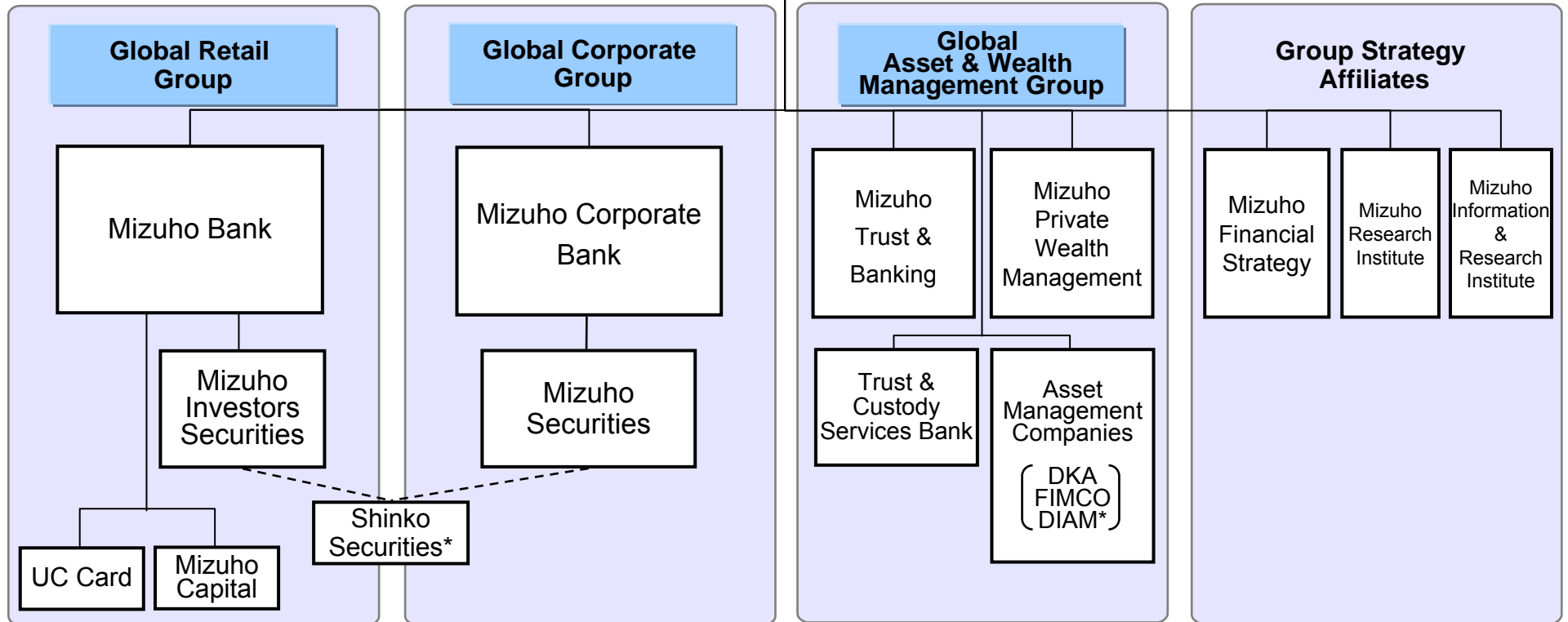


# **Financial Results for FY2005**

**July 2006**

Mizuho Financial Group

# Mizuho Financial Group, Inc.



\* An affiliate under the equity method

## Definitions

**3 Banks:** Aggregated figures for Mizuho Bank (BK), Mizuho Corporate Bank (CB), Mizuho Trust & Banking (TB) and their financial subsidiaries for corporate revitalization on a non-consolidated basis

**2 Banks:** Aggregated figures for Mizuho Bank and Mizuho Corporate Bank and their financial subsidiaries for corporate revitalization on a non-consolidated basis

(Note) Each financial subsidiary for corporate revitalization was merged with its respective parent bank on Oct. 1, 2005

**Summary of Financial Results for FY2005**

**Increasing Core Profitability**

**Financial Soundness**

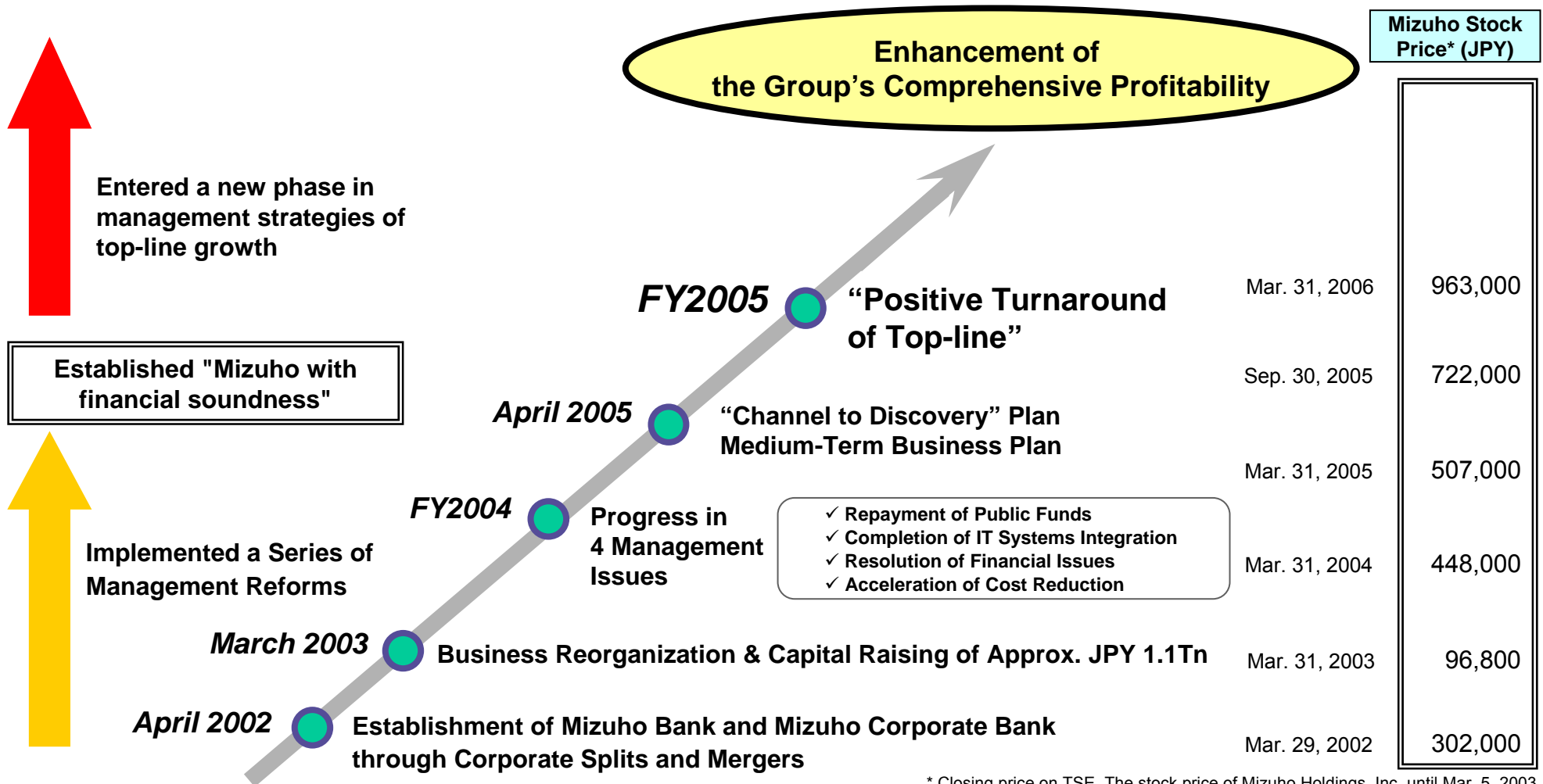
**Strategies for Growth**

**Disciplined Capital Management**

**Earnings Estimates for FY2006**

# Management Focuses

- “Enhancement of the Group’s Comprehensive Profitability” supported by “Sophisticated Management Control” and “Disciplined Capital Management”



\* Closing price on TSE. The stock price of Mizuho Holdings, Inc. until Mar. 5, 2003

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## Summary of Financial Results for FY2005

## Mizuho Financial Group (Consolidated Basis)

(JPY Bn)	FY2005	FY2004	Change	
Consolidated Gross Profits	2,002	1,993	+9	+0.46%
G&A Expenses	-1,095	-1,091	-3	
Consolidated Net Business Profits <sup>*1</sup>	922	912	+9	+1.09%
Credit Costs	53	-93	+147	
Net Gains related to Stocks	231 <sup>*2</sup>	210	+21	
Ordinary Profits	921	657	+263	
Net Income	649	627	+22	+3.58%
	Mar. 2006	Mar. 2005	Change	
Shareholders' Equity	4,804	3,905	+899	
BIS Capital Ratio	11.59%	11.91%	-0.32%	
Tier1 Capital Ratio	5.87%	6.19%	-0.32%	

## Aggregated Figures of 3 Banks (Non-Consolidated Basis)

(JPY Bn)	FY2005	FY2004	Change
Gross Profits	1,698 <sup>*3</sup>	1,626	+72
G&A Expenses	-810	-829	+18
Net Business Profits	889 <sup>*3</sup>	800	+89
Credit Costs	63	-61	+125
Net Gains related to Stocks	199	193	+5
Ordinary Profits	789 <sup>*3</sup>	418	+371
Net Income	732 <sup>*3</sup>	582	+150

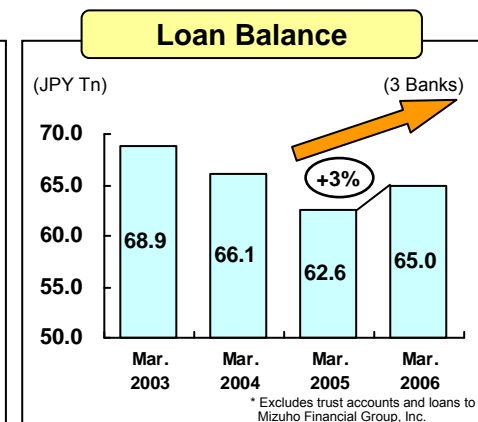
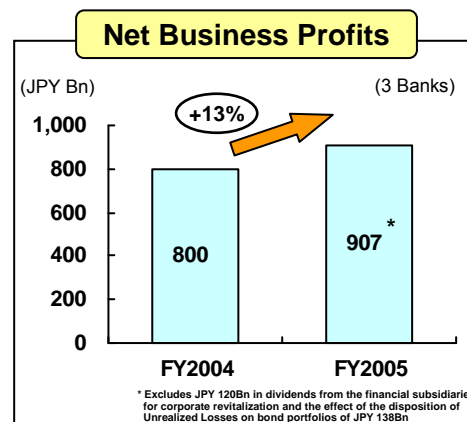
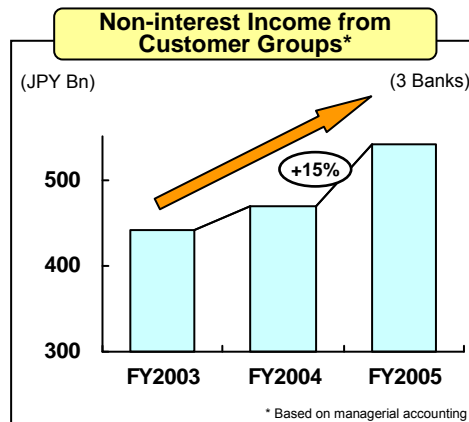
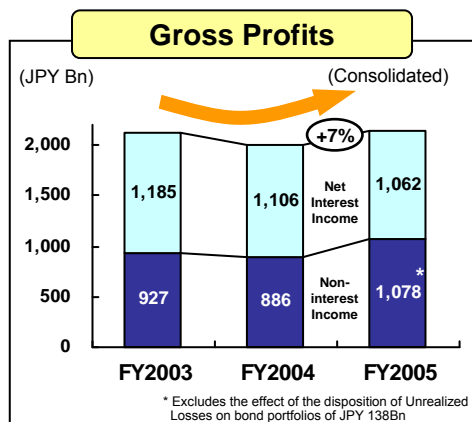
<sup>\*1</sup> Consolidated Gross Profits – G&A Expenses (Excluding Non-recurring Losses) +Equity in Income from Investments in Affiliates and other consolidation adjustments

<sup>\*2</sup> Includes gains (JPY 42.4 billion) on sales of a part of Mizuho Trust & Banking common stocks

<sup>\*3</sup> Includes JPY 120 billion in dividends from the financial subsidiaries for corporate revitalization due to the simple aggregation of 3 Banks' figures

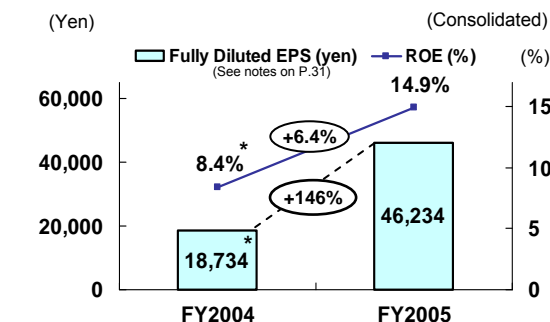
## ■ Positive turnaround and increases in top-line earnings

- Positive turnaround of gross profits due to increased Non-interest Income from Customer Groups
- Net Business Profits steadily increased and loan and risk-adjusted asset growth turned positive

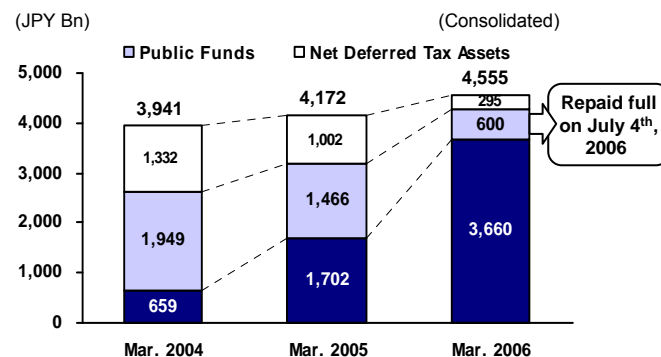


## ■ Disciplined capital management

### ➤ Increased EPS & ROE



### ➤ Steady Improvement in Capital Quality & Quantity (Tier 1 Capital)



#### Tier 1 Capital Raising

- ✓ Sale of treasury stocks: Aggregate sale price: JPY 531Bn
- ✓ Issuance of Preferred Securities: USD 600 million + EUR 500 million (approx. JPY 140Bn)

#### Repayment of Public Funds

- ✓ Repaid a total of JPY 866Bn (issue price basis) in FY2005
- ✓ Completed the repayment of all public funds on July 4th, 2006

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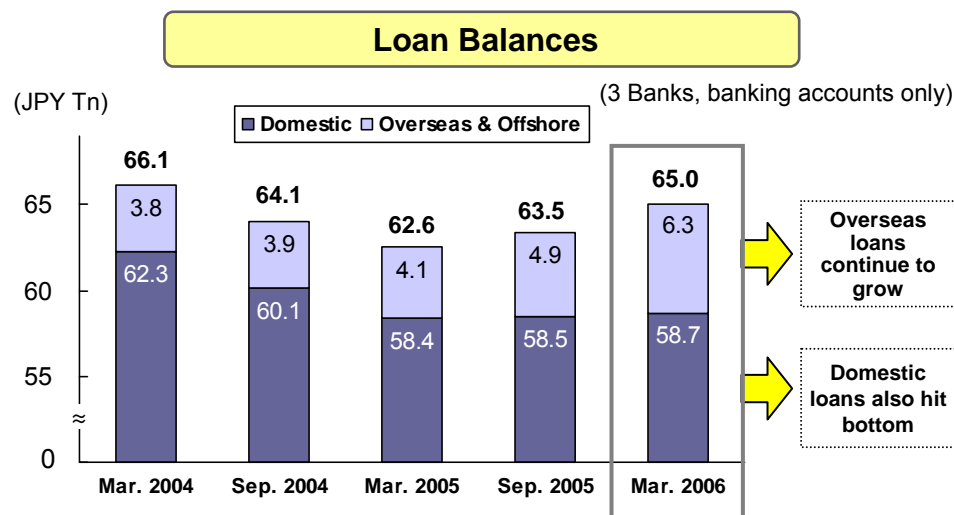
## Increasing Core Profitability

# Loan Balances, Interest Margins & Deposits

- The Loan Balance bottomed out in 1H FY2005 and is steadily increasing
- Interest margins contracted due to a decrease in loans to Watch Obligors and increased competition
- Ample liquid deposits will lead to an increase in profitability during the short-term interest rates rise

## Loan Balances

(excluding loans to Mizuho Financial Group, Inc.)



(3 Banks, including trust accounts)

Breakdown of Domestic Loans	Loans to large corporations	21,153	-1,676	-1,239
	Loans to SMEs	26,792	+1,787	+1,317
	Housing & Consumer Loans	11,774	+103	-58
	Residential Housing Loans	9,225	+153	+85

## Interest Margins & Deposit Balances

(Domestic Operations)

### Loan and Deposit Rate Margins

	FY2005	Change from FY2004
Mizuho Bank*	1.67%	- 0.13%
Mizuho Corporate Bank*	0.71%	- 0.10%
Mizuho Trust & Banking	1.41%	- 0.04%

\* Excluding loans to Deposit Insurance Corporation of Japan, government and others

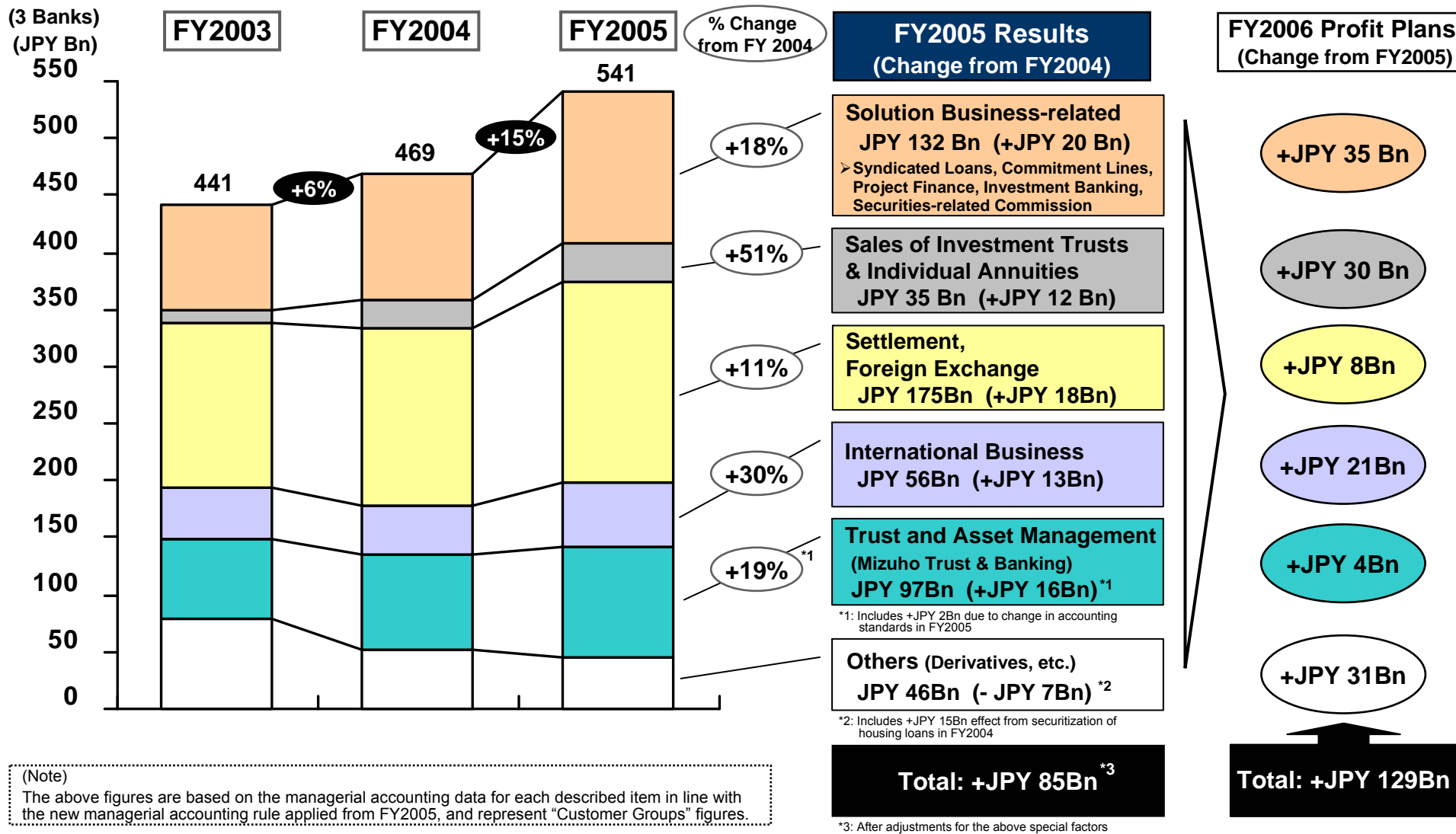
### Deposit Balances\*

\*See Notes on P.31

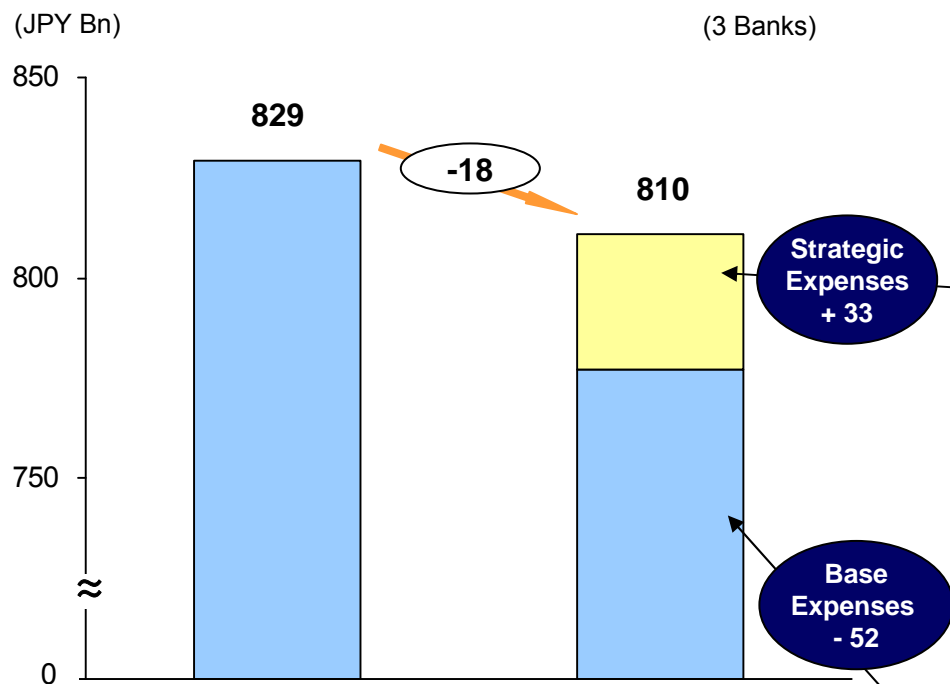
	Mar. 2006	Change from Mar. 2005	Proportion of liquid deposits
Mizuho Bank	51,464	+1,637	approx. 63%
Deposits from Individual Customers (Domestic Offices)	29,945	+841	
Mizuho Corporate Bank	9,294	-469	approx. 72%
Mizuho Trust & Banking	2,472	-295	approx. 24%
3 Banks	63,230	+872	approx. 63%

# Non-interest Income from Customer Groups

## ■ Non-interest Income in focused business areas increases rapidly



- **Base Expenses (-JPY 52Bn):** Continued steady reduction through the effects of IT systems integration
- **Strategic Expenses (+JPY 33Bn):** Investment of management resources into growth areas



## Factors Contributing to Changes in G&A Expenses in FY2005 (compared to FY2004) (JPY Bn)

<b>Personnel + 10</b>	Increased personnel and strengthened incentives in strategic areas - Increased financial consultants and enhanced overseas and real estate related businesses
<b>Non-Personnel + 23</b>	Implemented retail banking strategies ("Mizuho Mileage Club," "Premium Salons," etc.)
	Increased Business Finance Centers
	Enhanced overseas network and overseas business framework
	Strengthened PR activities
<b>Personnel - 12</b>	Reduced employee retirement benefit expenses due to the increase in expected return on plan assets (-6)
	Head count reduction, etc. (-5)
<b>Non-Personnel - 35</b>	Effects of IT systems integration (-25) (depreciation, maintenance expenses)
	Effects of consolidation of domestic branch network, etc. (-10)
<b>Taxes - 3</b>	Reduced property taxes as a result of the sale of properties, etc.

Breakdown of Changes in Base Expenses  
Mizuho Bank: -52, Mizuho Corporate Bank: -3, Mizuho Trust & Banking: +3

### Expense Ratios\*

FY2004 **50.8%** **+0.4%** FY2005 **51.3% (47.1%)**

Mizuho Bank	61.0%	-2.4%	58.5% (53.9%)
Mizuho Corporate Bank	35.9%	+4.7%	40.6% (36.6%)
Mizuho Trust & Banking	48.1%	-1.2%	46.8% (45.5%)

\*Expense Ratio = G&A Expenses / Gross Profits (Excluding dividends received from the financial subsidiaries for corporate revitalization)

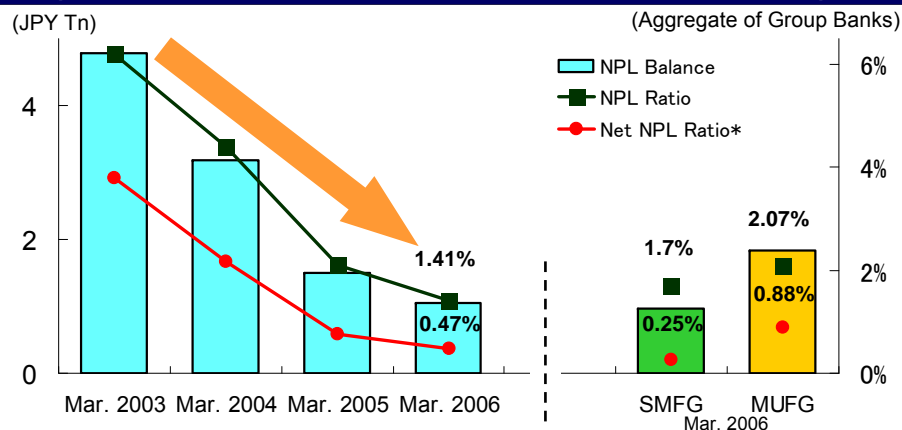
Figures in ( ) exclude the effect of the disposition of Unrealized Losses on bond portfolios in 2H of FY2005.

