold	522,621	514,958	84,572	84,572
Total						84,572

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

(7) Weather Derivatives Transactions

(in millions of Yen)

Type of Transactions			(in millions of Yen)			
			March 31, 2003			
			Contract Amount		Fair Value	Revaluation Gain (Loss)
Maturity over One Year						
Over the Counter						
Weather Derivatives (Options)	Sold	166	-	8	(2)	
	Bought	166	-	7	5	
Total					2	

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 Transactions are related to precipitation and others.

(Derivatives) - Previous fiscal year

(1) Interest Rate Related Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Listed					
Futures	Sold	7,021,558	2,385,852	3,762	3,762
	Bought	3,746,983	2,313,561	1,522	1,522
Options	Sold	2,069,407	171,114	7,415	(2,803)
	Bought	1,929,895	229,219	5,784	1,633
Over the Counter					
FRAs	Sold	30,280,783	7,624,841	31,856	31,856
	Bought	29,398,902	7,682,984	(29,168)	(29,168)
Swaps	Fix receive/Flt Pay	259,228,559	161,909,892	7,685,119	7,685,119
	Flt receive/Fix Pay	256,258,811	156,719,785	(7,261,247)	(7,261,247)
	Flt receive/Flt Pay	15,335,921	10,765,936	(884)	(884)
	Fix receive/Fix Pay	3,070,125	2,764,976	1,274	1,274
Options	Sold	11,340,608	7,866,548	(43,415)	(67,579)
	Bought	10,252,957	7,524,157	84,616	72,765
Total					436,250

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo International Financial Futures Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option price

(2) Currency-Related Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Over the Counter					
Currency Swaps		21,213,205	13,650,730	162,296	49,786
Others	Sold	13,956	13,956	(42)	(42)
	Bought	4,331	659	522	522
Total					50,266

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items and the following transactions described in Note 4 are excluded from above table.

2 Fair values of transactions are calculated by the discounted value of future cash flows

3 "Others" denotes swaption transactions.

4 Currency Swap Transactions which adopt accrual accounting in accordance with "Tentative Accounting and Auditing Treatment relating to Adoption of 'Accounting for Foreign Currency Transaction' for Banks" (JICPA Industry Audit Committee Report No. 20), are excluded from the above table.

Currency Swap transactions which are accounted by the accrual method are as follows:

(in millions of Yen)

Type of Transactions	March 31, 2002		
	Contract Amount	Fair Value	Unrealized Gain(Loss)
Currency Swaps	825,902	14,901	(9,790)

Similarly, the following currency related derivatives transactions (Forwards, options, etc.) are excluded from the above table.

- Transactions which are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.
- Transactions which are specified for certain financial assets and liabilities denominated in foreign currencies and reflected on the Consolidated Balance Sheet
- Transactions denominated in foreign currencies which are eliminated in consolidation

Currency related derivatives stated at fair value are as follows:

(in millions of Yen)

Type of Transactions		March 31, 2002	
		Contract Amount	
Over the Counter			
Forwards	Sold	14,927,469	
	Bought	19,822,319	
Options	Sold	4,987,169	
	Bought	4,830,134	

(Derivatives) - Previous fiscal year

(3) Stock-Related Transactions

(in millions of Yen)

Type of Transactions			March 31, 2002			
			Contract Amount		Fair Value	Revaluation Gain (Loss)
				Maturity over One Year		
Listed						
Index Futures	Sold		40,892	-	651	651
	Bought		44	-	(0)	(0)
	Sold		19,534	-	46	98
	Bought		10,225	-	195	72
Over the Counter						
Options	Sold		12,505	1,924	375	(54)
	Bought		18,031	5,311	1,394	576
Index Swap	Flt Short Interest Rate Receive/Stock Index Fluctuate Ratio Pay		-	-	-	-
Total						1,343

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo Stock Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

(4) Bond-Related Transactions

(in millions of Yen)

Type of Transactions			March 31, 2002			
			Contract Amount		Fair Value	Revaluation Gain (Loss)
				Maturity over One Year		
Listed						
Index Futures	Sold		513,612	-	1,993	1,993
	Bought		363,057	7,851	(763)	(763)
Futures Options	Sold		989,844	52,760	967	(855)
	Bought		931,012	105,520	1,435	1,012
Over the Counter						
Options	Sold		246,429	502	25	(98)
	Bought		246,715	-	100	22
Total						1,312

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo Stock Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

(Derivatives) - Previous fiscal year

(5) Commodity-Related Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Listed					
Futures	Sold	-	-	-	-
	Bought	-	-	-	-
Over the Counter					
Forwards	Sold	-	-	-	-
	Bought	-	-	-	-
Swaps		-	-	-	-
Options	Sold	39,159	22,088	3,754	(930)
	Bought	39,159	22,088	3,764	1,259
Total					329

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 Underlying commodities are Oil and Copper.

(6) Credit Derivatives Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Over the Counter					
Credit Derivatives	Sold	68,987	43,999	(577)	(577)
	Bought	429,140	412,493	25,230	25,230
Total					24,652

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 "Sold" indicates assumption of credit risk, "Bought" indicates transfer of credit risk.

(7) Weather Derivatives Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Over the Counter					
Weather Derivatives (Options)	Sold	230	-	0	(0)
	Bought	230	-	0	0
Total					-

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 Transactions are related to precipitation and others.

Related Party Transactions

There are no relevant transactions with related parties to report for this fiscal year.