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## Financial Soundness

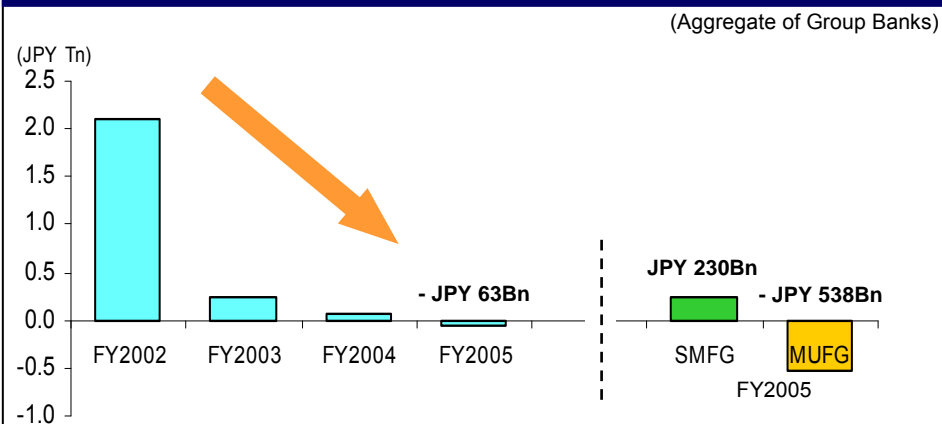
# Top Level Financial Soundness Among Mega Banks

## Decrease in NPL Balance & NPL Ratios (Disclosed Claims under Financial Reconstruction Law)

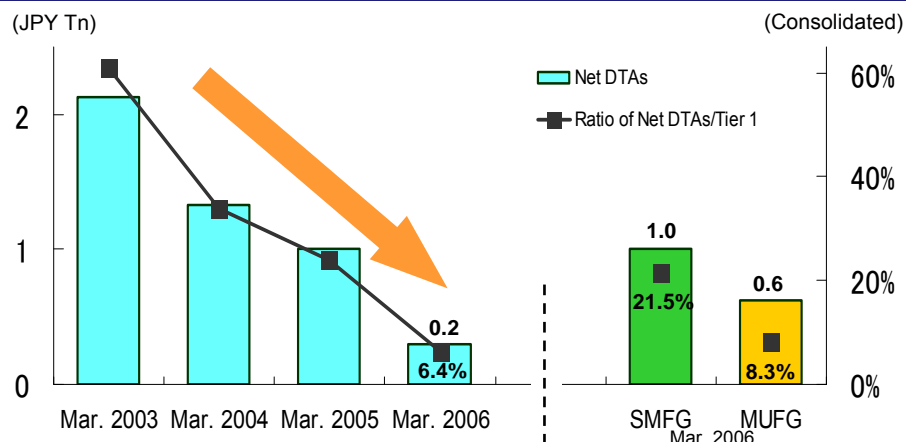


\* Net NPL Ratio=(Disclosed Claims under the Financial Reconstruction Law – Reserves for Possible Losses on Loans) / (Total Claims – Reserves for Possible Losses on Loans)

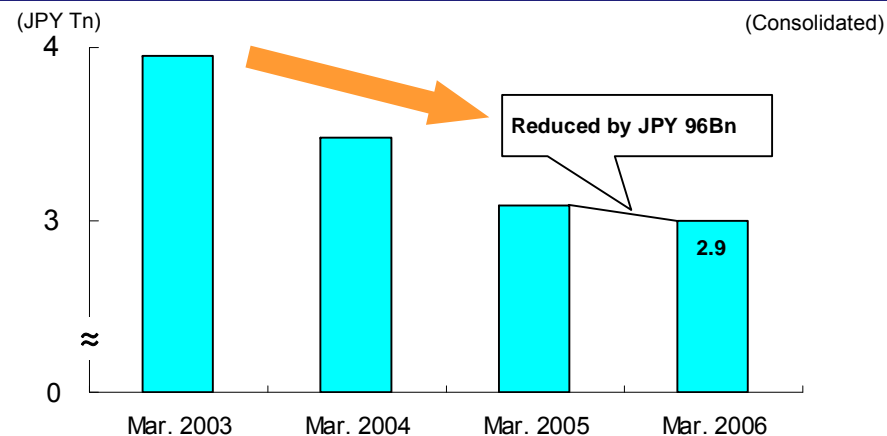
## Decrease in Credit Costs



## Decrease in Deferred Tax Assets (DTAs)



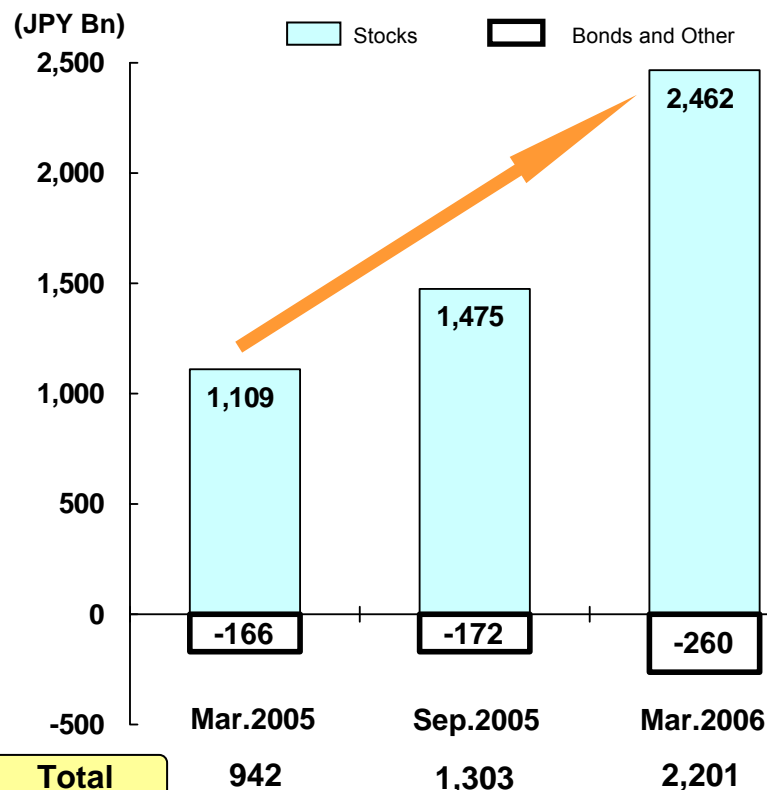
## Reduction in Stock Portfolio (Acquisition Costs) <Other Securities (which have fair value)>



# Improvement in Securities Portfolio

## Unrealized Gains/ Losses on Other Securities\*

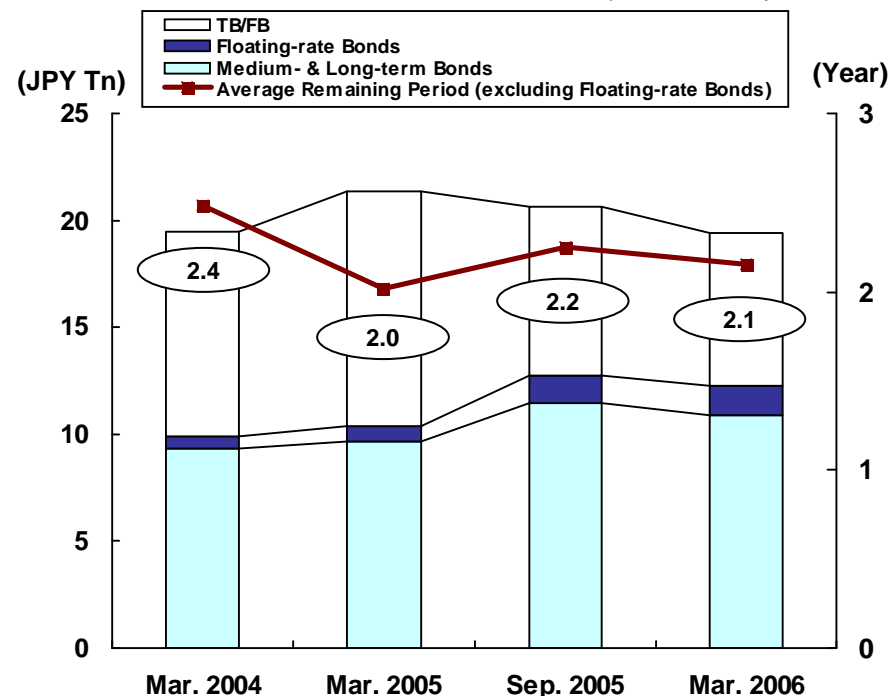
(Consolidated)



Disposition of unrealized losses on bond portfolios against the risk of rising interest rate: JPY 223 Bn (3 Banks)

## JGB Portfolio

(3 Banks, Acquisition Cost)



Unrealized Losses* (JPY Bn)	-135	-136	-229
Unrealized Losses of Floating-rate Bonds* (JPY Bn)	-0.4	-13	-90
Yield on 10 Year JGB	1.32%	1.48%	1.77%

10 BPV\*\* (Mar. 2006)

Domestic Bonds: -JPY 11Bn (+JPY13Bn)

Foreign Bonds: -JPY5Bn (+JPY10Bn)

\*\*10 Basis Point Value

(3 Banks excluding revitalization subsidiaries  
Figures in ( ) are changes from Sep. 2005)

\* The base amount to be recorded directly to Shareholders' Equity after tax and other necessary adjustments

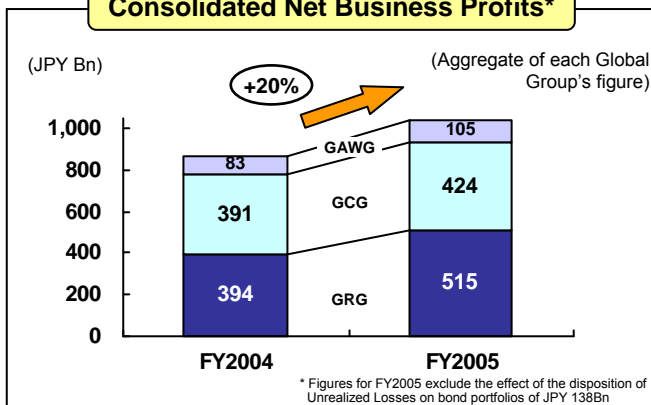
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## Strategies for Growth

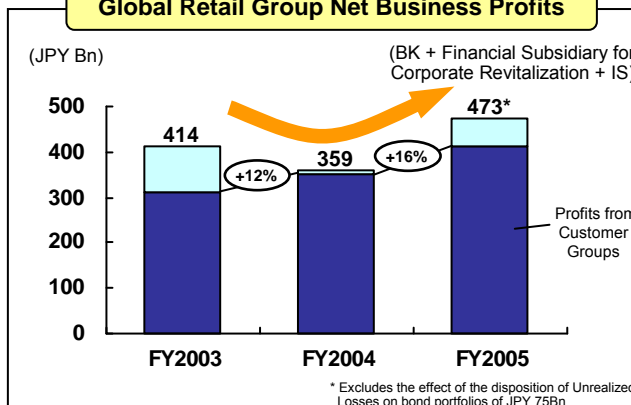
# Retail Banking Expansion and Synergy Enhancement

## ■ Increased profitability in both retail banking and international banking

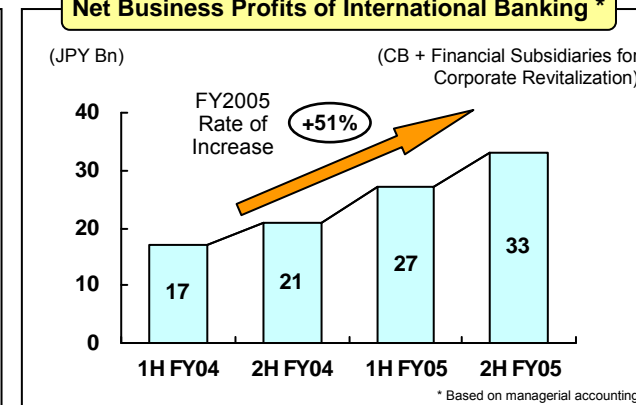
**Consolidated Net Business Profits\***



**Global Retail Group Net Business Profits**



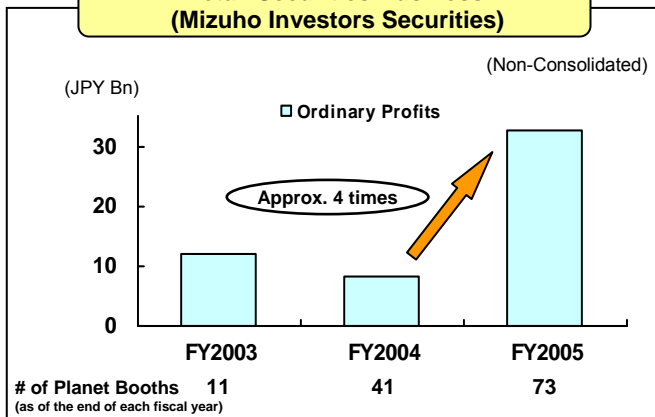
**Net Business Profits of International Banking \***



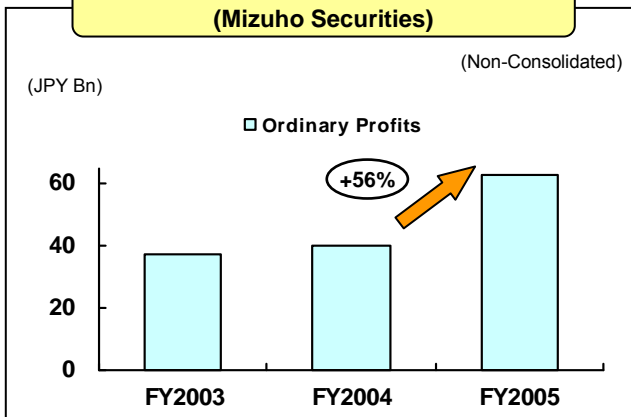
Note: **GRG**: Global Retail Group, **GCG**: Global Corporate Group, **GAWG**: Global Asset & Wealth Management Group, **IS**: Mizuho Investors Securities (Non-Consolidated Ordinary Profits)  
See notes on P.31

## ■ Increased synergies through strengthened group alliances

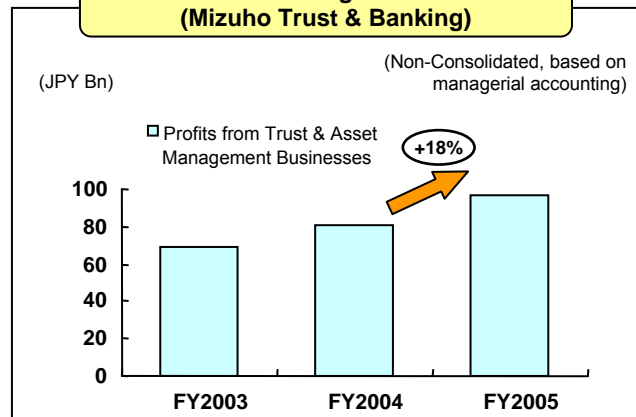
**Retail Securities Business  
(Mizuho Investors Securities)**



**Wholesale Securities Business  
(Mizuho Securities)**

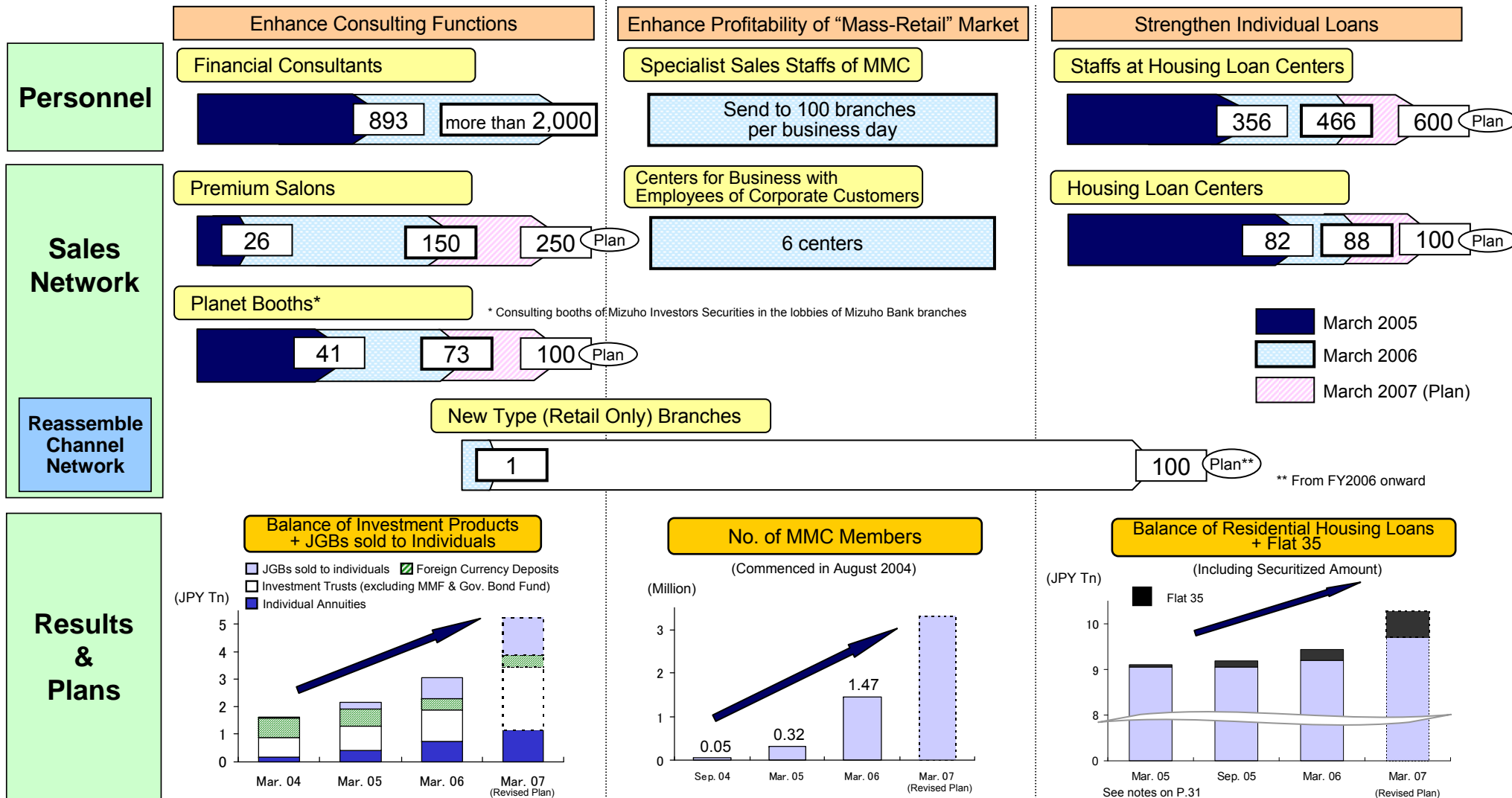


**Trust & Asset Management Business  
(Mizuho Trust & Banking)**



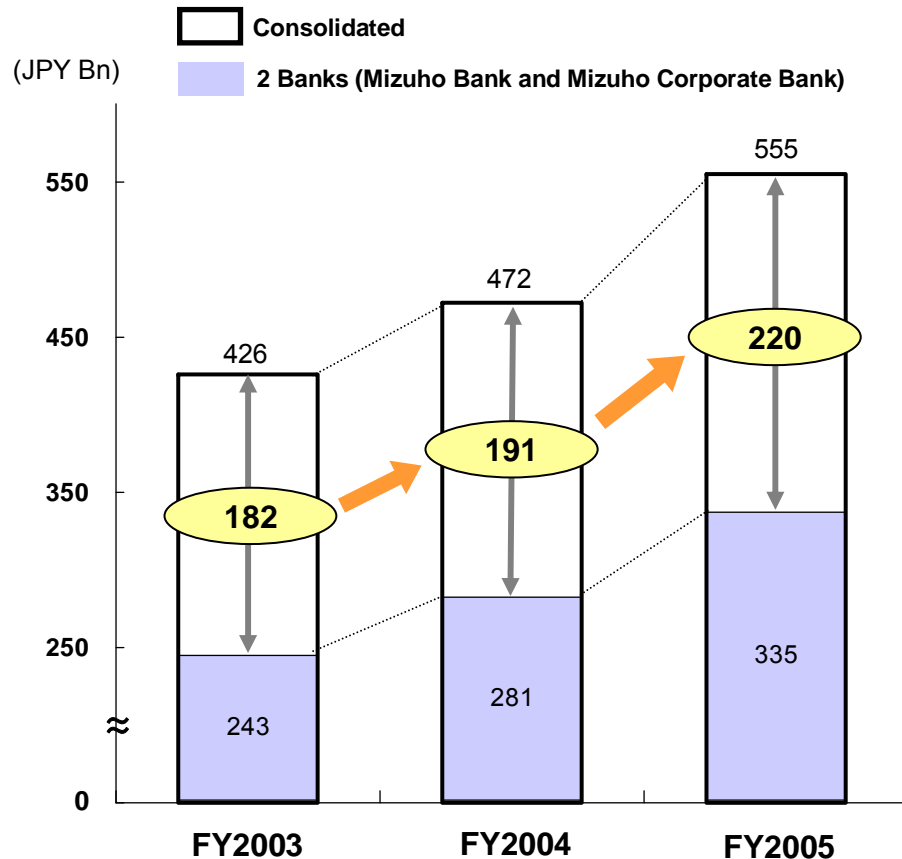
# Retail Banking Initiatives at Mizuho Bank

## ■ Accelerating establishment of business promotion system to steadily improve results



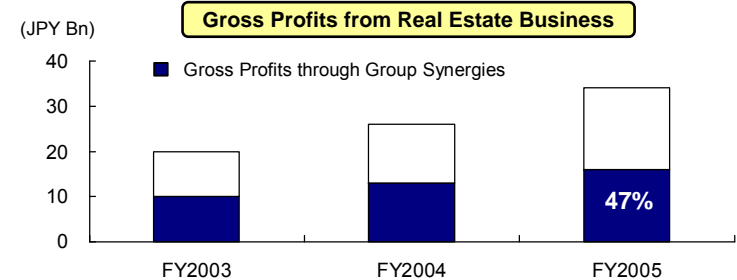
## Group Synergies in Net Fee & Commission Income

Greater Synergies from group companies including  
Mizuho Trust & Banking

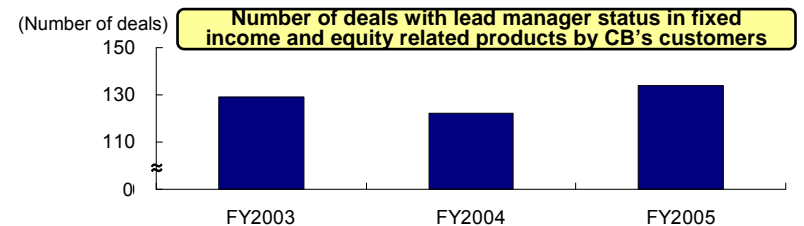


## Examples of Synergies Pursued

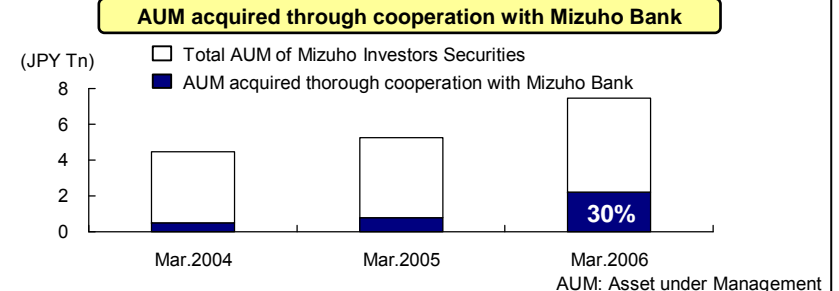
### Mizuho Trust & Banking



### Mizuho Securities



### Mizuho Investors Securities



# Strategic Focuses of 3 Global Groups

## Global Retail Group

### Mizuho Bank

Individuals

#### Mass-Retail

- Increase MMC membership

#### Consulting

- Increase sales of investment products

#### Loans to Individuals

- Increase sales of non-secured loans in alliance with Orico
- Strengthen housing loans including “FLAT35”

#### Channel Network

- Open max. 100 new type (retail only) branches

SMEs

#### Loans to Middle Corporations

- Increase loans with higher risk-adjusted returns

#### Loans to Small Corporations

- Increase loans originated through Business Finance Centers

#### Solution Businesses

- Increase Non-interest Income

### Mizuho Investors Securities

#### Pursuit of Group Synergies

- Increase “Planet Booth” (Joint Branches with Mizuho Bank)
- Strengthen customer referrals and securities brokerage

## Global Corporate Group

### Mizuho Corporate Bank

#### Syndicated Loan

- Promote “Originate to Distribute” business model

#### International Banking

- Enhance Profitability from Overseas Operations
- Strengthen Global Network

#### Pursuit of Group Synergies

- Cooperate with Mizuho Securities

### Mizuho Securities

#### Equity-Related

- Strengthen trading business and underwriting business

#### Investment Banking

- Strengthen M&A business and securitization business

#### Pursuit of Group Synergies

- Increase profit opportunities through group synergies and strategic alliances

## Global Asset & Wealth Management Group

### Mizuho Trust & Banking

#### Trust & Asset Management

- Proactively allocate resources to growth areas

#### Pursuit of Group Synergies

- Utilize trust banking agents
- Strengthen customer referrals with BK and CB

### Mizuho Private Wealth Management

#### Private Banking

- Provide Comprehensive and Integrated Services

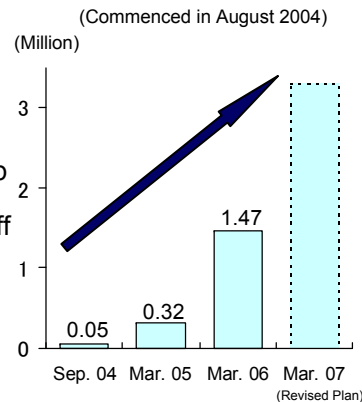
### Increase Profitability of "Mass-Retail" Market

#### Reinforce Mass-Retail Transactions centering around Mizuho Mileage Club (MMC)

##### ■ Increase MMC membership

- Increase the number of new customers subscribing to an MMC Card
  - Run promotions targeting new recruits
  - Utilize Mizuho's corporate customer base
- Strengthen the acquisition of MMC members from existing customers
  - Promote switching from former membership services
  - Promote in-branch promotions by sales staff (at 100 branches per business day)
- Improve card functions
  - Expand "Corporate Partners" affiliates
  - Added AMEX brand version (Jan. 2006)
  - Introduced Mizuho Suica Card in alliance with JR-East (Mar. 2006)

#### No. of MMC Members



### Enhance Consulting Functions

#### Increase Sales of Investment Products

##### ■ Expand consulting sales channel

- Increase Financial Consultants (FCs)
- Increase "Premium Salons"
- Open new type branches (max. 100)

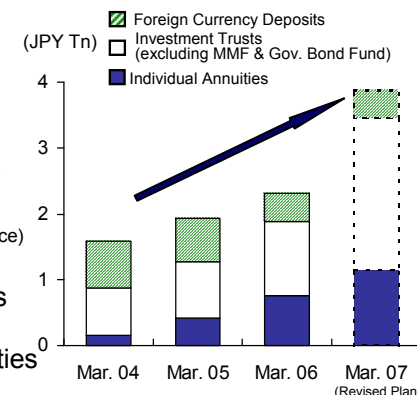
##### ■ Strengthen product strategy

- Expand sales of financial products in collaboration with 3 major U.S. banks
- Expand JGB sales to individuals
- Respond to deregulation on the sales of insurance products (lump-sum life insurance/ lump-sum endowment insurance)

##### ■ Enhance group synergies

- Increase "Planet Booths" (joint branches with Mizuho Investors Securities)
- Commenced provision of Shinko Securities wrap accounts (May 2006)

#### Balance of Investment Products



### Strengthen Individual Loans

#### Increase Loans in Alliance with Orient Corporation (Orico)

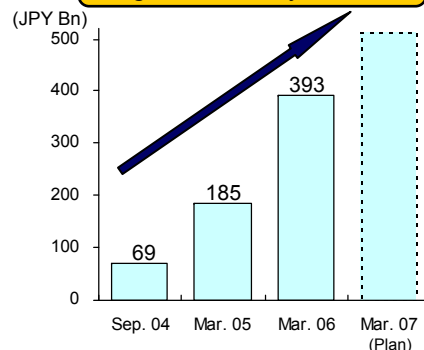
##### ■ Increase Captive Loans guaranteed by Orico

- Expand Orico's affiliated merchant network by leveraging Mizuho's corporate customer base

##### ■ Introduce new card loans

- Mizuho Orico Card Loans (from Jan. 2006)
  - Outstanding Balance: approx. 0.5Bn
  - Number of contracts: approx. 1,100 (As of Mar. 2006)

#### Balance of Captive Loans guaranteed by Orico



#### Increase Housing Loans

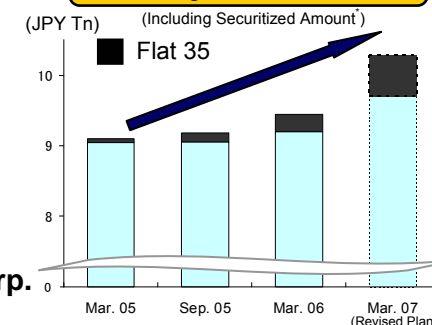
##### ■ Increase housing loans

- Expand origination channels through developers
  - 88 housing loan centers with 470 staffs
  - Extend business hours, incl. weekends
- Promote customers' refinancing from other banks and defend against customers' refinancing with other banks
- Introduced a new credit evaluation model (Jan. 2006)

##### ■ Promote "Flat 35"- a securitization type housing loan in alliance with the Government Housing Loan Corp.

- Respond to the needs for long-term fixed interest rate loans

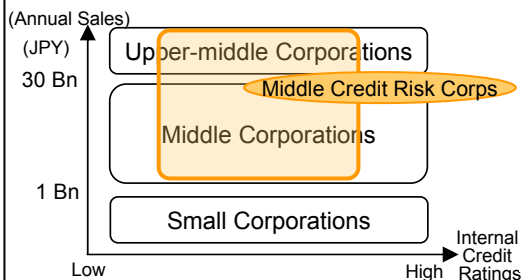
#### Balance of Residential Housing Loans + Flat 35



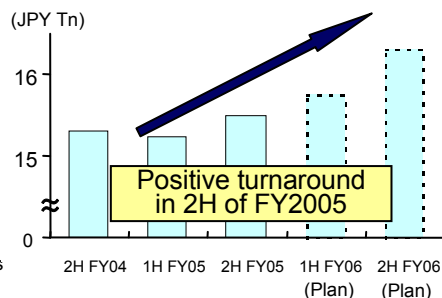
\* Approx. JPY 310Bn loans were securitized in 1H FY2004

### Increase Loans to Upper-middle and Middle-sized Corporations

Mizuho's SMEs Customer Segments



Average Loan Balance for SMEs



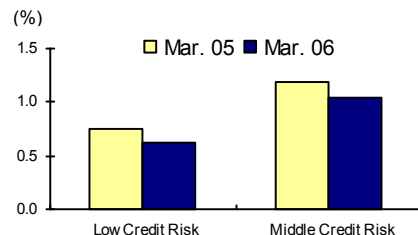
#### Continue to increase loan volumes

- Utilize the strategic loan product, "Super Wide"
  - FY2005 origination amount: approx. JPY 560Bn
- Respond to share adjustment needs of borrowers and win market share in loans
  - Actual increase in average balance due to increased share in FY2005: approx. JPY 690Bn
- Continue to increase loans to middle credit risk corporations

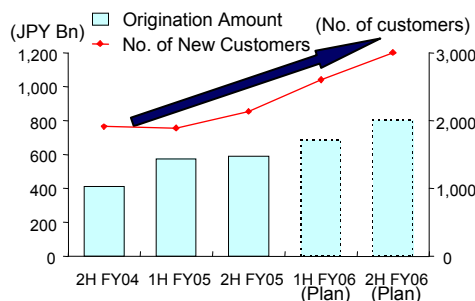
#### Increase focus on cultivating new customers

- Increase specialist RMs for new customers
  - Number as of Mar. 2006: Approx. 200
- Strengthen initiatives on growth areas and businesses for loan demand
  - Car dealers, supermarkets, staffing agencies, etc.

Risk-adjusted Returns



Origination of new loans to new customers

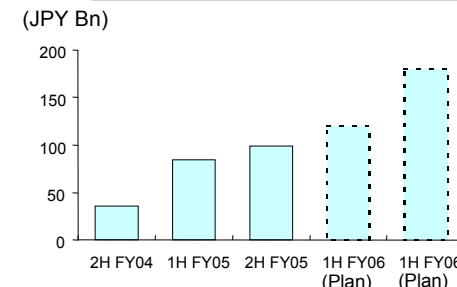


### Increase Loans to Small-sized Corporations

#### Strengthen initiatives for small corporations

- Establish low-cost mass-sales channel of 100 Business Finance Centers (BFC) and 600 personnel
- Utilize "Quick Partner", a standardized loan product guaranteed by Orico, and loans guaranteed by credit guarantee corporations
  - FY2005 origination amount: approx. JPY 180Bn

Amount of Loans Originated through BFCs



### Promote Solution Businesses

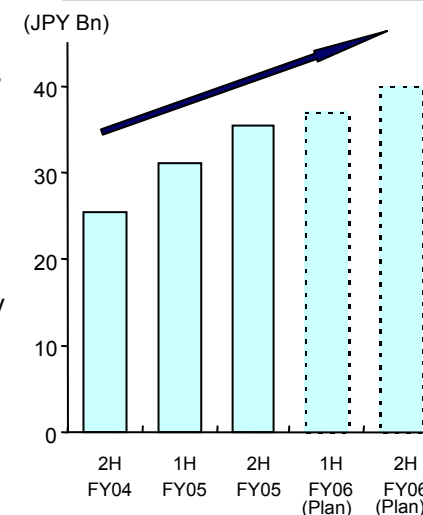
#### Strengthen initiatives for core business areas

- Focus on syndicated loans, real estate and ship finance, etc.
- Actively respond to investment needs via securities brokerage services
  - Established the Asset Management Office for Corporate (Mar. 2005)

#### Enhance ability to respond to customer needs

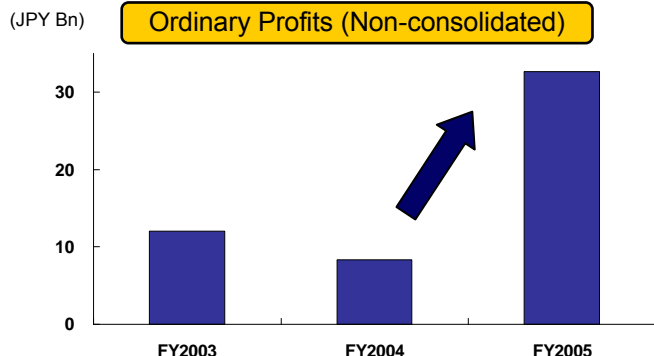
- Improve solutions-providing capability for each customer segment
  - Develop support system that responds to needs for advisory on corporate strategy, business succession, IPOs, Defined Contribution Pension Plan and others

Fee Income from Solution Businesses



## Results for FY2005

Significant increase in profits mainly due to increases in fee income and sales of foreign bonds through pursuit of group synergies with Mizuho Bank



Plan to resume dividend payments  
(Ordinary dividends: JPY 2 + Special dividend: JPY 1 <per share>)

## Initiatives for Strategic Challenges

- **Enhance business infrastructure and network due to expansion of operations**
  - Enhance group synergies especially with Mizuho Bank (Planet Booths, etc.)
  - Strengthen sales channels (face-to-face, Internet, call center) and improve coordination among channels
- **Improve ability to supply products in line with customer needs and strengthen marketing strategies**
- **Further improve management structure**
  - Continue to pay stable dividends as a result of establishing solid profitability along with a solid financial strength
  - Strengthen internal systems on compliance, operation management and information management

## Pursuit of Group Synergies

### ■ Promote joint branches (Planet Booths)

- Promptly build network of 100 branches during FY2006

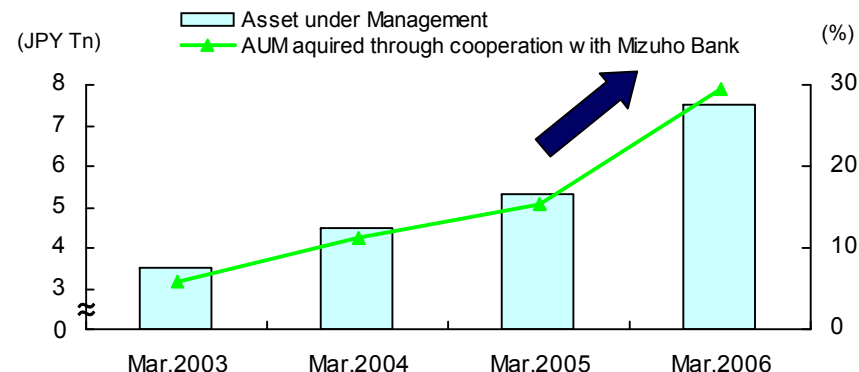
	Sep. 2003	Mar. 2004	Mar. 2005	Mar. 2006
Number of Planet Booths	6	11	41	73

### ■ Utilize channels of Mizuho Bank: customer referrals and securities brokerage

- Customer referrals and securities brokerage for FY2005:  
Approx. 12 thousand cases

Balance of Assets under Management (AUM) and % of AUM  
Acquired through Cooperation with Mizuho Bank\*

\* AUM acquired through corporation with Mizuho Bank / Total AUM



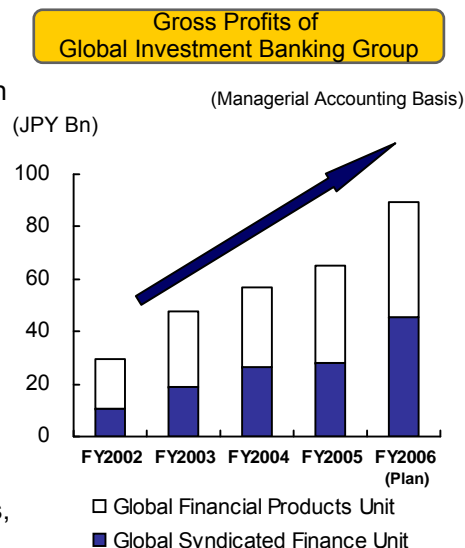
### ■ Entered into trust agency agreement with Mizuho Trust & Banking (May 2006)

- Corporate Customers: securities management services
- Individual Customers: Asset management trusts (including trusts for selling securities, etc.), "My Trusts" (fund trusts)

## Enhance Investment Banking Business

### Enhance function of providing global based solutions

- **Enhance global syndicated loan business**
  - Promote global cooperation through representatives in NY, London, Hong Kong, and Tokyo office
- **Further enhancement of the investment-banking type finance function**
  - Leveraged finance, project finance, real estate finance, etc.
- **Strengthen cooperation with Mizuho Securities, etc.**
  - Capture profit-earning opportunities, especially in the equity business



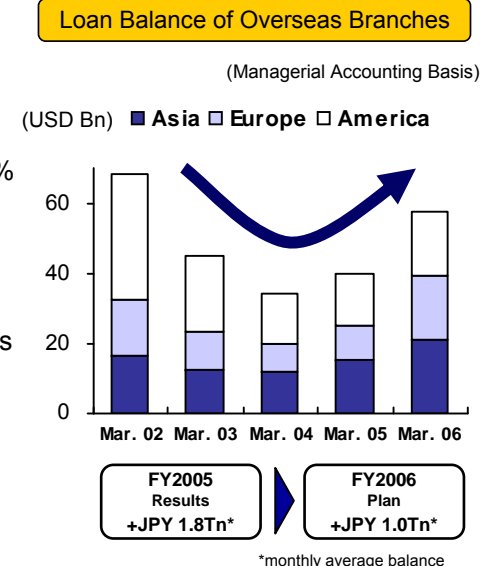
## Enhance International Business

### Further increase overseas profitability and network

- **Overseas Japanese:**

Maintain increasing trend for both loans and non-interest income, especially in Asia  
(Gross Profits growth: approx. + 20% from FY2004)
- **Overseas Non-Japanese:**

Significant increase in both Loans (all regions) and fees & commissions income especially from MBOs in Europe (Gross Profits growth: approx. + 50% from FY2004)
- **Further expansion of network in all regions**



## Develop an Organization and Structure Befitting a Major Global Bank

### Reorganization aimed at globalization

- Implemented reorganization in response to corporate activities and customer needs which are becoming more global (Mar. 2006)
  - ➔ Shifted to a global structure designed to enable an integrated domestic and overseas business management

### Enhance portfolio management function

- Developed a more advanced risk brokerage function mainly for domestic and overseas credit risk by establishing a new Global Portfolio Management Unit
  - ➔ Strengthened strategic risk-taking capability

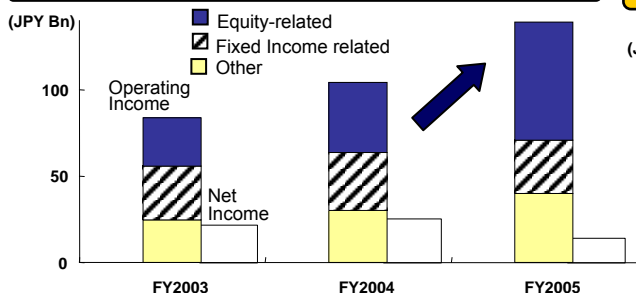
### Enhance human resources management

- Strengthen recruiting, education and training by Career Development Division
- Active appointment and promotion of national staff
- Support and encourage women in the workplace

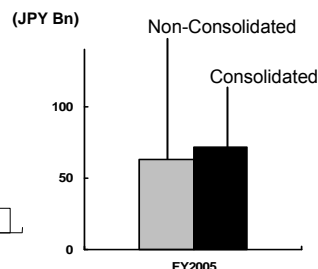
## Results for FY2005

Despite achieving record-high Operating Revenues, Non-Consolidated Net Income was JPY 13.6Bn as a result of an extraordinary loss (JPY 40.7Bn) associated with the erroneous order

### Operating Revenues & Net Income (Non-consolidated)



### Ordinary Profits (Non-consolidated & Consolidated)



Target: Consolidated Ordinary Profits of JPY 100Bn in the medium and long-term

## Initiatives for Strategic Challenges

### 1. Expand earnings base

- Develop global and customer-oriented business model and further enhance group synergies

### 2. Implement business improvement measures related to erroneous order

- Improve the design and administration of the order system (introduced new system with alarm and order limit function)
- Strengthen internal controls (compliance and operational risk management systems, etc.)

### 3. Create profit opportunities through strategic alliances

- Nikko Cordial Securities: Joint-bookrunner in the Shonai Bank IPO deal (Feb. 2006)
- Norinchukin: Promote business with agricultural cooperative financial institutions, and promote the provision of financial products
- Monex Beans Group: Business partnership in the distribution of IPOs and POs managed by Mizuho
- Evercore Partners: Business alliance for cross-border M&A advisory service (Feb. 2006)

### 4. Promote principal finance (self-financed investments)

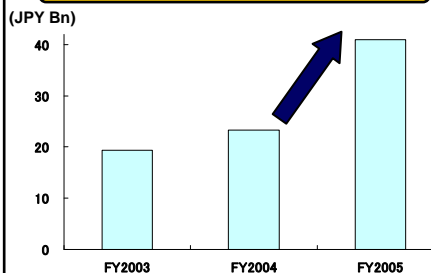
### 5. Promote globalization through the strengthening of business in Asia / China

- Established new offices in Beijing and Shanghai, as well as the new International Business Promotion Group (Sep. 2005)

## Increase Earnings by Business Division

**Equity Division: Trading Profits increased substantially as a result of the positive turnaround in market conditions**

### Trading Profits Related to Equity

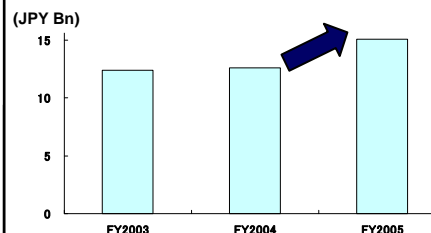


- Both trading profits and fee income from domestic and overseas institutional investors increased substantially mainly due to improved market conditions

- In the underwriting business, the focus was on the uptake of large deals in a market showing signs of recovery especially in POs

**Fixed Income Division: Successfully defended the top position in the straight bond league table**

### Fixed Income-related Commission Income

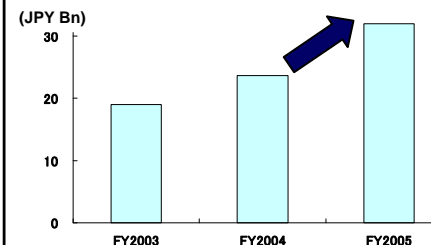


- Maintained the top spot on SB league tables along with top tier positions in other products

- Meanwhile, our trading income decreased under tough market conditions reflecting expectations of rising interest rates

**Investment Banking Division: Achieved solid results with M&A, securitization, etc.**

### Other Commission Income

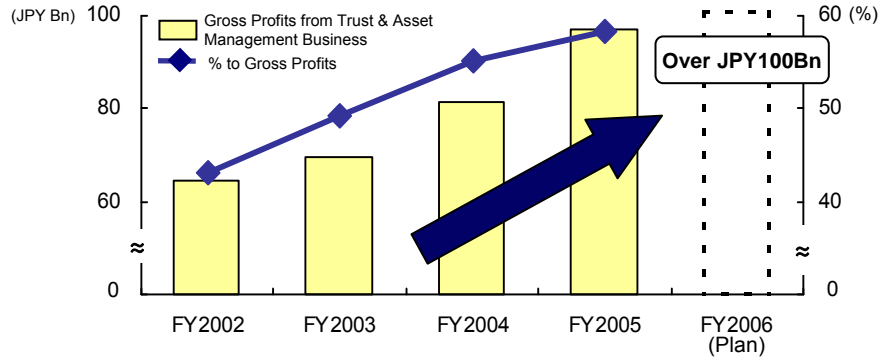


- M&A: Continued to lead the market  
· As the M&A market picked up, it steadily captured deals

- Structured finance: Realized large deals in securitization

## Sustainable Increase in Profits from Trust & Asset Management Businesses

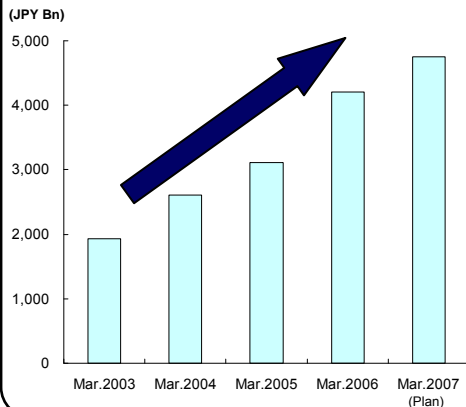
### Gross Profits from Trust & Asset Management Businesses (Non-Consolidated + Financial Subsidiary for Corporate Revitalization)



### Proactively Allocate Resources to Growth Areas

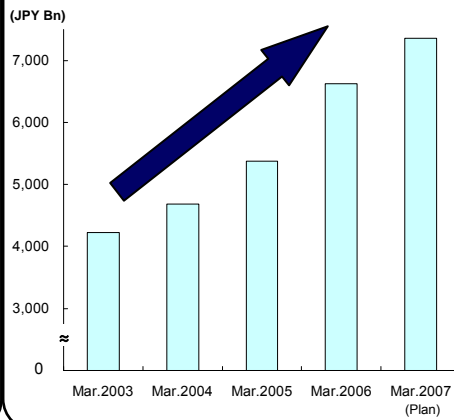
**Real Estate:** Achieved new record-high Gross Profits  
— Provide wide-ranging real estate solutions  
— Increase sales force

#### Balance of Real Estate Securitization



**Asset Finance:** Maintained strong performance  
— Develop new products and expand fund business  
— Increase sales of asset finance products

#### Balance of Monetary Claim Trusts



## Pursue Group Synergies

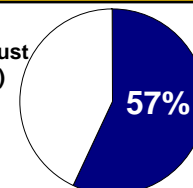
### Further utilize trust agency

- Entered into trust agency agreement with Mizuho Investors Securities (May 2006)

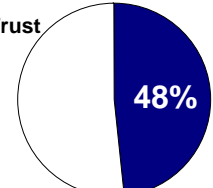
### Promote active cooperation through the Committee for Strengthening Group Cooperation

#### Results of Group Synergies in FY2005

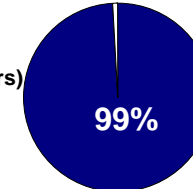
Number of  
New Testamentary Trust  
(1,200 transactions)



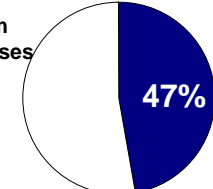
Monetary Claim Trust  
(JPY 4.6Tn)



Stock Transfer  
Agency Business  
(301,000 stockholders)

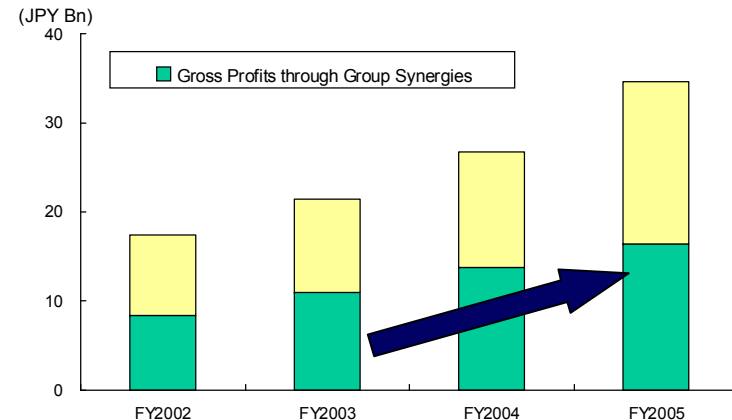


Gross Profits from  
Real Estate Businesses  
(JPY 34.6Bn)



\* % reflects the ratios of transactions referred from Mizuho Bank and Mizuho Corporate Bank to entire transactions

#### Profits from Group Synergies— Gross Profits from Real Estate Businesses



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## **Disciplined Capital Management**

## Improvements in the Quality and Quantity of Capital

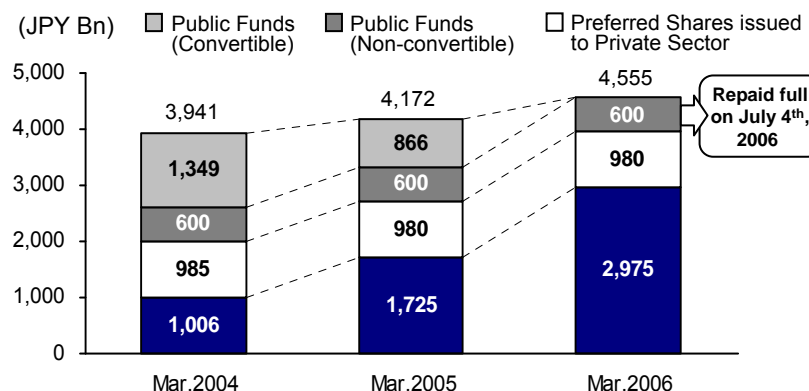
### Capital Raising

- Sold treasury stocks held by Mizuho Financial Strategy (former Mizuho Holdings) (Nov. 2005)
  - Aggregate sale price: JPY 531.6Bn, Number of shares sold: 763,000
- Issued Tier 1 Preferred Securities (Mar. 2006)
  - USD-denominated: USD 600M
  - EUR-denominated: EUR 500M

### Repayment of Public Funds

- Completed repurchase of all convertible public fund preferred shares to avoid dilution in FY2005
- Repurchased remaining public funds (JPY600Bn, Non-convertible) and completed the repayment of all public funds on July 4<sup>th</sup>, 2006

### Improvements in the Quality and Quantity of Capital (Composition of Consolidated Tier 1 Capital)



### Consolidated BIS Capital Ratio (Mar. 2006)

BIS Capital Ratio 11.59% Tier 1 Capital Ratio 5.87%

## Returns to Mizuho Shareholders

FY2005  
(Actual)

Public Fund Preferred Shares Repurchased: JPY 943.6Bn

Dividends Paid\*: JPY 79.8Bn

Sale of Treasury Stocks: ~JPY 531.6Bn

FY2006  
(Up to date)

Public Fund Preferred Shares Repurchased: JPY 603.4Bn

Dividends Paid\*: JPY 66.4Bn

Repurchase of Treasury Stocks: JPY 129.9Bn

\* Common share dividends paid (excluding dividends on treasury stocks and the shares held by Mizuho Financial Strategy) + Private preferred share dividends paid + Public Fund preferred share dividends paid

## Capital Management for Mizuho Trust & Banking

- (1) Sold a portion (approx. 5%) of common shares held due to the changes in the Criteria for Delisting of the Tokyo Stock Exchange (FY2005) → Gains on the sale: JPY 42.4Bn
- (2) Plan to sell a portion of convertible preferred shares (1<sup>st</sup> Series/ Class I: JPY 150Bn) to Mizuho Trust & Banking (FY2006)



Eliminate potential dilutive effects and avoid the risk of delisting of Mizuho Trust & Banking

## ■ Priority list for capital management

### 1. Completion of repayment of public funds



Completed the repayment of all public funds on July 4<sup>th</sup>, 2006

### 2. Remaining treasury stocks held by Mizuho Financial Strategy (392 thousand shares)



Repurchased and canceled a portion of treasury stocks, and aim to repurchase and cancel the remaining treasury stocks (261 thousand shares) after FY2006

### 3. Convertible preferred shares issued to the private sector (JPY 943.7Bn: Conversion period to commence from July 2008)



Consider to eliminate dilutive effects after the commencement of conversion period

## ■ Review Dividend Policy in balance with pursuit of growth opportunities

### • Flexibly make dividend payments & conduct share repurchases



Aim to manage with the intent to provide returns to shareholders

### • Strengthen capital base to support our growth strategies



Aim to raise our consolidated Tier 1 capital ratio to 7% over time

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## Earnings Estimates for FY2006

# Earnings Estimates for FY2006

<b>Consolidated</b>		(JPY Bn)
		Change from FY2005
<b>Consolidated Net Business Profits*1</b>	<b>1,200</b>	+ 277 *2 (+ 138)
<b>Credits Costs</b>	<b>- 90</b>	- 143
<b>Net Gains related to Stocks</b>	<b>40</b>	- 191
<b>Ordinary Profits</b>	<b>1,120</b>	+ 198
<b>Net Income</b>	(Note) <b>720</b>	+ 70

\*1 Consolidated Gross Profits – General and Administrative Expenses (Excluding Non-recurring Losses) + Equity in Income from Investments in Affiliates and other consolidation adjustments

\*2 Figure in ( ) excludes the effect of the disposition of Unrealized Losses on bond portfolios of JPY 138Bn in 2H FY2005

(Note) Increase of JPY 160Bn compared with our calculation based on the Business Revitalization Plan

<b>3 Banks</b>		(JPY Bn)
		Change from FY2005
<b>Net Business Profits</b>	<b>1,015</b>	*3 + 245 *4 (+ 107)
<b>Credit Costs</b>	<b>- 69</b>	- 132
<b>Net Gains related to Stocks</b>	<b>40</b>	- 159
<b>Ordinary Profits</b>	<b>910</b>	*3 + 240
<b>Net Income</b>	<b>645</b>	*3 + 32

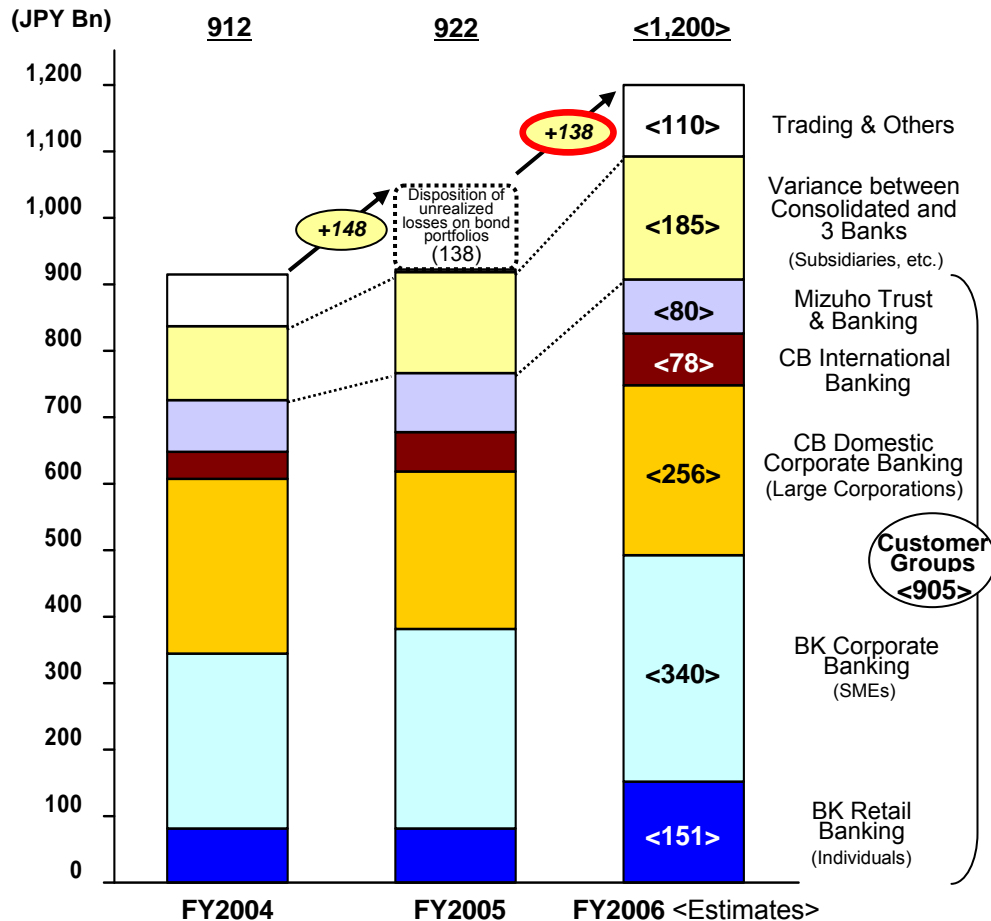
\*3 Exclude JPY 120Bn in dividends from the financial subsidiaries for corporate revitalization for FY2005 figures

\*4 Figure in ( ) excludes the effect of the disposition of Unrealized Losses on bond portfolios of JPY 138Bn in 2H FY2005

In fiscal year ending Mar. 2007, we plan to pay common dividends of JPY 4,000 per share and to pay preferred dividends of the defined amount according to the terms and conditions of each preferred share issue

# Breakdown of Earnings Estimates for FY2006

## Consolidated Net Business Profits



(Reference: 3 Banks)

Net Business Profits	800	769*	<1,015>
G&A Expenses	829	810	<856>

\* Excludes JPY 120Bn of dividends from the financial subsidiaries for corporate revitalization (as intra-company dividends)

## Profit Plans for FY2006 & Key Drivers

**The Rising Interest Rates Scenario**  
 (3-month TIBOR): (06/4) 0.1% → (06/9) 0.35% → (07/3) 0.6%  
 (10-year JGB): 1.7% → 1.85% → 2.0%

### Customer Groups (YoY +JPY135Bn)

- ✓ Interest Income: +JPY50Bn (including +JPY70Bn of deposit income due to short-term interest rate rise)
- ✓ Non-interest Income: +JPY130Bn
- ✓ G&A Expenses: +JPY45Bn

#### Retail Banking (Individuals) (YoY +JPY69Bn)

Increase of deposit income (+JPY40Bn)

Sales of Investment Products

Housing Loans (incl. securitization-type) and Captive Loans

#### Corporate Banking (SMEs) (YoY +JPY42Bn)

Loans to Middle Corporations & SMEs

Solution Business with fee-based income

#### Large Corporate Banking (YoY +JPY19Bn)

Syndicated Loan arrangement & Investment Banking services

#### International Banking (YoY +JPY18Bn)

Loans to Japanese & Non-Japanese Corporations

MBO finance arrangement

#### Mizuho Trust & Banking (YoY -JPY13Bn)

Trust & Asset Management Business

### Trading & Others (YoY -JPY28Bn)

- ✓ Diversification of type of investment (i.e. credit investments)
- ✓ Negative effects on bond portfolios from rising interest rates environment

### Subsidiaries, etc. (YoY +JPY32Bn)

- ✓ Further realization of synergies among major banking subsidiaries and other group companies (i.e. securities subsidiaries)

### G&A Expenses (YoY +JPY45Bn) <3 Banks>

- ✓ Further reduction of Base Expenses (YoY -JPY20Bn)
- ✓ Increase of Strategic Expenses in growth areas (YoY +JPY65Bn)

See notes on P. 31

P.6

Fully diluted EPS: Diluted Net Income per Share of Common Stock\*

\*Calculated under the assumption that all dilutive convertible securities are converted at the price calculated based on the market price at the beginning of the fiscal year.

Return on Equity = Net Income / {(Total Shareholders' Equity (beginning) + Total Shareholders' Equity (fiscal year-end))/2} X 100

P.8

Yen denominated deposits of domestic branches excluding Yen-denominated non-resident deposits and Off-shore deposits

Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

P.15

Each Global Group's Consolidated Net Business Profits

GRG: Mizuho Bank's Consolidated Net Business Profits, GCG: Mizuho Corporate Bank's Consolidated Net Business Profits,

GAWG: Mizuho Trust & Banking's Consolidated Net Business Profits + Ordinary Profits of Trust & Custody Services Bank, 3 asset management companies, and Mizuho Private Wealth Management

P.16

Flat 35: Securitization type housing loan in alliance with Government Housing Loan Corp.

Securitized Amount: approx. JPY 310Bn loans were securitized in 1H of FY2004

P.30

1. Data included on P.30 are based on the internal management data and are the aggregates for each described segment. The figures are based on the new management accounting rules which were applied from FY2005 under the "3 Global Groups organization."
2. Data on "BK Retail Banking" and "BK Corporate Banking" are for Mizuho Bank, data of "CB Domestic Corporate Banking" and "CB International Banking" are for Mizuho Corporate Bank and data on "Trading & Others" are aggregated figures for Mizuho Bank and Mizuho Corporate Bank.
3. The "Variance between Consolidated and 3 Banks" is the difference between the aggregate of Net Business Profits for the "3 Banks" and the "Consolidated Net Business Profits". In calculating the "Variance between Consolidated and 3 Banks" for FY2005, from a base of the "3 Banks", the "JPY 120Bn of dividends to the parent bank from the financial subsidiaries for corporate revitalization" has been subtracted and it had been eliminated as a part of the consolidation process.

This presentation material contains forward-looking statements that are based on our current expectations and are subject to significant risks and uncertainties. Actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in overall economic conditions, changes in market rates of interest, declines in the value of equity securities or real estate, the deterioration of the quality of loans to certain borrowers and industry sectors, and the effect of new legislation or government directives and fluctuations in foreign currency exchange rates. We disclaim any obligation to update or revise the forward-looking statements, except as may be required by the rules of the Tokyo Stock Exchange and any applicable laws and regulations.

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## Appendices

- **Appendix A. Management Controls** **P. 33-37**
- **Appendix B. Strategic Focuses of Major Operating Subsidiaries** **P. 38-57**
- **Appendix C. Financial Data** **P. 58-86**

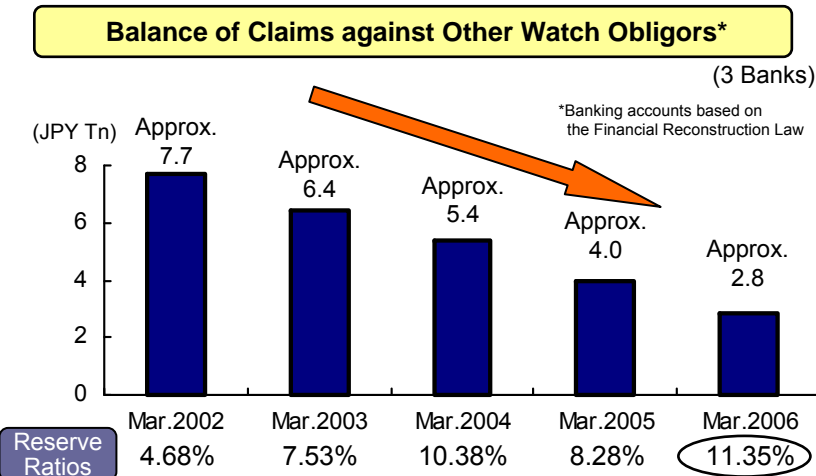
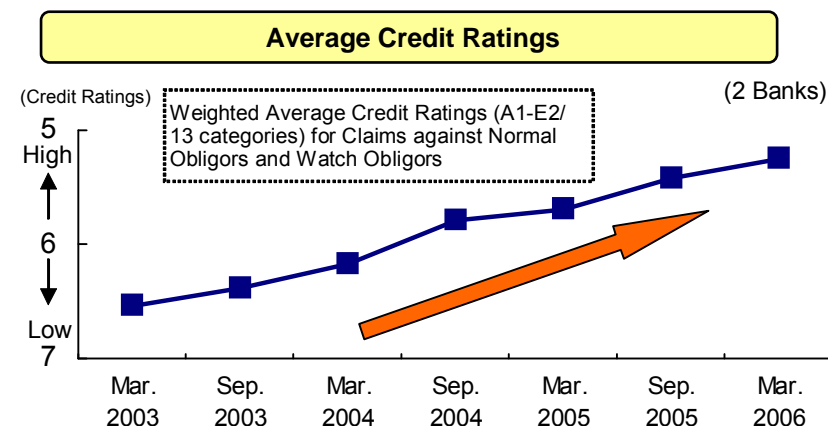
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## **Appendix A Management Controls**

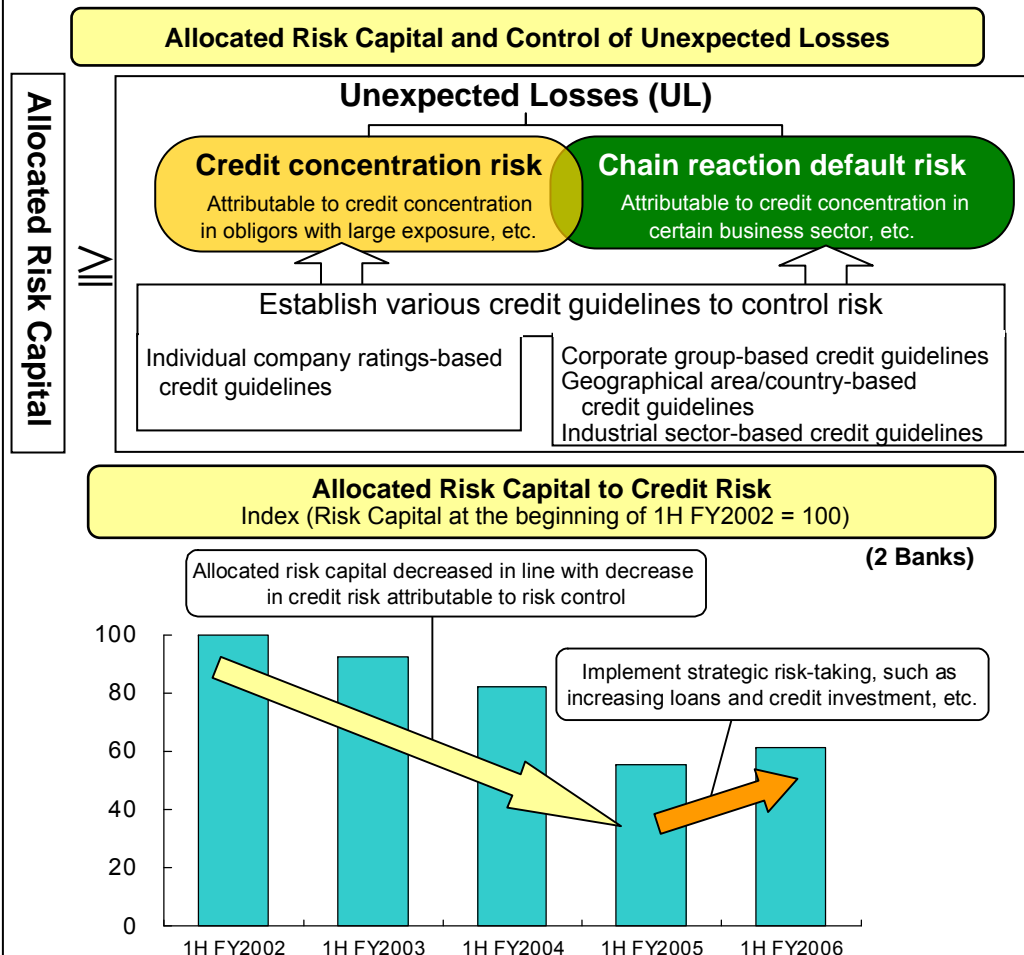
■ Credit Risk Management	P.34
■ Sophisticated Risk Management	P.35
■ Enhancement of Internal Controls: Listing on the NYSE	P.36
■ Enhancement of CSR Activities & Pursuit of Thorough Compliance	P.37

- Asset quality continues to improve with higher average credit ratings, etc.
- In view of steady reduction in credit risks, implement strategic risk-taking in order to enhance profits

## Improvements in Asset Quality



## Credit Risk Management



- Steady progress in preparation for the introduction\* of Basel II (\*scheduled for Mar. 2007)
- Focused on the development of risk measuring/management system and on risk return management systems aimed at further sophistication of risk management

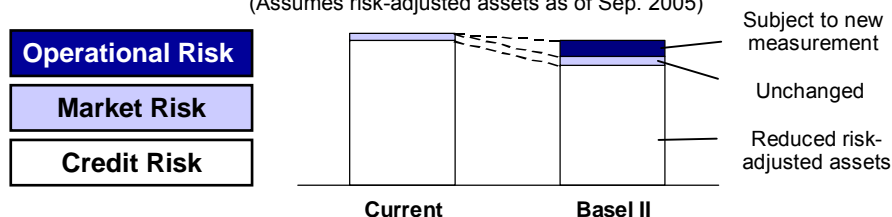
## Preparation for Basel II

- The following risk measurement approaches are scheduled to be adopted when the new rule is introduced\*
  - Credit Risk... Foundation Internal Ratings Based (FIRB)
  - Operational Risk... The Standardised Approach (TSA)
- ➔ Plan to ultimately transfer both to the advanced approaches\*

\* Subject to the approval by the regulatory authority

- Further enhance the internal management system
  - sophistication of the risk measuring system, data maintenance, full utilization of control self-assessment (CSA), etc.
- Effects to the Group's risk-adjusted assets as a result of the introduction of Basel II (conceptional illustration)

(Assumes risk-adjusted assets as of Sep. 2005)



- Preliminary calculation results of outlier regulations (as of Mar. 2006)

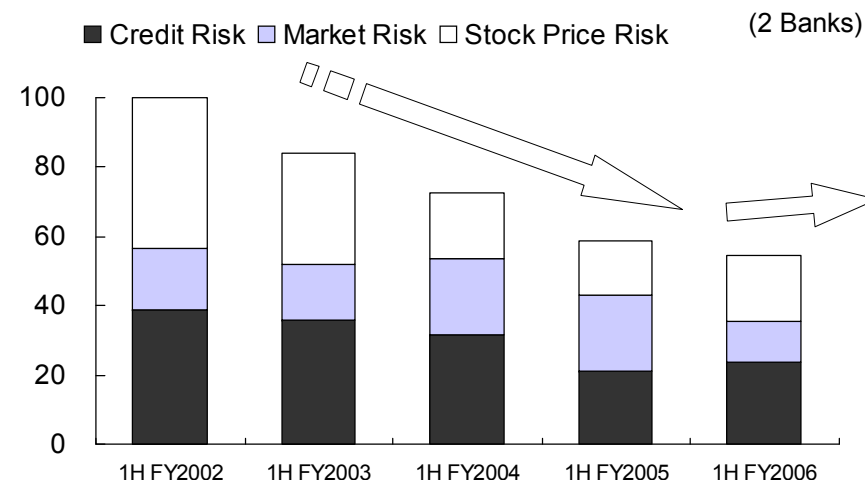
Confirm that the "amount of the interest rate risk of the banking account\*" < 20% of the BIS Capital

Risk Amount*	BIS Capital	Ratio to BIS Capital
JPY 161Bn	JPY 8,993Bn	1.8%

\* A scenario of a certain stressed interest rate movement is assumed

## Sophisticated Risk Management

Index (Risk Capital at the beginning of 1H FY2002 = 100)



- Pursue earnings growth by means of appropriate risk taking in view of the "normalization of the risk/capital balance" through the significant reduction in Credit and Stock Price Risks
- Aim to build a management framework that strengthens the link between integrated risk management and profit plan in light of the concept of Basel II

# Enhancement of Internal Controls: Listing on the NYSE

## ■ Establish internal controls in line with the Sarbanes-Oxley Act (“SOX”) compliance requirements and highly transparent corporate disclosures including USGAAP financial statements

### ■ Enhancement of Internal Controls and Corporate Disclosures which satisfy both SOX Compliance and direction of Domestic Disclosure Controls

#### ➢ Disclosure Controls and Procedures

- Enhance corporate disclosures through the Disclosure Committee (established April 2005) system ← Design and maintain SOX 302 compliance
- Establish internal code and rules on disclosure controls and procedures → Compile into “Disclosure Policy” and publicly disclose prior to the listing
- Document processes of preparing statutory disclosure materials and commence reviews including evaluation of appropriateness at the Disclosure Committee

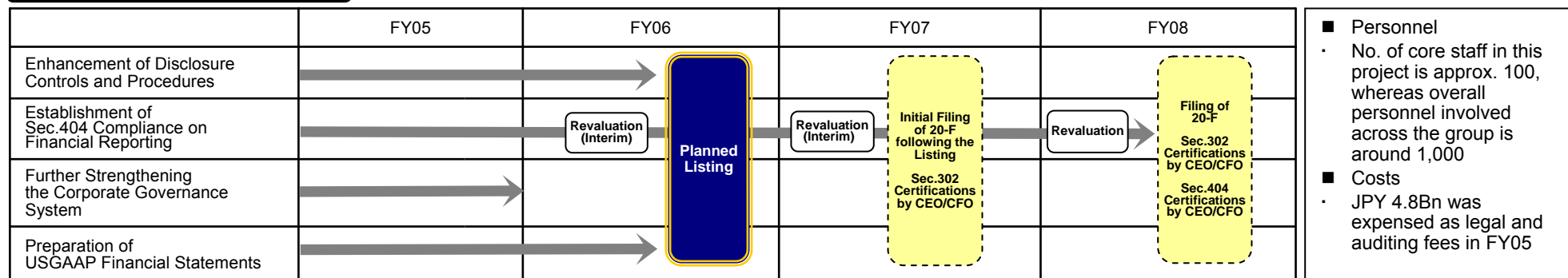
#### ➢ Internal Controls over Financial Reportings

- Establish integrity of financial reporting through documenting internal controls, testing and evaluating operational effectiveness in accordance with SOX Section 404 requirements by 20-F filing for FY2007

### ■ Enhancement of a Comprehensive Corporate Governance System

- Develop SOX compliance under the corporate auditor system : appoint (subject to the resolution at Ordinary General Meeting of Shareholders in June 2006) a financial expert for the Audit Committee, ensure the independence of outside auditors (already in place from FY2005), oversight outsourcing of both auditing and non-auditing businesses of the group to outside auditors
- Meet other SOX requirements regarding financial reportings : establish Code of Ethics, enhance the comprehensive whistleblower infrastructure

#### Planned Milestone



# Enhancement of CSR Activities & Pursuit of Thorough Compliance

- Positioning Corporate Social Responsibilities (CSR) activities as one of the main pillars in our management strategy, in order to create a new corporate value and hence achieve sustainable growth
- Ensuring our observance of laws and regulations, and pursuing corporate activities in a fair and honest manner that conforms to the norms accepted by society

## Enhancement of CSR Activities

### ■ Support for Financial Education

- Contribute to courses at universities by dispatching lecturers from the Group companies:  
In FY2006, open courses at Hitotsubashi University, Waseda University and Keio University
- Commenced joint research with Tokyo Gakugei University on financial education in elementary, secondary and higher education (scheduled for 3 years)

### ■ Environmental Initiatives

- As Japan's first bank to adopt the "Equator Principles" (Mizuho Corporate Bank), the bank considers social and environmental impacts in underwriting project financing
- Established a system of providing preferential interest rates to companies that are engaged in environmentally-conscious management (Mizuho Bank)
- Mizuho's proposal for CO<sub>2</sub> reductions achieved a high rating in the Tokyo Metropolitan Government's Program for Plans to Counter Global Warming

### ■ Social Contribution Programs

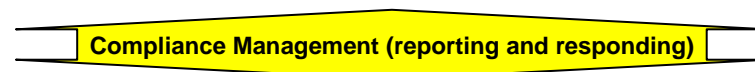
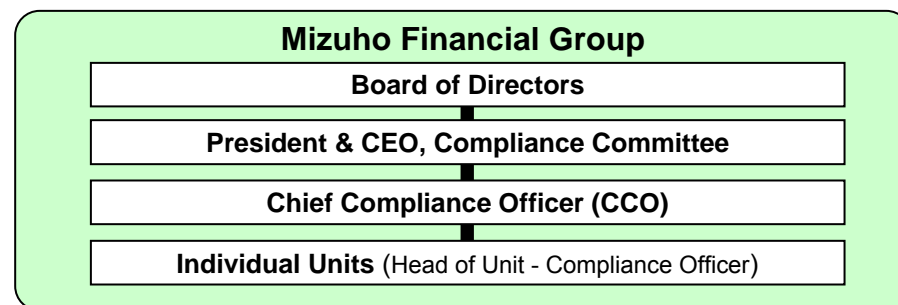
- Conducted a proving test for a service whereby Mizuho Mileage Club points could be donated to support NPOs conducting social contribution activities

⇒ **The "CSR Report", a summary of our CSR initiatives, was published**

(Japanese version: February 2006, English version: May 2006)

## Pursuit of Thorough Compliance

### ■ Compliance Structure



**Mizuho Bank, Mizuho Corporate Bank, Mizuho Trust & Banking, Mizuho Securities, Mizuho Investors Securities, etc.**

### ■ Overview of Compliance Activities

- Formulation of compliance programs (annual action plans), and reports on implementation status and results to the Board of Directors
- Formulation of compliance manual (practical guidebook), and full dissemination of information and rigorous enforcement through compliance training for executives and employees
- Established a Compliance Hotline (point of contact for reporting) within the internal compliance divisions, and also within an external law office

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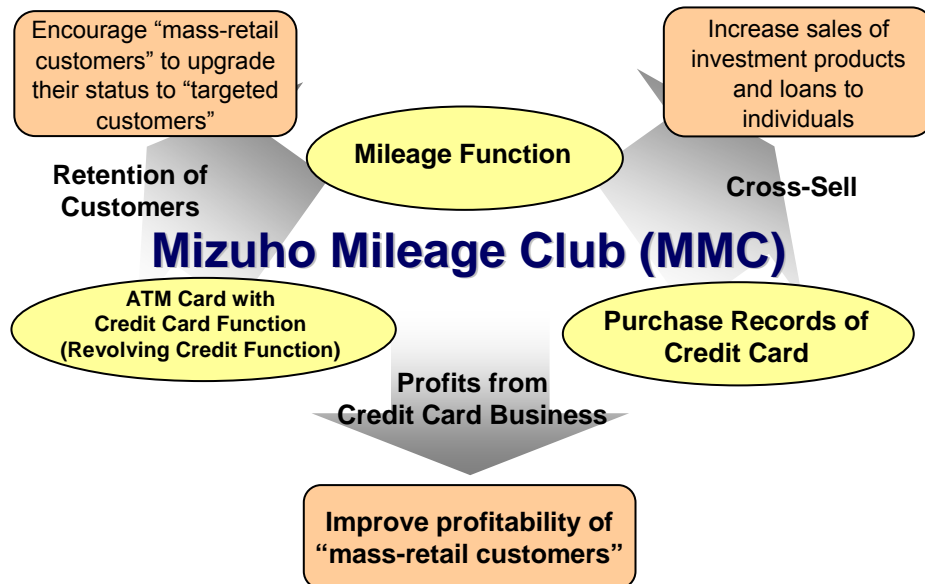
## **Appendix B. Strategic Focuses of Major Operating Subsidiaries**

■ Mizuho Bank	P.39-49
■ Mizuho Corporate Bank	P.50-52
■ Mizuho Securities	P.53
■ Mizuho Trust & Banking	P.54-55
■ Shinko Securities	P.56
■ Group Synergies in FY2005	P.57

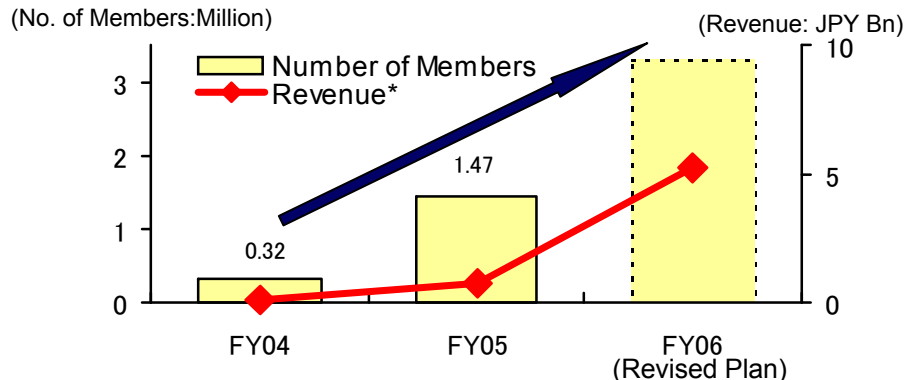
# Mizuho Bank: Retail Banking Strategies (1)

## Enhance Profitability of “Mass-Retail Transactions”

### The Membership Service Platform: ATM Card with Credit Card Function with No Annual Fee



#### MMC Membership & Revenue



\* Mizuho Bank's share of the total credit card revenue (including cross-selling to Credit Saison's customers)

### Increase the Number of MMC Members, and Further Improve MMC Card Functions

#### Increase the Number of MMC Members

- **Promote conversion of members of the former membership program (Mizuho Value Program, "MVP") to MMC**
  - Number of Mizuho Value Program members: approx. 7 million
- **Promote new members acquisition activities through sales promotion capabilities of Credit Saison and UC Card**
  - Invest in specialist sales staff and utilize the expertise of Credit Saison and UC Card in acquiring new members to deploy full-scale MMC sales initiatives at branches of Mizuho Bank
- **Expand application channels**
  - Have accommodated applications via internet (January 2006)
- **Promote MMC membership sales activities upon account openings by new customers**
  - New customers: More than 1 million/year

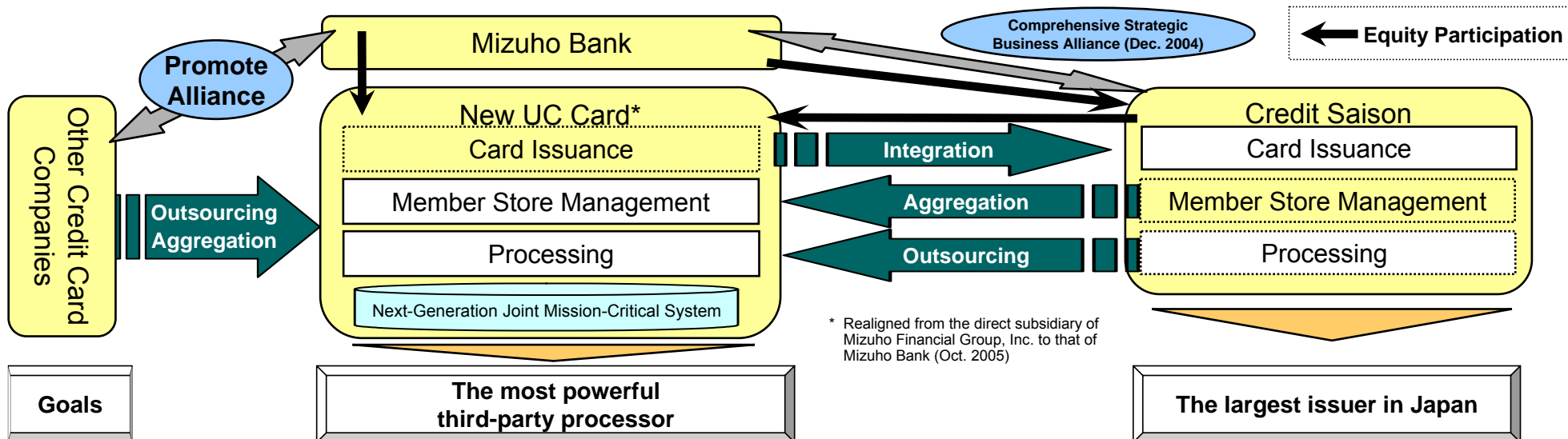
#### Improve Card Functions

- **Promote business alliances with top brands**
  - Credit Saison: MMC <Saison> (April 2005)
  - AMEX (January 2006)
  - JR-East: Mizuho Suica Card (March 2006)
  - NTT DoCoMo: "iD" service (scheduled for 2006)
- **Expand affiliations with Corporate Partners\***
  - Added Nifty, Hakuyosha (Both in April 2006), The Lotte Group in South Korea, and Prince Hotels (Both in June 2006)
  - ➔ 18 Corporate Partners in total

\* Services which offer bonus points for using Mizuho Mileage Club Card (credit card) at Partner Companies, and allow Partner Company points to be exchanged into Mizuho Mileage Club points

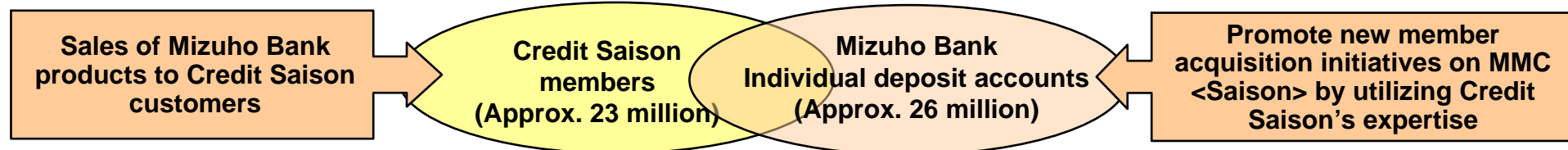
### Develop the Most Powerful Credit Card Business Framework and Promote Cross-selling

Develop a “Specialized + Allied” business model through business integration and aggregation



- Oct. 2005: Began outsourcing of the Processing Business to UC Card
- Jan. 2006: Merger of Credit Saison and the card issuing business of UC Card → One of the largest issuing companies in Japan (Number of members: approx. 23 million)
- 1H FY2006: Began aggregation of Member Store Management Business to UC Card
- Mar. 2006: Business alliance in promoting the mobile phone credit card service “iD”: 4-way alliance between NTT DoCoMo, Credit Saison, UC Card, and Mizuho Bank

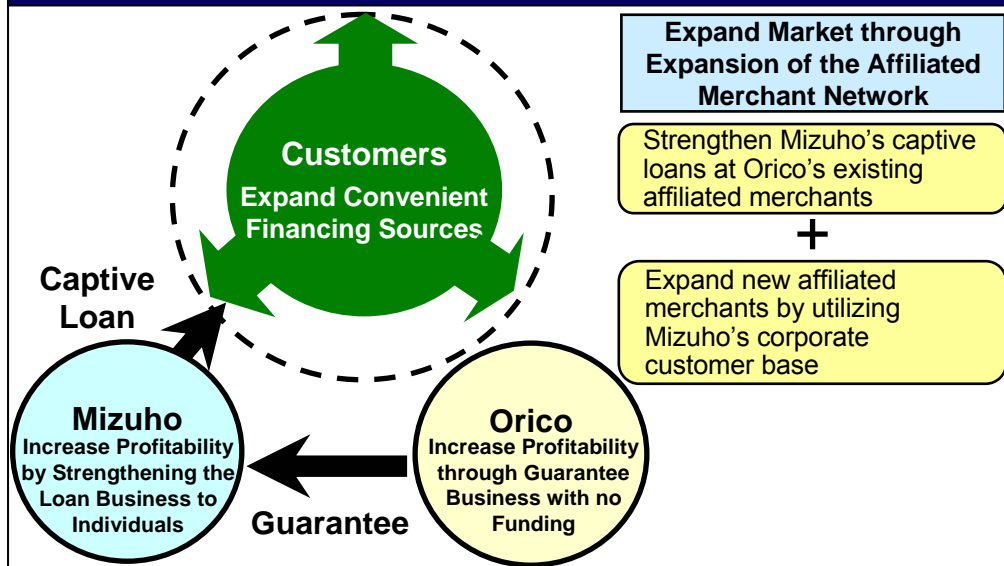
Cross-sell banking products to Credit Saison customers + Increase MMC membership using Credit Saison’s marketing capability



# Mizuho Bank: Retail Banking Strategies (3)

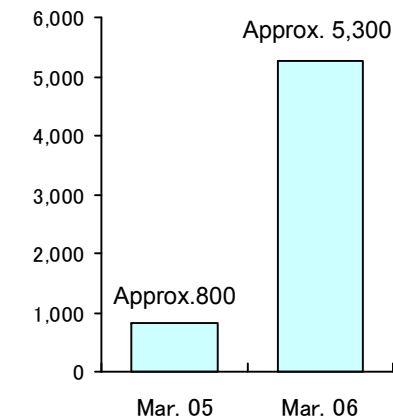
## Strengthen Loan Business for Individuals

### Further Strengthening of Captive Loans



Number of Affiliated Merchants resulting from referrals by Mizuho (cumulative)

(Referrals)

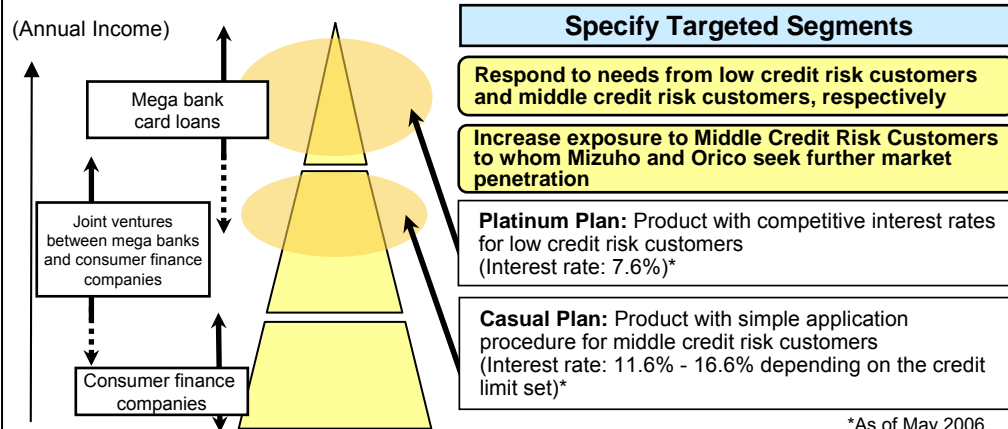


Seek further growth

Increase affiliated merchants through referrals by Mizuho Bank and Mizuho Corporate Bank  
**Newly affiliated merchants: approx. 4,500 (FY2005)**

Orico Affiliated Merchants: approx. 600,000 retailers

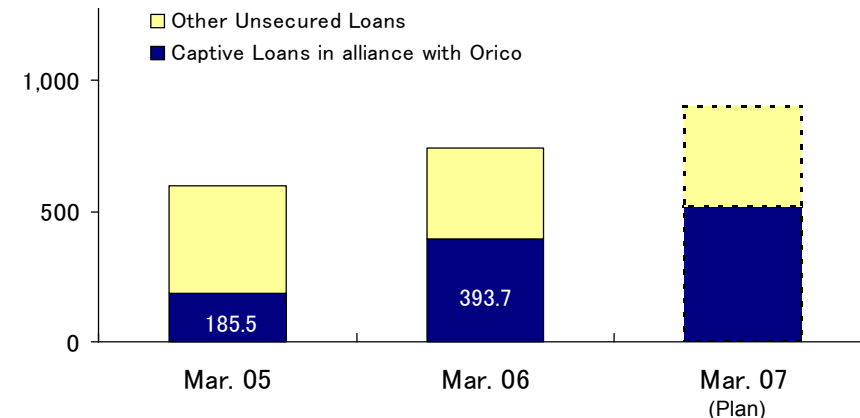
### Commencement of Sales of Mizuho-Orico Card Loan Products (Jan. 2006)



\*As of May 2006

### Balance of Unsecured Loans to Individuals

(JPY Bn)



# Mizuho Bank: Retail Banking Strategies (4)

## Strengthen Loan Business for Individuals

### Enhance Sales Channels

#### Real Estate Broker Channel (approx. 60%)

##### Enhancement of Housing Loan Centers

- Expand Housing Loan Centers  
Deploy 100 Housing Loan Centers and 600 RMs  
→ a system that enables effective coverage of major developers and major nationwide markets
- Leverage Mizuho's Corporate Customer Base
- Strengthen RMs  
Strengthen RMs through external recruiting and training program

#### Strengthen Origination Capacity

#### Corporate Customer Channel

##### Enhance sales to employees of corporate customers

Strengthen business in employees of Mizuho's corporate customers (approx. 4,000 companies)

##### Promote refinancings from other banks while defending against refinancings offered by competitors

- Strengthen loan consultation capabilities  
(Extend business hours including weekends)
- Add loan balance in addition to origination amount to targets of each branch
- Strengthen consulting and sales capacity of branches by improving operation efficiency
- Continue to offer strategic interest rates to promote refinancings from other banks

#### Increase Value of Bank Branch Channel for Customers

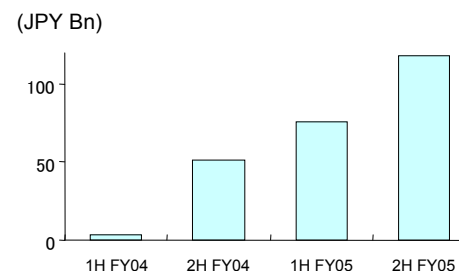
#### Bank Branch Channel (approx. 40%)

### Strengthen Products

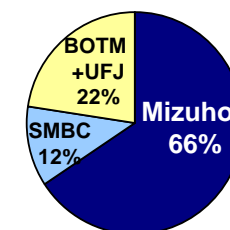
#### Respond to the customer needs for medium to long-term fixed interest rates

- [New Customers] Promote sale of "Flat 35"
- [Refinancings] Respond to refinancing needs with Mizuho's products

#### Flat 35 Origination Amount

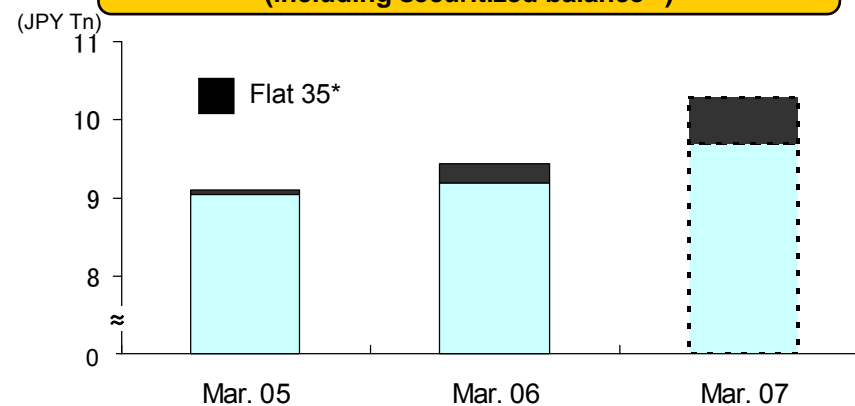


#### "Flat 35" Market Share



(The Japan Financial News report)  
\*Number of securitized loans in FY2005

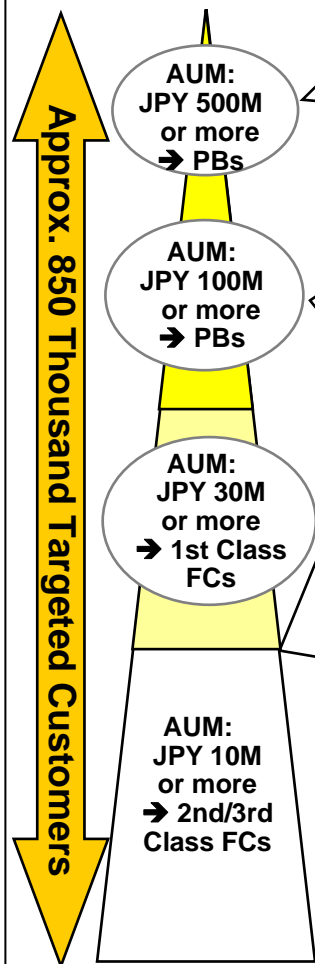
#### Residential Housing Loan Balance + "Flat 35" (including securitized balance\*\*)



\* Securitization type housing loan in alliance with Government Housing Loan Corp.  
\*\* Approx. JPY 310Bn loans were securitized in 1H of FY2004

# Mizuho Bank: Retail Banking Strategies (5) Enhance Consulting Functions

## Increase Investment Products Sales by Enhancing Consulting Functions to Targeted Customers



### Establishment of a Full-Fledged Private Banking Company

- **“Mizuho Private Wealth Management”**  
(Established in Oct. 2005, started operations in Nov. 2005, with a staff of 60)

### Further Improvement of Products and Increase of Sales to High Net Worth Customers

- **Enhance Business Strength**
  - Introduce PB Consulting system, and increase the number of consultants including external hires (40 staffs)
  - Develop tailored PB products (hedge funds investment trusts, wrap accounts, etc.)

### Establishment of the Best Consulting Functions

- **Strengthen Product Strategies**
  - Develop and expand sales of products affiliated with three U.S. banks (Total balance as of Mar 2006: approx. JPY 37Bn)

Mizuho-Wachovia U.S. Investment-grade Bond Fund (Jul. 2005)

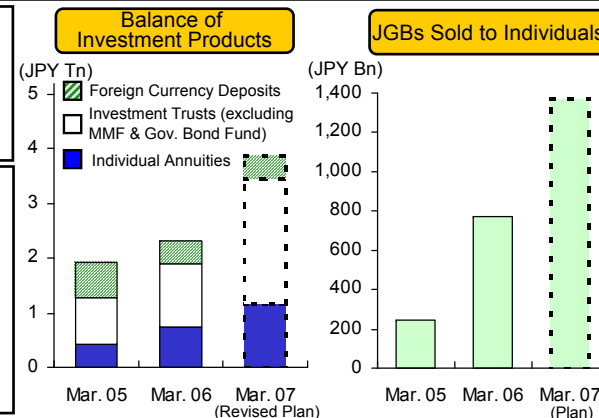
Mizuho-Wells Fargo Emerging Markets Equity Open (Jul. 2005)

Mizuho-BNY Bank Loan Fund (Sep. 2005)

- Increase sales of retail-targeted JGBs  
Total sales for FY2005: approx. JPY 530Bn  
(Approx. JPY310 Bn increase from FY2004)

### Enhance services to targeted customers that support the consulting function

- Increase Mizuho Premium Club Membership (Mar. 2005)
- Enhance the consulting function by taking retail-targeted JGB holdings as an opportunity
- Strengthen initiatives for securities referrals and trust banking agencies (testamentary trusts, etc.)



### Enhance Consulting Channels

- Strengthen the network of 2,000 Financial Consultants (FCs)
- Accelerate installation of “Premium Salons”
- Enhance channels to promote group synergies such as “Planet Booth\*”

	Mar. 2005	Mar. 2006	Mar. 2007 (Plan)
FCs	893	More than 2,000	Further Strengthen FC force of 2,000
Premium Salons	26	150	250
Planet Booths*	41	73	100

\* Consulting booths of Mizuho Investors Securities in the lobbies of Mizuho Bank branches

# Mizuho Bank: Retail Banking Strategies (6)

## Reassemble Branch Network

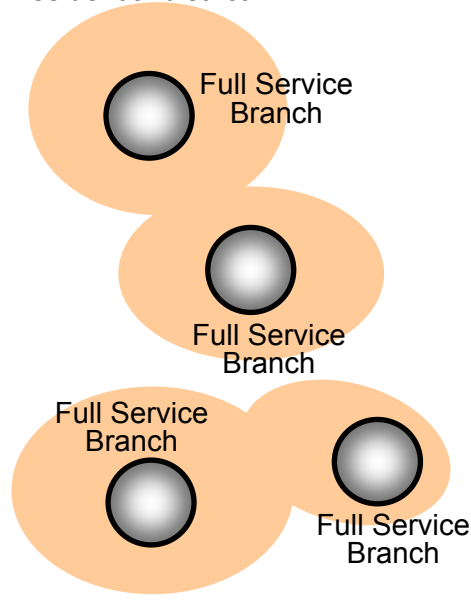
Switch from cost reduction oriented to earning maximization



Review existing branches and consider opening new type (retail only) branches

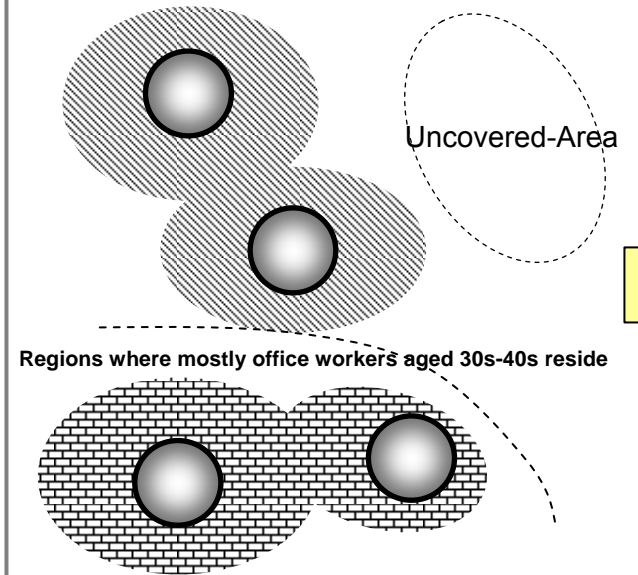
### Current Branch Network

Residential district (Example)

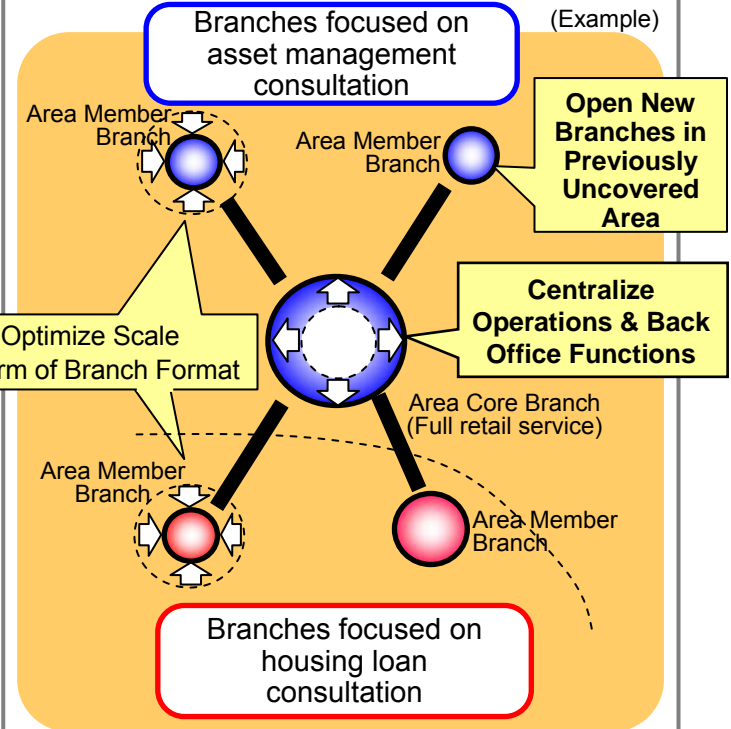


Determine market characteristics, and measure market potential utilizing the "branch model"

Regions where mostly retirees aged 50s-60s reside (Example)



### New Branch Network



### The Aim of Restructuring the Current Branch Network

- "Expand covered-market" through opening new type (retail only) branches and converting representative offices into branches
- Effectively strengthen the ability to capture customers, through branch redesigning and business promotion in tune with the market
- "Strengthen the ability to respond to customers' needs" by enhancing business promotion and introducing the Area Branch System

**Enhance capturing of customers through stronger consulting function**

Open new type (retail only) branches (max. 100 branches)

Review the forms of existing branches

Introduce the Area Branch System

# Mizuho Bank: Retail Banking Strategies (7)

## Long-Term Image of Profit Structure

Shifting from deposits to investments presents significant business opportunities

Individuals' financial assets  
in Japan

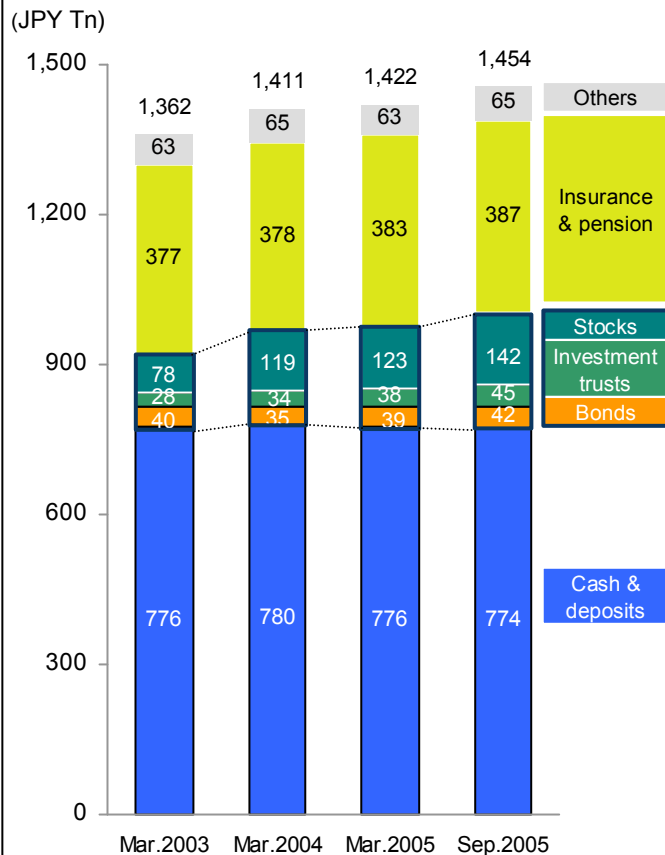
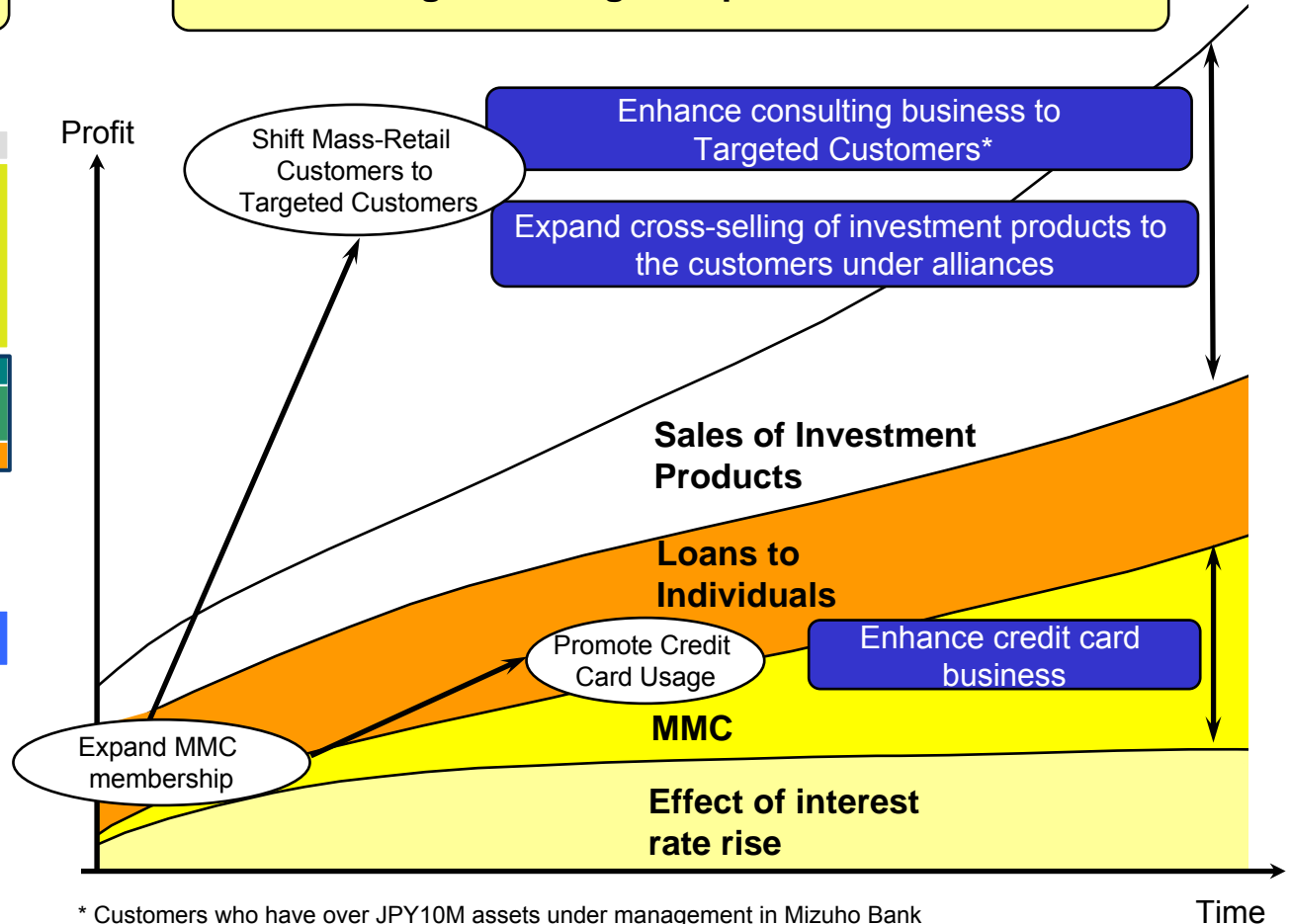


Image of changes to profit structure



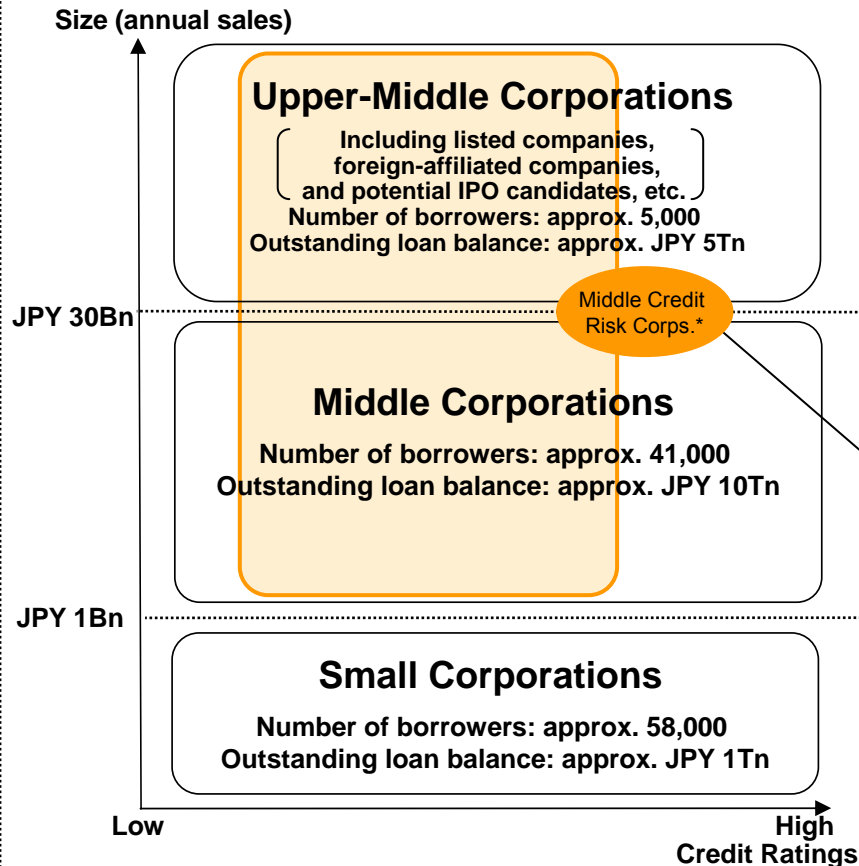
\* Customers who have over JPY10M assets under management in Mizuho Bank

Source: Bank of Japan

# Mizuho Bank: SME Banking Strategies (1)

## Increase Loans by Focusing on Customer Segments and Promote Solution Businesses

### Customer Segments of Small and Medium-sized Enterprises (SMEs)



No. of borrowers: as of Sep. 2005  
Outstanding loan balance: average balance of 1H FY2005

\*Borrowers in the third and fourth grades within the five credit rating grades that are assigned to normal and other watch obligors

### Increase Loans

### Promote Solution Business

Strengthen made-to-order solutions and advisory services that meet the needs of each individual customer  
⇒ Promote large loan transactions packaged with solutions and advisory services  
⇒ Strengthen HQ's support for providing total solution services

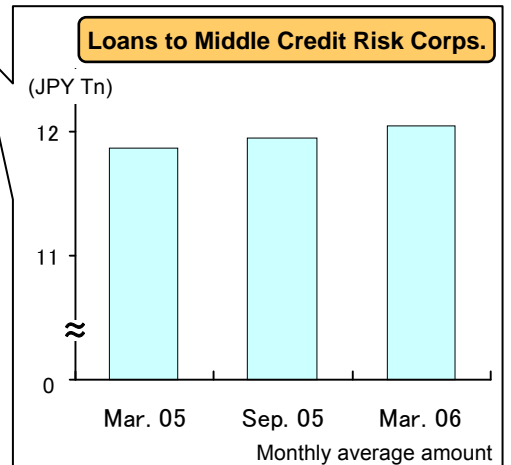
### Build up loan balance

Increase share of loans, promote refinancing from other banks  
Capture share adjustment needs

Continue to increase loans to middle credit risk corporations, which allow for higher risk-adjusted returns

Develop a system for Business Finance Centers following the deregulation regarding the use of agents for banks

### Further strengthen initiatives for core and solution business



## Increase Loans to Upper-Middle and Middle Corporations

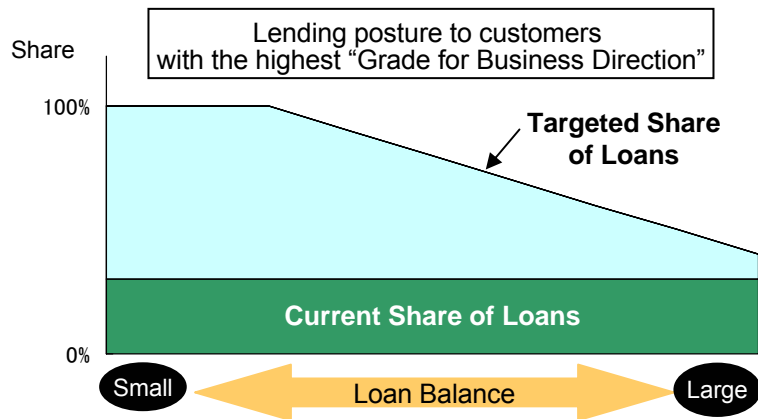
### Increase Share of Loans

#### Formulate "Preauthorized Business Direction" for each corporate customer

- Preauthorized medium- and long-term business direction based on customer profile and banking business relationship (= "Grading of Business Direction")

Define share of loans to pursue ("Targeted Share of Loans") according to "Grade of Business Direction" and loan balance of customers

- Undertake a multifaceted approach for customers with the highest grade for Business Direction, with the aim of achieving "main bank" status (No. of targeted customers : approx. 2,100)

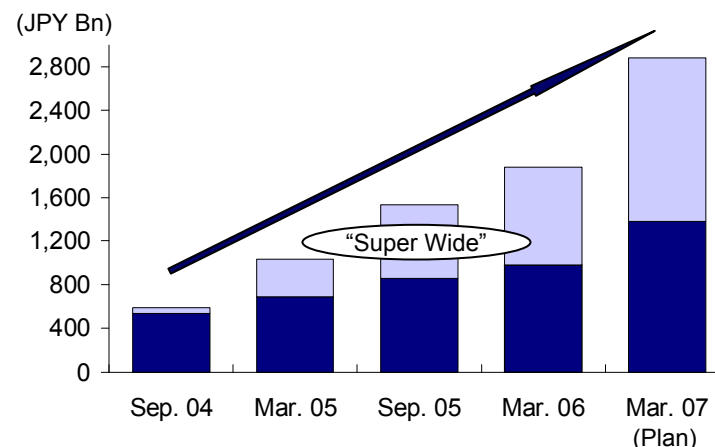


### Utilize Unsecured Loan Products led by "Super Wide"

FY2005 "Super Wide" origination amount: approx. JPY 560Bn

Accumulated origination amount of unsecured loan products

(Excluding loan products for small corporations)



\* Core product of unsecured loans (total fund amount : JPY 1 Tn)

Actively respond to refinancing from other banks and to share adjustment needs

# Mizuho Bank: SME Banking Strategies (3)

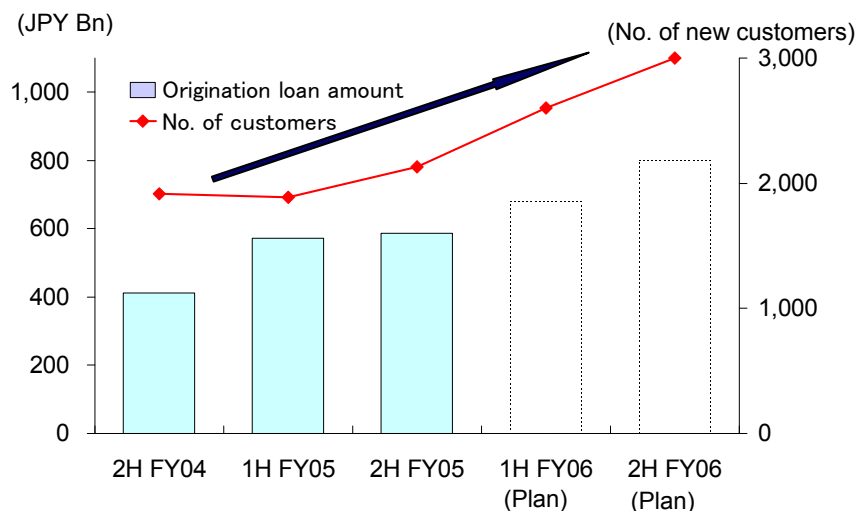
## Strengthen Initiatives for Loans to New Customers

### Expand Medium-term and Long-term Customer Base

**FY2005 (actual) No. of New Customers: approx. 4,000,  
Origination Loan Amount: JPY 1,160Bn**

- Strategically align and position RMs in accordance with prospects for market demand (No. of specialist RMs: 200 (increase of 30 from Mar. 2004))
- Strengthen initiatives for growth areas and businesses for loan demand
  - Car dealers, supermarkets, staffing agencies, etc.

### New Loans Origination to New Customers



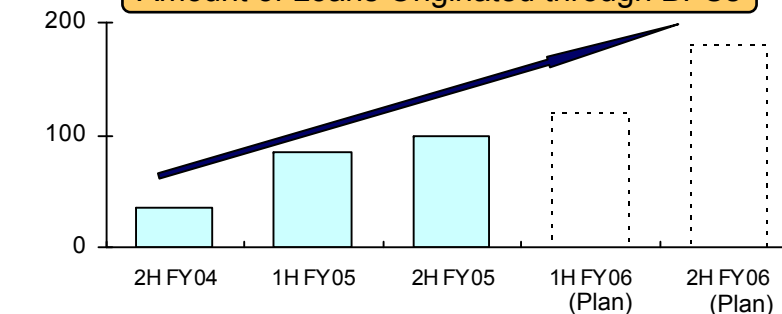
## Increase Loans to Small Corporations

### Establish Low-Cost Mass-Sales Channels

**FY2005 loan origination  
through Business Finance Centers: approx. JPY 180Bn**

- Established 100 Business Finance Centers (BFCs) with a staff of 600
- Strengthen the system of support from HQ (Established the “Retail- Corporate Business Promotion Division”)
  - Strengthen personnel training, credit management, loan business management, and the system for improving performance
- Develop business promotion system to adapt to deregulation of banks’ agencies
  - Allows for door-to-door sales and marketing
- Further promote recruitment of outside experts
- Enhance loan products and services
  - “Quick Partner\*” (October 2005) (\* Loan Product with Orico’s Guarantee)
  - Ongoing alliance with Government Credit Guarantee Corporations, etc.

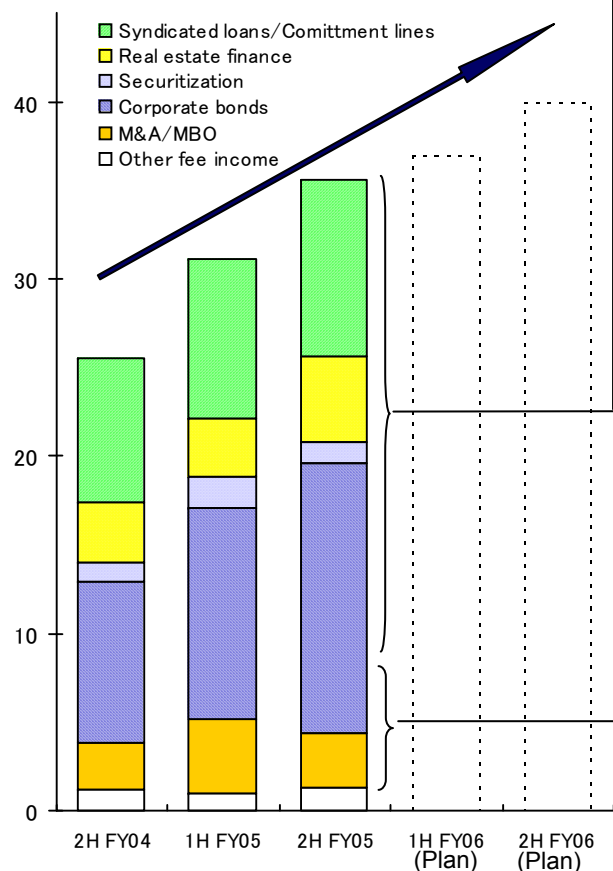
### Amount of Loans Originated through BFCs



## Promotion of Solution Businesses

### Fee Income from Solution Businesses

(JPY Bn)



### Strengthen Initiatives for the Core Solution Businesses

#### Respond to financial needs

- Syndicated loan
- Real estate and ship finance
- Project finance
- Securitization
- DIP Finance

#### Respond to investment needs

- Securities brokerage business  
(Established the Corporate Management Unit in March 2005)

### Improve responsiveness to customer needs

#### Respond to corporate management needs

- M&A / MBO
- Strengthen the ability to propose total solutions to upper-middle corporations
- Improve responsiveness to business succession needs
- Strengthen support for companies with IPO potential
- Support implementation of defined-contribution pension plans

### Strengthen HQs' support

Corporate Finance Div.

Reorganized based upon financing function and advisory functions in April 2006

Asset Management Office for Corporate

Established in Mar. 05

ALC Advisory Dept.

Comprehensive Financial Services Team

Established in Oct. 05

Corporate Consultant Office

Established in Oct. 05  
Targeting 500 Corps.

IPO Promotion Project

Established in Aug. 05  
Targeting 5,000 Corps

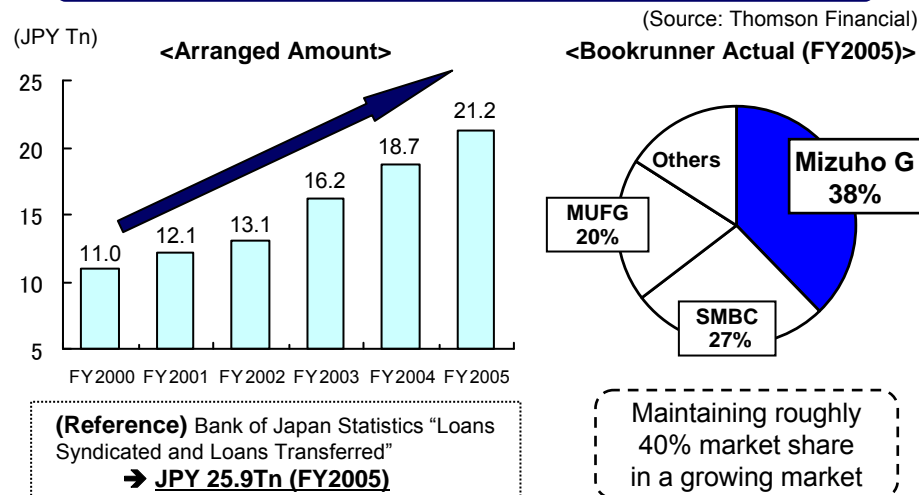
Defined Contribution for Pension Office

Acquired ISO9001

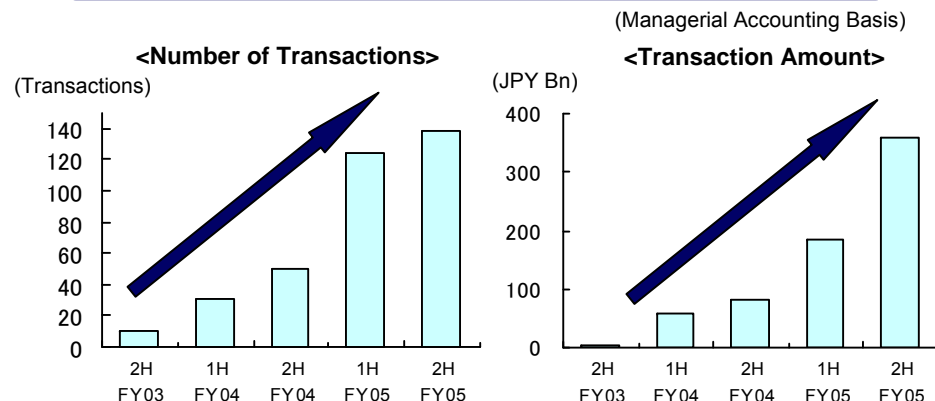
# Mizuho Corporate Bank: Enhance Investment Banking Business: (1) Syndicated Loan Business

## Steady Growth in Market-oriented Indirect Financing

### Domestic Syndicated Loan Market & League Table



### Loans Traded by Mizuho Corporate Bank

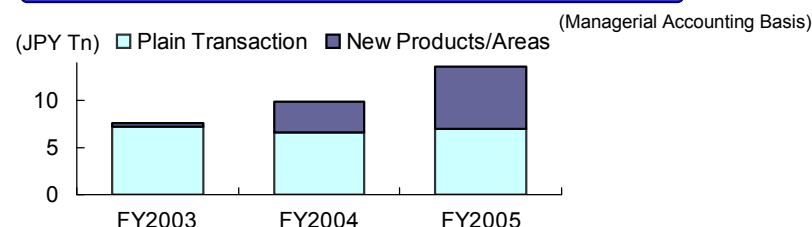


## Promote "Originate to Distribute" Business Model

### Current status & issues

- Satisfactory achievement of incorporating new products/areas such as corporate revitalization, LBO, ABL, cross-border, public sector, etc.

### Breakdown of Arrangement Amount by Mizuho CB



- Margins contracted due to intensified competition and commoditization

### Promote cultivation of the multi-tiered market

- Collaboration between Global Financial Products Unit and International Banking Unit
  - Enhance origination capability by strengthening initiatives for product diversification and overseas arrangements
- Promotion of solution businesses to investors
  - Approach new investor base and higher-risk investment funds
  - Further expansion of the secondary loan market

# Mizuho Corporate Bank: Enhance Investment Banking Business: (2) Investment-banking type Finance

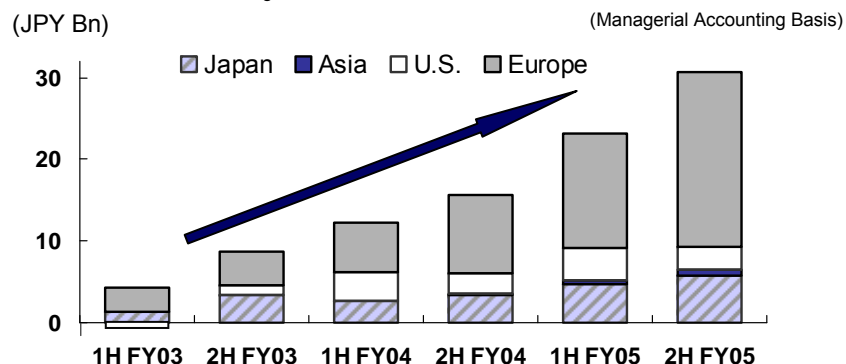
## Further Enhance the Investment-banking type Finance Function

### Leveraged Finance / MBOs

- Provide solutions for corporations leveraging the relationships with major investment funds in Japan and overseas
  - Major acquisitions, revitalization and recapitalization, “going private”, and protection against hostile takeovers
- Further enhance fund businesses
  - Increase investments in private equity funds
  - Expand and enhance fund businesses through Mizuho Capital Partners (MBO fund, mezzanine fund)

#### Leveraged Finance-Related Revenue (interest + non-interest income)\*

\* Including CLO-related and fund-related revenue



### Project Finance

- Ranked 5th in 2005 global arrangement (Source: Thomson Financial)

Rank	Lead Arranger	Amount (USD M)
1	Royal Bank of Scotland	8,891.0
2	BNP Paribas	7,647.6
3	Societe Generale	7,214.3
4	Calyon	6,902.3
5	Mizuho Financial Group	5,530.1

- Overseas market
  - Strengthen approach to emerging markets and the Middle East
  - Promote CSR initiatives (through the “Sustainable Development Department”)
- Domestic market
  - Capture financing needs related to PFI, the environment and deregulation

### Real Estate Finance

- Strengthen arrangement capabilities by offering total finance packages including senior debt and mezzanine/equity
- Enhance advisory function for real estate finance
- Number of Arrangements: approx. 28, Amount: approx. JPY 0.4Tn (total from Apr. 2005 to Mar. 2006)

# Mizuho Corporate Bank: Enhance Overseas Operations

## Enhance Overseas Profits & Customer Base

### Overseas Japanese

#### ■ Expand customer base

- Approach targeted new customers in areas surrounding new offices
- Capture the needs of Mizuho Bank's customers to expand overseas

#### ■ Increase in loans during FY2005: USD 2.4Bn

- Continue trend for expansion, especially in Asia

### Overseas Non-Japanese

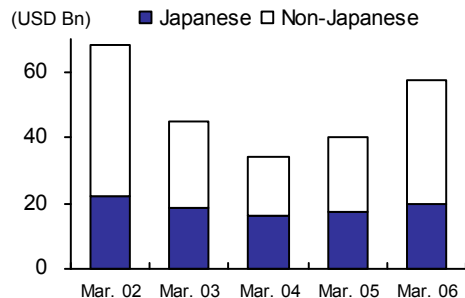
#### ■ Expand customer base by investing in management resources

#### ■ Increase in loans during FY2005: USD 14.9Bn

- Expansion mainly in corporate loans and project finance

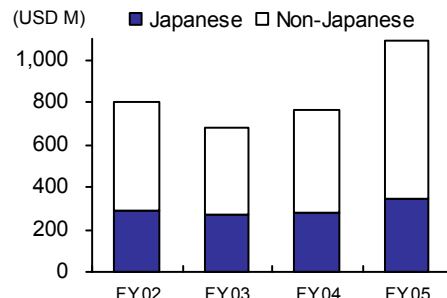
#### Loan Balance of Overseas Branches

(Managerial Accounting Basis)



#### Overseas Profits (Gross Profits)

(Managerial Accounting Basis)



## Improve Asset Efficiency

### Expand the Market-Oriented Indirect Financing Model

#### ■ Increase product-related revenues (MBOs, etc.)

- MBO revenues in Europe increased by almost 90% compared to FY2004, marking a new historical high
- Expand MBO business into other regions such as Asia
- Accelerate expansion of asset management business (CLO structuring & distributing)

#### ■ Develop CLO and other securitization schemes

- Expand new deal flow given the prospects for sustainable growth in the overseas non-Japanese business by facilitating balance sheet turnover

## Expand Operating Network

### ■ Expand network through opening new offices

#### <FY2005>

Asia Corporate Banking Division (May 05), Americas Credit Investment & Management Division (Oct. 05), Houston Rep. (Aug. 05), Atlanta Rep. (Feb. 06)

#### <FY2006(plan)>

New Delhi Branch (May 06), Wuxi Branch (scheduled for 1H FY06), Ho Chi Minh City Branch (scheduled for Oct. 06)  
Look to expand network in Asia including China, and Europe

# Mizuho Securities: Status in the League Table

**Domestic Equity League Table**  
(Total of IPOs, POs, CBs, REITs, FY2005)

		Amount (JPY Bn)	Share (%)
1	Nomura	1,092.9	23.3
2	Daiwa SMBC	1,048.9	22.3
3	Nikko Citigroup	712.4	15.2
4	<b>Mizuho Securities</b>	370.3	7.9
6	<b>Shinko Securities</b>	167.0	3.6
8	<b>Mizuho Investors Securities</b>	68.5	1.5

**Straight Bond League Table** (Underwritten amount, FY2005)

		Amount (JPY Bn)	Share (%)
1	<b>Mizuho Securities</b>	1,831.2	19.3
2	Nomura	1,817.8	19.1
3	Daiwa SMBC	1,523.1	16.0

(Includes Samurai bonds and local gov't bonds, but excludes bank debentures, self issue, and retail targeted)

**M&A Advisory Ranking**  
(Completed deals; January to December, 2005)

		Deals	Share (%)
1	Nomura	131	8.5
2	Mitsubishi UFJ Financial Group	130	8.4
3	<b>Mizuho Financial Group</b>	96	6.2
4	Nikko Cordial	73	4.7

(Japanese target, any acquirer nation)

**ABS Bookrunner League Table (FY2005)**

		Amount (JPY Bn)	Share (%)
1	<b>Mizuho Financial Group</b>	752.5	22.5
2	Daiwa SMBC	722.6	21.7
3	Nomura	473.1	14.2
4	Citigroup	410.0	12.3

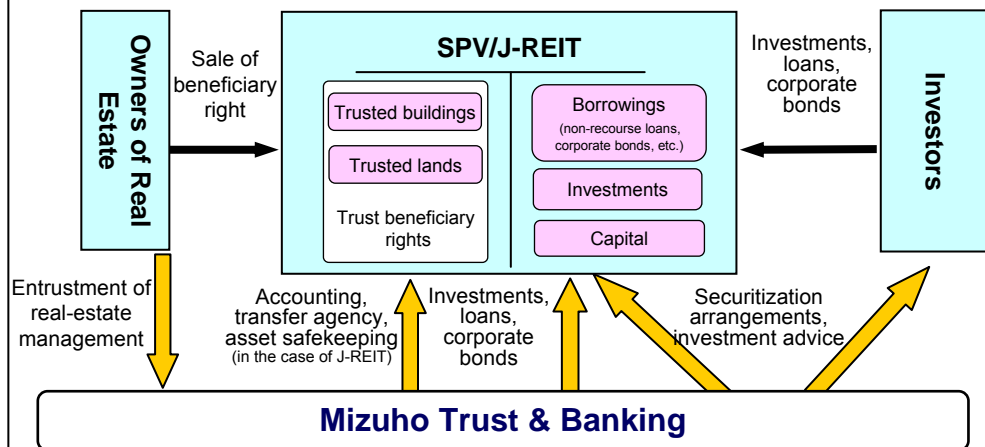
(Domestic Public/Private issue + Euro Bond)

(Sources) I-N Information Systems, Thomson Financial, etc.

## Real Estate Business

- Increase profits by providing a wide range of real estate solutions

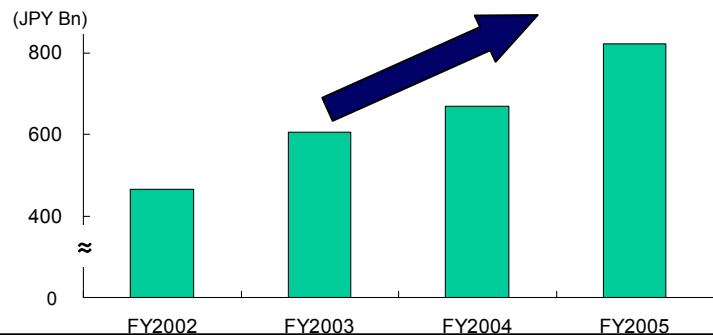
### Real Estate Securitization Business



➔ Increase profit-earning opportunities as the real estate securitization market expands

- Proactive investment in sales force and enhancement of sales capability
  - Increase staff to the Real Estate Unit and strengthen the functions of the real estate sales subsidiary

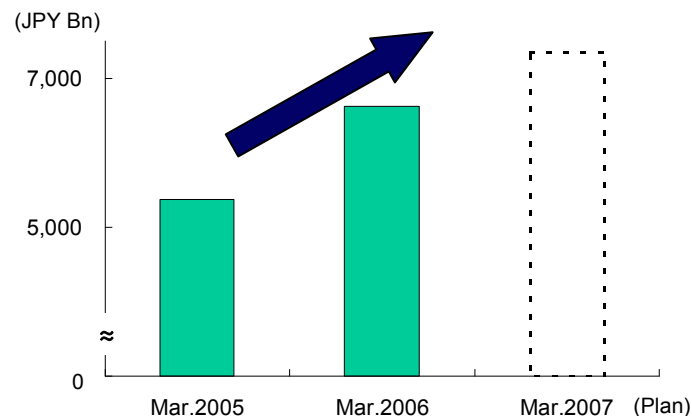
### Real Estate Transactions



## Asset Finance Business

- In light of favorable conditions in the CLO and financial receivables market, strengthen new products development and expand fund business by actively investing management resources

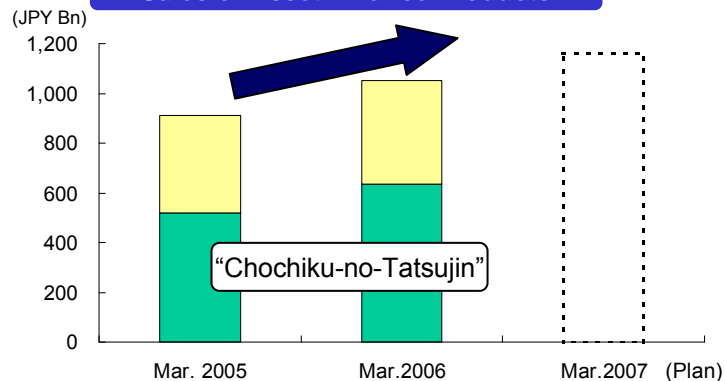
### Balance of Monetary Claim Trusts



- Active sale of asset finance products

- Balance of "Chochiku-no-Tatsujin" (individuals-targeted financial product) surpassed JPY 600Bn

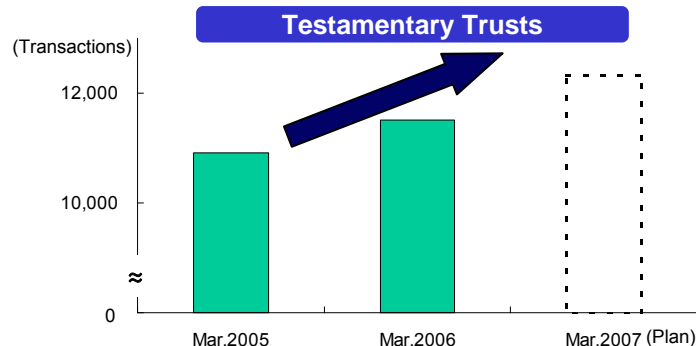
### Sales of Asset Finance Products



# Mizuho Trust & Banking: Private Banking Business, Pension Trust Business, and Stock Transfer Agency Business

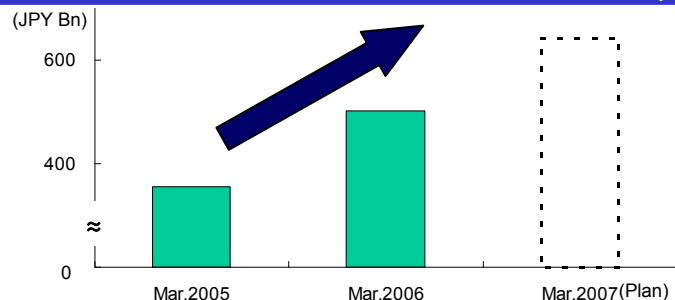
## Private Banking Business

- Expand business related to testamentary trusts and asset management in line with expansion of the trust banking agency functions



- Increase new counterparties, such as trust banking agency agreements with Mizuho Investors Securities
- Provide trust products and services to high-net worth customers
  - Develop and increase sales of products that meet asset management needs of high-net worth customers across the group, such as Mizuho Private Wealth Management (see below)

### Balance of Investment Trusts & Individual Annuities (for individuals)

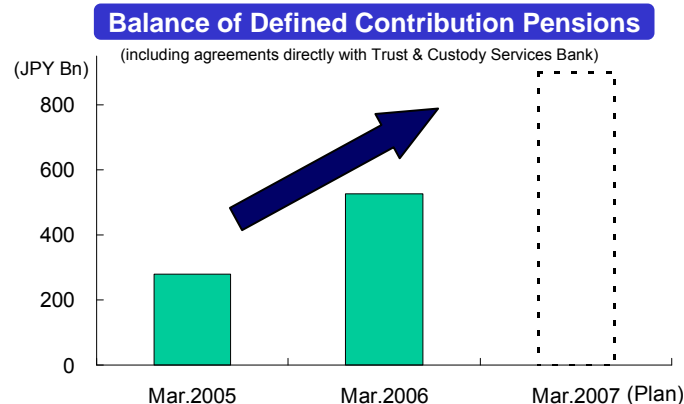


### Mizuho Private Wealth Management (started operations in Nov. 2005)

- As Japan's first fully-fledged private banking company, provide "comprehensive and integrated services" similar to those of companies in Europe and the U.S.
- Strengthening its consulting functions through the "Integrated Asset & Liabilities Management Reports"

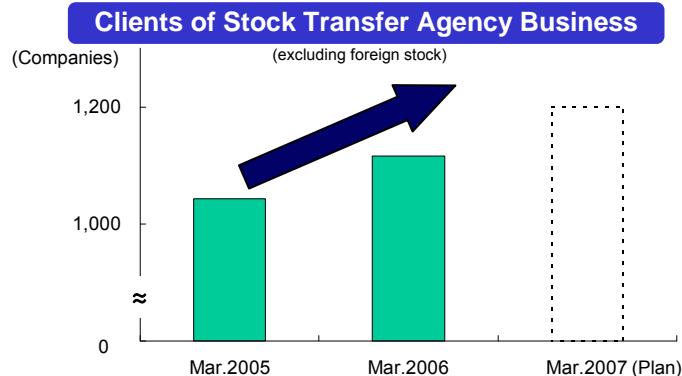
## Pension Trust Business

- Seize opportunities for entrusted assets and increase custody of pension management business, by fully utilizing trust banking agency functions and expanding its product lineup



## Stock Transfer Agency Business

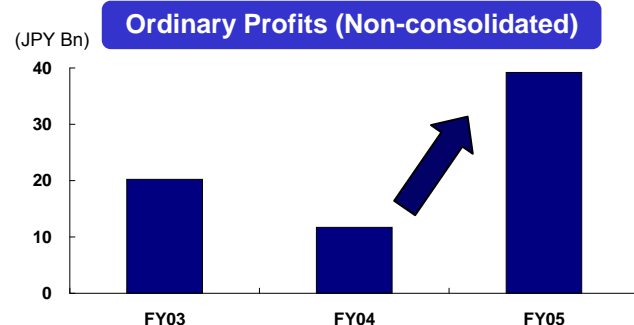
- Promote listed companies to change their trust arrangements to Mizuho, and increase new trust arrangements for companies which are not yet listed, in anticipating induction of the stock certificates non-issuance system (scheduled for 2009)



# Shinko Securities: Performance & Business Plan

## Results for FY2005

Substantial increase in profits mainly due to an increase in brokerage fees, sales of investment trusts and foreign bonds resulting from favorable market conditions



## Fourth Medium-term Business Plan (to March 2009)

(Medium-term Targets)  
 Assets Under Management: more than JPY 20Tn  
 Ordinary Profits: more than JPY 50Bn  
 ROE: more than 10%  
 Credit rating higher than "A"

### ■ Retail Division

- Retail assets under management: JPY 12Tn (Mar. 2006: JPY 8.2Tn)

### ■ Corporate Division

- IPO: top level lead arranger
- Corporate finance: top 3 lead arranger (targeting companies with total market capitalization of less than JPY 100Bn)
- M&A business: top 10 advisor for deals completed
- Investment management business: earnings growth through a new investment business model
- Expansion of the fund management business

### ■ Products Division

- Establishment of market presence (Share of stock basket/block transactions / OTC bond transactions: 5%)

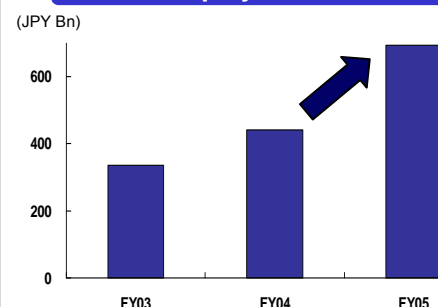
Long-term Ratings as of May 29, 2006: BBB (R&I), BBB+ (JCR)

## Steady Strengthening of Earnings Base other than Equity-related Business

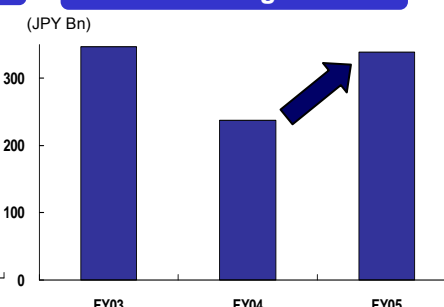
### ■ Strong sales of investment trusts and foreign bonds

- Enhance product lineup centered around equity investment trusts

#### Sales of Equity Investment Trusts



#### Sales of Foreign Bonds



### ■ Increase Wrap Accounts (Shinko Asset Management Wrap)

- Accumulated number of accounts: 2,912
- Accumulated sales amount: JPY 75.9Bn (as of Mar. 2006)

### ■ Underwriting performance: ranked 3<sup>rd</sup> in retail-targeted corporate bonds, and 6<sup>th</sup> in IPOs and POs

## Pursuit of Group Synergies

### ■ Mizuho Corporate Bank

- Investment Banking Business: restructure the organizational network and strengthen coordination with the bank's regional sales units
- Securities Brokerage Business: alliance with regional financial institutions via sale of privately placed structured bonds

### ■ Mizuho Bank

- Two joint branches (Marunouchi-Chuo and Umeda branches)
- Promotion of market consultation business\*
- Commencement of provision of Japan's first Wrap Account through securities brokerage business service (May 2006)

\* Business whereby a bank introduces a client company, which is planning to raise funds in the market, to a securities company, and the securities company pays a portion of the underwriting commission to the bank

# Group Synergies in FY2005 (Examples)

## Mizuho Bank

### Mizuho Corporate Bank

Deals with Japanese customers  
in overseas markets  
➢ 2,070 (+50%)

### Mizuho Trust & Banking

Testamentary trust contracts  
and processing  
➢ 1,120 (+90%)  
Real estate related business  
(including securitization) contracts  
➢ 1,540 (+5%)

### Mizuho Investors Securities

Referral contracts of investment  
products for corporate and  
retail customers  
➢ 11,520 (+6%)  
Referral contracts of fund raising  
by corporate customers  
➢ 500 (approx. 4.7 times)

### Mizuho Capital

Investment deals  
➢ 180

### UC Card

New member stores acquired  
➢ 750

## Mizuho Corporate Bank

### Mizuho Bank

Retail products for employees of  
corporate customers  
(accounts for payrolls, housing loans for  
employees, etc.)  
➢ 1,070 companies (+20%)

### Mizuho Trust & Banking

Real estate related business (including  
securitization) contracts  
➢ 510 (+30%)

### Mizuho Securities

Deals with lead manager status in  
equity-related products  
➢ 18 (-7deals)  
Deals with lead manager status in  
debt-related products  
➢ 116 (+19deals)

### Shinko Securities

Underwriting fees and securities sales  
commissions  
➢ +20% from FY2004

### Asset Management Companies

Companies introduced to investment  
or investment trust business  
➢ 420 companies  
(approx. twice)

Figures are number of deals, figures in ( ) indicate changes in percentage or the number of transactions from FY2004

## Appendix C. Financial Data

### ■ Financial Results for FY2005

Overview of Financial Results for FY2005	P.59	Expenses, Employees and Branches	P.67
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# Overview of Financial Results for FY2005

- Consolidated Gross Profits increased 7.4% from FY2004, excluding the disposition of unrealized losses on bond portfolios in March 2006 (JPY 138.5Bn). This is due to steady increases in income from Customer Groups, including the retail banking segment and solid increase in profits from our group companies
- Consolidated Net Income amounted to JPY 649.9Bn, an increase of approximately JPY 330Bn if the special factor\* of the previous fiscal year is excluded. This increase can be attributed mainly to Reversal of Reserves for Possible Losses on Loans and the recording of Net Gains related to Stocks, as well as the favorable profit performance of Customer Groups \*The effect of the JPY 308.4Bn Supreme Court judgment regarding the Japan Housing Loan, Inc.
- Consolidated BIS Capital Ratio was secured at a sufficient level of 11.59% as a result of the recording of Net Income, the secondary offering of treasury stock and the issuance of preferred securities, even after repayment of public funds of JPY 866.4Bn on an issue-price basis

(JPY Bn)	Consolidated	Change from FY2004
Gross Profits	2,002	9
Net Interest Income	1,062	-43
Net Fee & Commission Income and Fiduciary Income	634	98
Net Trading Income	204	39
Net Other Operating Income (including Net Gains Related to Bonds)	100	-85
General & Administrative Expenses	-1,095	-3
Net Business Profits*	922	9
Credit Costs	53	147
Net Gains related to Stocks	231	21
Ordinary Profits	921	263
Net Extraordinary Gains	59	-226
Net Income	649	22
ROE**	14.9%	+ 6.4%

\* Consolidated Net Business Profits = Consolidated Gross Profits - General and Administrative Expenses (Excluding Non-recurring Losses) + Equity in Income from Investments in Affiliates and other consolidation adjustments

\*\*ROE =  $\frac{\text{Net Income}^{***}}{(\text{Opening Shareholders' Equity} + \text{Closing Shareholders' Equity}) / 2}$   
\*\*\* Excluding a special factor (the effect of Supreme Court's judgment)

	Consolidated	Change from FY2004
Disclosed Claims under the FRL (bank accounts + trust accounts)	1,087	-509
Net Deferred Tax Assets	295	-707
BIS Capital Ratio (Preliminary)	11.59%	- 0.32%

(Reference)	3 Banks	Change from FY2004
*	1,698	72
	1,112	83
*	456	78
	33	-10
	96	-79
	-810	18
*	889	89
	63	125
	199	5
*	789	371
	146	-234
*	732	150

\* Includes JPY 120Bn in dividends from the financial subsidiaries for corporate revitalization

	3 Banks	Change from FY2004
	1,052	-442

## Analysis of Changes (Consolidated)

### <Business Results>

(Changes from FY2004)

- Net Interest Income **Decreased 43.7Bn**
  - Decreased from FY2004 mainly as a result of decline in the interest margins as well as decrease in the average balance of domestic loans including claims against Watch Obligors
- Net Fee and Commission Income, Fiduciary Income **Increased 98.8Bn**
  - Increased in fee income related to investment trusts and individual annuities, income from the solution and overseas businesses, and profits from the trust and asset management businesses
- Net Trading Income + Net Other Operating Income **Decreased 45.7Bn**
  - Disposition of Unrealized Losses on bond portfolios (2H of FY2005: -JPY 138.5Bn\*)
  - \* Breakdown of losses: BK: -JPY 75.4Bn, CB: -JPY 58.4Bn, TB: -JPY 4.6Bn
- Credit Costs **Decreased 147.1Bn**
  - Net gains of JPY 53.2Bn as a result of Reversal of Reserves by asset quality improvement
- Net Gains related to Stocks
  - Gains of JPY 44.2Bn on sale of stocks associated with credit and alternative investments and gains related to preferred stocks acquired in corporate revitalization deals
  - Gains on sales of a part of Mizuho Trust & Banking stocks (1H of FY2005: JPY 42.4Bn)
- Other Expenses
  - Losses due to the bond portfolio restructuring (1H of FY2005: -JPY 85.3Bn)

### <NPLs & DTAs>

(Changes from Mar. 2005)

- Balance of Non-Performing Loans (NPLs) **Decreased 509.2Bn**
  - NPL ratio decreased to 1.41% and net NPL ratio also decreased to 0.47% (3 Banks)
- Net Deferred Tax Assets (DTAs) **Decreased 707.1Bn**
  - Ratio of Net DTAs to Consolidated Tier 1 fell to 6.4%

# Overview of Financial Results of Other Major Group Companies

- **The variance of Net Business Profits between Consolidated and 3 Banks: JPY 153.2Bn\*** (increase of JPY 40.7Bn from FY2004)  
(of which the Group securities companies accounted for approx. +JPY 102Bn)

**This reflects the Group's comprehensive profitability, centering on the Group securities companies**

\* Excludes JPY 120Bn in dividends from the financial subsidiaries for corporate revitalization

## Group Securities Companies (Non-Consolidated)

Ordinary Profits reached record-high levels as a result of strengthening of group synergies and substantial increases in trading income, reflecting the favorable market environment

### ■ Mizuho Securities

Ordinary Profits reached a record high, mainly due to the significant increase in commission income backed by a strengthened cooperation with Mizuho Corporate Bank, and the increase in trading income supported by the favorable market environment. Net Income, however, decreased as a result of recording Extraordinary Losses of JPY 40.7Bn associated with the placement of the erroneous order.

	(JPY Bn)	
	FY2005	Change from FY2004
Net Op. Income	127	34
G&A Expenses	-66	-13
Ordinary Profits	62	22
Net Income	13	-10

### ■ Mizuho Investors Securities

As a result of favorable sales of structured bonds and the increase in commission income, owing to synergy effects with Mizuho Bank, Net Income increased by JPY 19.2Bn to JPY 24.9Bn. On the back of this strong performance, it eliminated its deficit carried forward and plans to resume payment of dividends.

	(JPY Bn)	
	FY2005	Change from FY2004
Net Op. Income	83	38
G&A Expenses	-50	-13
Ordinary Profits	32	24
Net Income	24	19

### ■ Shinko Securities

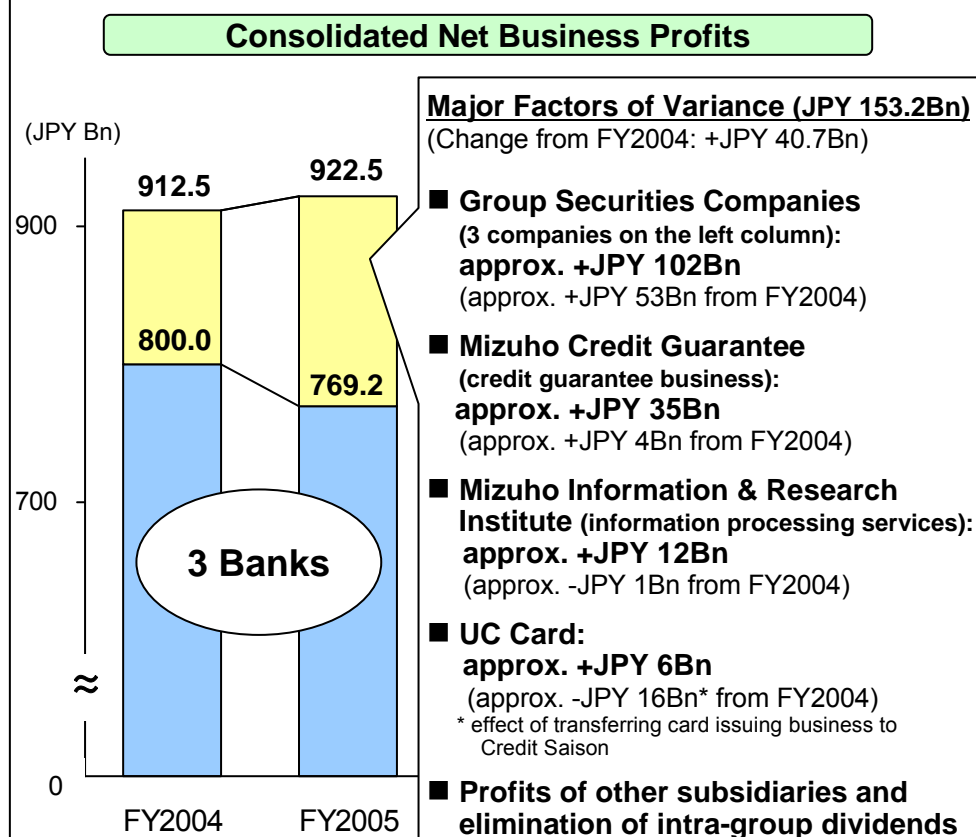
(An affiliate under equity method, equity ratio under equity method: approx. 15%)

Net Income increased 4.6 times since its level of FY2004 to reach JPY 31.4Bn. This increase was attributed to the realization of group synergies in investment banking and securities brokerage, and to increase in stock brokerage commission, reflecting the good market environment.

	(JPY Bn)	
	FY2005	Change from FY2004
Net Op. Income	140	37
G&A Expenses	-103	-9
Ordinary Profits	39	27
Net Income	31	24

## Breakdown of the Variance of Net Business Profits between Consolidated and 3 Banks

(Excludes JPY 120Bn in dividends from the financial subsidiaries for corporate revitalization)



# Performance of each Global Group by Business Segment (1)

(JPY Bn)

Consolidated Net Business Profits		FY2005 (Actual)	Change from FY2004
Gross Profits		1,431.8	+39.9
G&A Expenses		-666.7	+2.0
<b>Customer Groups</b>		<b>765.1</b>	<b>+41.8</b>
Gross Profits	※	268.4	+31.3
G&A Expenses		-144.1	+16.1
<b>Trading &amp; Others</b>	※	<b>124.2</b>	<b>+47.3</b>
Gross Profits	※	1,700.2	+71.0
G&A Expenses		-810.9	+18.1
<b>3 Banks (incl. revitalization subs.)</b>	※	<b>889.2</b>	<b>+89.2</b>
Ordinary Profits (2 Securities Subs)		95.4	+47.0
<b>3 Banks + 2 Securities Subs</b>	※	<b>984.6</b>	<b>+136.2</b>
Variance between Consolidated and 3 Banks	※	33.2	-79.2
<b>Consolidated Net Business Profits</b>		<b>922.5</b>	<b>+9.9</b>

※ Include JPY 120Bn of dividends from the financial subsidiaries for corporate revitalization (as intra-company dividends)

## <Global Retail Group>

Gross Profits	282.5	-6.6
G&A Expenses	-201.4	+5.1
<b>Retail Banking</b>	<b>81.1</b>	<b>-1.5</b>
Gross Profits	552.2	+26.4
G&A Expenses	-253.7	+10.3
<b>Corporate Banking</b>	<b>298.5</b>	<b>+36.7</b>
Gross Profits	48.2	-36.9
G&A Expenses	-62.1	+16.5
<b>Trading &amp; Others</b>	<b>-13.8</b>	<b>-20.3</b>
Gross Profits	882.9	-17.1
G&A Expenses	-517.2	+31.9
<b>MHBK Net Business Profits</b> (including revitalization subsidiary)	<b>365.7</b>	<b>+14.8</b>
<b>MHIS Ordinary Profits</b>	<b>32.6</b>	<b>+24.3</b>
<b>MHBK Consolidated Net Business Profits</b>	<b>439.7</b>	<b>+44.8</b>

## Overview

- [Customer Groups] Despite the positive turnaround in the balance of domestic loans in the latter part of the first half, domestic loan interest income decreased from FY2004. This was mainly due to the decrease in loan spreads caused by tougher competition and the decrease in the balance of claims against Watch Obligors. However, this decrease was more than offset by the considerable increase in Non-Interest Income (domestic and international) such as fee income from the growing retail banking sector, solutions and overseas businesses, and trust & asset management business of MHTB, in addition to the increase in overseas interest income. As a result, Net Business Profits increased by approximately JPY 42Bn from FY2004.
- [Trading & Others] Earnings have built up steadily in the credit investments and trading business. A loss resulted from the disposition of unrealized losses on bond portfolios, in this March in light of the movements in domestic and U.S. interest rates (BK & CB total: JPY 133.8Bn). If this loss is excluded, earnings increased virtually compared to weak results of FY2004. In addition to the loss resulting from the disposition of unrealized losses on bond portfolios (negative effect), if the one-off special factor of JPY 120Bn dividends from the financial subsidiaries for corporate revitalization (positive effect) is also excluded, overall Net Business Profits for the "Trading & Others" increased compared to FY2004.
- [Consolidated Net Business Profits] In addition to the above, reflecting the good performances of securities subsidiaries, Consolidated Net Business Profits increased by about JPY 10Bn from FY2004. When the effects from the disposition of unrealized losses on bond portfolios in the second half are subtracted, Consolidated Net Business Profits increased **virtually by about JPY 150Bn**. (Note: The effect of the dividends received from the financial subsidiaries for corporate revitalization (JPY 120Bn) has been eliminated as part of a consolidation process.)

## Mizuho Bank (MHBK)

- [Retail Banking] While movement in the housing loan balance was moderate, it did shift to a positive trend. Origination amounts for the "Flat 35," in alliance with the Government Housing Loan Corp., and for "Captive Loans," in alliance with Orico, also increased steadily. In addition, sales of investment products are expanding strongly, especially in investment trusts and individual annuities. As a result, if the special factor, namely the gain from the securitization of housing loans in the previous fiscal year (JPY 15.9Bn), is excluded, Net Business Profits increased virtually by about JPY 14Bn from FY2004.
- [Corporate Banking] With respect to lending, although the loan balance to targeted Middle Credit Risk Corporations increased, overall loan interest income decreased, mainly as a result of the decline in loan spreads caused by tougher competition. However, this decrease was more than offset by the increase in Non-Interest Income, which is mainly attributed to the solutions business and foreign exchange and derivatives. Helped further by the benefits of cost cutting, Net Business Profits increased by about JPY 37Bn from FY2004.
- [Trading & Others] In addition to the good performance of the trading income, credit investments also contributed steadily to earnings. Benefits were also realized through cost cutting. If the loss resulting from disposition of unrealized losses on bond portfolios in this March in light of the movements in domestic and U.S. interest rates is excluded (JPY 75.4Bn), Net Business Profits in "Trading & Others" increased, virtually, from FY2004.

## Mizuho Investors Securities (MHIS)

- As a result of a larger underwriting business and favorable sale of structured bonds, especially foreign bonds, owing to the realization of synergies with MHBK, Ordinary Profits increased by about JPY 24Bn to reach a level approximately four times that of FY2004. On the back of this strong performance, MHIS eliminated its deficit carried forward and plans to resume the payment of dividends.

# Performance of each Global Group by Business Segment (2)

(JPY Bn)

FY2005	Change from FY2004
(Actual)	

## <Global Corporate Group>

Gross Profits	318.7	-24.2
G&A Expenses	-82.0	-1.3
<b>Domestic Corporate Banking</b>	<b>236.7</b>	<b>-25.5</b>
Gross Profits	112.0	+26.0
G&A Expenses	-51.7	-5.5
<b>International Banking</b>	<b>60.3</b>	<b>+20.5</b>
Gross Profits	※ 220.2	+68.3
G&A Expenses	-82.0	-0.4
<b>Trading &amp; Others</b>	<b>※ 138.1</b>	<b>+67.9</b>
Gross Profits	※ 650.9	+70.1
G&A Expenses	-215.7	-7.2
<b>MHCB Net Business Profits</b> (including revitalization subsidiaries)	<b>※ 435.1</b>	<b>+62.9</b>
<b>MHSC Ordinary Profits</b>	<b>62.7</b>	<b>+22.7</b>
<b>MHCB Consolidated Net Business Profits</b>	<b>※ 366.4</b>	<b>-25.2</b>

※ Include JPY 120Bn of dividends from the financial subsidiaries for corporate revitalization (as intra-company dividends)

## <Global Asset & Wealth Management Group>

Gross Profits	166.3	+18.0
G&A Expenses	-77.9	-6.5
<b>MHTB Net Business Profits</b> (including revitalization subsidiary)	<b>88.3</b>	<b>+11.5</b>
Group Companies' Ordinary Profits (※※), etc.	12.2	+5.3
<b>Global Asset &amp; Wealth Management Group Total</b>	<b>100.5</b>	<b>+16.8</b>

※※ Trust & Custody Services Bank, 3 Asset Management Companies, Mizuho Private Wealth Management

### Notes

1. Data included in the figures on P.61 and P.62 are based on the internal management data and are the aggregates for each described segment in accordance with the FY2005 management accounting rules. Consequently, some of the figures for FY2004 may be different from previously disclosed figures.
2. "3 Banks + 2 Securities Subs" in the "Consolidated Net Business Profits" is a simple aggregate.
3. "Customer Groups" for 3 Banks in the "Consolidated Net Business Profits" represents the sum of MHBK's "Retail Banking" and "Corporate Banking," MHCB's "Domestic Corporate Banking" and "International Banking" and MHTB.
4. MHBK's results for "Retail Banking" in FY2004 include the gain of JPY 15.9Bn from securitization of housing loans. MHCB's results for "Trading & Others" in FY2005 include the dividends of JPY 120Bn from the financial subsidiaries for corporate revitalization. MHTB's results for FY2005 include the affected amount of JPY 2.1Bn due to change in the accounting treatment for accrued fiduciary income, and gains on sales of loan assets in the loan trust account of JPY 11.5Bn. Furthermore, a loss from the disposition of unrealized losses on bond portfolios in March 2006 (JPY 138.5Bn) is included in MHBK's "Trading & Others" (JPY 75.4Bn), MHCB's "Trading & Others" (JPY 58.4Bn) and MHTB (JPY 4.6Bn), respectively. Each of these is also included in the figures for the corresponding sector in the "Consolidated Net Business Profits."
5. "Total" in "Global Asset & Wealth Management Group" is a simple aggregate of MHTB's "Consolidated Net Business Profits" and the "Ordinary Profits" of TCSB, the three asset management companies and MHPW (without applying equity method, etc.).

## Mizuho Corporate Bank (MHCB)

- [Domestic Corporate Banking] Although the decreasing loan balance bottomed out during FY2005, loan interest income continued to decrease significantly, mostly as a result of the decrease in loan spreads caused by tougher competition. In addition, due to the sluggish growth in fee income from syndicated loan arrangements, Non-Interest Income remained virtually on par with FY2004. As a result, Net Business Profits were down by about JPY 25Bn from FY2004.
- [International Banking] In addition to the growth in income from business with Japanese corporations, there was a significant increase in income from non-Japanese corporations (both interest and non-interest income), especially from MBOs in Europe. As a result, Net Business Profits increased substantially by about JPY 20Bn from FY2004, an increase in excess of 50%.
- [Trading & Others] While sources of profits continued to diversify thanks to credit investments such as securitization products, a loss from the disposition of unrealized losses on bond portfolios was recognized in light of the movements in domestic and U.S. interest rates (JPY 58.4Bn) in the second half of FY2005. If this loss (negative factor) is excluded, and if the JPY 120Bn dividends received from the financial subsidiaries for corporate revitalization (positive factor) are also excluded, overall Net Business Profits in "Trading & Others" were virtually on par with FY2004.

## Mizuho Securities (MHSC)

- On the back of strengthened synergy effects with MHCB, and mostly as a result of excellent equity-related income, Ordinary Profits increased substantially by about JPY 23Bn from FY2004, an increase of in excess of 50%.

## Mizuho Trust & Banking (MHTB)

- While Gross Profits in the banking business increased only slightly from FY2004, there was a significant increase in income from the focused trust and asset management business, including pension and asset management and the real estate businesses, where synergy with the other Mizuho Group companies is being pursued. (The share of the trust and asset management business in the overall Gross Profits increased to 58.4%.) As a result, while there was a slight increase in G&A Expenses, Net Business Profits increased by JPY 11.5Bn from FY2004. However, if we take the special factors for FY2005 into consideration, namely the recording of gains on sales of loan assets in the loan trust account (+JPY 11.5Bn), the loss from the disposition of unrealized losses on bond portfolios in the second half (-JPY 4.6Bn), and the effect of the change in the accounting treatment for accrued fiduciary income (+JPY 2.1Bn), the increase from FY2005, virtually, is JPY 2.5Bn.

## Analysis of Profit and Loss Statement

	(JPY Bn)		
	FY2005	Change	FY2004
Consolidated Gross Profits	2,002.4	9.3	1,993.0
Net Interest Income	1,062.6	-43.7	1,106.4
Fiduciary Income	78.8	15.5	63.2
Credit Costs for Trust Accounts	-1.4	1.3	-2.7
Net Fee and Commission Income	555.9	83.3	472.6
Net Trading Income	204.9	39.8	165.0
Net Other Operating Income	100.0	-85.6	185.7
General and Administrative Expenses	-1,095.2	-3.8	-1,091.3
Consolidated Net Business Profits *	922.5	9.9	912.5
Expenses related to Portfolio Problems + Provision for General Reserve for Possible Losses on Loans	-84.7	147.2	-231.9
Losses on Write-offs of Loans	-37.1	124.2	-161.4
Net Gains related to Stocks	231.5	21.1	210.3
Equity in Income from Investment in Affiliates	9.1	7.7	1.4
Other	-142.1	82.0	-224.1
Ordinary Profits	921.0	263.6	657.4
Net Extraordinary Gains	59.0	-226.5	285.5
Reversal of Reserves for Possible Losses on Loans, etc.	139.3	-1.3	140.7
Income before Income Taxes and Minority Interests	980.1	37.0	943.0
Income Taxes - Current	-64.0	-44.2	-19.8
- Deferred	-185.0	50.1	-235.2
Minority Interests in Net Income	-81.1	-20.5	-60.6
Net Income	649.9	22.5	627.3
Credit-related Costs (including Credit Costs for Trust Accounts)	53.2	147.1	-93.9

\* Consolidated Net Business Profits = Consolidated Gross Profits - General and Administrative Expenses (excluding Non-recurring Losses)  
+ Equity in Income from Investments in Affiliates and other Consolidation adjustments

## Analysis of Changes

## ➤ Net Interest Income

- Decreased from FY2004 due to decline in interest margins caused by tougher competition in lending businesses and decrease in the average balance of our domestic loans including those against Watch Obligors.

## ➤ Fiduciary Income

- Increased due to the effect of the change in accounting standards for recording Fiduciary Income (JPY 2.0Bn), and recorded gains on sales from the securitization of loans in the Loan Trust Account (JPY 11.5Bn)

## ➤ Net Fee and Commission Income

- Increased in areas such as syndicated loans, other solution business-related, and investment trusts and individual annuities resulting from the enhancement of our sales force

## ➤ Net Other Operating Income

- Disposed unrealized losses on bond portfolios (2H of FY2005: -JPY 138.5Bn)

## ➤ General and Administrative Expenses

- Increased in line with the expanded operations of the securities subsidiaries (Simple aggregation of Mizuho Securities and Mizuho Investors Securities: +JPY 26.9Bn)

## ➤ Net Gains related to Stocks

- Gains on sales of stocks associated with credit and alternative investments (JPY 44.2Bn)
- Gains on sales of a part of Mizuho Trust & Banking stocks (JPY 42.4Bn)

## ➤ Other (Net Non-recurring Gains (Losses))

- FY2004: Write-offs of deferred hedge losses (-JPY 67.0Bn), Valuation losses on investments in overseas subsidiaries (expenses for realizing foreign currency translation losses related to Yen-based capital in overseas subsidiaries) (-JPY 59.6Bn), Expenses on IT Systems Integration and losses on disposal of software (-JPY 55.5Bn)
- Disposition of unrealized losses due to bond portfolio restructuring (1H of FY2005: -JPY 85.3Bn)

## ➤ Net Extraordinary Gains

- FY2004: A special factor associated with the Supreme Court judgment regarding the Japan Housing Loan, Inc. (including Reversal of Reserve for Contingencies (JPY 233.2Bn))
- A loss resulting from the placement of erroneous order (Mizuho Securities: -JPY 40.7Bn)
- A loss on a decline in the value in use of software as a result of revising system strategies (TB, etc.: -JPY 18.9Bn)
- Losses on Impairment of Fixed Assets (+JPY 44.7Bn)
  - Losses on Impairment of Fixed Assets in FY2005: -JPY 22.3Bn
  - Losses resulting from early adoption of accounting for Impairment of Fixed Assets in FY2004: -JPY 67.1Bn
- Adjustment related to the review of the method used to calculate Employee Retirement Benefits (-JPY 14.4Bn)

# Analysis of Profit and Loss Statement of Mizuho Financial Group, Inc. (Holding Company)

## Analysis of Changes

	(JPY Bn)		
	FY2005	Change	FY2004
Operating Income	128.9	102.4	26.4
Cash Dividend Received from Subsidiaries and Affiliates	112.5	98.7	13.7
Fees and Commission Received from Subsidiaries and Affiliates	16.4	3.7	12.7
Operating Expenses	-13.4	-1.6	-11.7
Operating Profits	115.5	100.8	14.6
Non-Operating Income	0.2	0.1	0.1
Rent Received	0.0	0.0	0.0
Other Non-Operating Income	0.2	0.1	0.0
Non-Operating Expenses	-2.3	-1.7	-0.5
Interest Expenses	-0.2	-0.2	0.0
Interest on Commercial Paper	0.0	0.1	-0.1
Interest on Short-term Bonds	-1.6	-1.6	0.0
Amortization of Start-Up Costs	-0.3	0.0	-0.3
Other Non-Operating Expenses	0.0	0.0	0.0
Ordinary Profits	113.4	99.1	14.3
Extraordinary Gains	682.9	609.3	73.5
Gains on Disposal of Investments in Subsidiaries	679.0	605.4	73.5
Other Extraordinary Gains	3.9	3.9	0.0
Extraordinary Losses	-6.1	50.2	-56.4
Losses on Disposal of Investments in Subsidiaries	0.0	56.1	-56.1
Other Extraordinary Losses	-6.1	-5.9	-0.2
Income Before Income Taxes	790.2	758.7	31.4
Current	0.0	0.0	0.0
Deferred	0.0	0.5	-0.5
Total Income Taxes	0.0	0.5	-0.5
Net Income	790.2	759.3	30.8
Retained Earnings Brought Forward from Previous Fiscal Year	108.6	-1.3	110.0
Cancellation of Treasury Stock	-75.9	-75.9	0.0
Unappropriated Retained Earnings	822.9	681.9	140.9

### ➤ Cash Dividend Received from Subsidiaries and Affiliates (Operating Income)

- Increased in dividends due to strong performances of subsidiaries and affiliates

### ➤ Operating Expenses

- Increased in advertising costs, etc.

### ➤ Interest Expenses / Interest on Short-term Bonds (Non-operating Expenses)

- Increased due to increase in Short-term borrowings and Short-term Bonds which was used for the purchase of subsidiaries' shares to carry out organizational restructuring and repayment of public funds (JPY 965Bn of borrowings from BK and CB)

### ➤ Gains on Disposal of Investments in Subsidiaries (Extraordinary Gains)

- Gains on sales of stocks of Mizuho Financial Strategy and Mizuho Trust & Banking

### ➤ Other Extraordinary Losses

- Expenses related to preparation for a planned listing on the New York Stock Exchange (-JPY 4.8Bn)

# Variance Analysis between Consolidated and 3 Banks

## Major Factors for the Variance

	Consolidated (A)	3 Banks (B)	(A)-(B)	(JPY Bn) (A)-(B) excluded dividends from the revitalization subsidiaries
Consolidated Gross Profits / Gross Profits	2,002.4	* 1,698.8	303.5	423.5
Net Interest Income	1,062.6	* 1,112.0	-49.4	70.5
Fiduciary Income	78.8	77.9	0.8	0.8
Credit Costs for Trust Accounts	-1.4	-1.4	-	-
Net Fee and Commission Income	555.9	378.4	177.5	177.5
Net Trading Income	204.9	33.4	171.4	171.4
Net Other Operating Income	100.0	96.9	3.0	3.0
General and Administrative Expenses / General and Administrative Expenses (excluding Non-recurring Losses)	-1,095.2	-810.9	-284.2	-284.2
Consolidated Net Business Profits ** / Net Business Profits (before Reversal of General Reserve for Possible Losses on Loans)	922.5	* 889.2	33.2	153.2
Credit-related Costs	53.2	63.9	-10.7	-10.7
Net Gains related to Stocks	231.5	199.7	31.8	31.8
Ordinary Profits	921.0	* 789.4	131.6	251.6
Net Extraordinary Gains	59.0	146.1	-87.0	-87.0
Reversal of Reserves for Possible Losses on Loans, etc.	139.3	180.5	-41.1	-41.1
Net Income	649.9	* 732.9	-83.0	36.9

### ➤ Net Interest Income

- Loan guarantee subsidiaries (Mizuho Credit Guarantee), etc.
- Adjustment of intra-group transactions such as dividends received

### ➤ Net Fee and Commission Income

- Mizuho Information & Research Institute, Mizuho Investors Securities, Mizuho Securities, etc.

### ➤ Net Trading Income

- Mizuho Securities Group, Mizuho Investors Securities, etc.

### ➤ General and Administrative Expenses

- Mizuho Information & Research Institute, Mizuho Securities Group, etc.
- Difference in accounting rules for personnel expenses (Non-recurring Losses), such as amortization of Unrecognized Net Obligation (expenses related to Employee Retirement Benefits classified as G&A expenses on a consolidated basis, but as Net Non-recurring Gains (Losses) on a 3 Banks non-consolidated basis)

### ➤ Credit Costs

- Mizuho Credit Guarantee, etc.

### ➤ Net Gains related to Stocks

- Gains on sales of Mizuho Trust & Banking stock (JPY 42.4Bn)

### ➤ Net Extraordinary Gains (Losses)

- Decrease in Net Extraordinary Gains on a consolidated basis mainly due to differences in classification for Reversal of Reserves for Possible Losses on Loans versus on a non-consolidated basis

\* Dividends from the revitalization subsidiaries of JPY120.0Bn for FY2005 are included due to the simple aggregation of 3 Banks

\*\*Consolidated Net Business Profits = Consolidated Gross Profits - General and Administrative Expenses (excluding Non-recurring Losses)  
+ Equity in Income from Investments in Affiliates and other Consolidation adjustments

# Analysis of Gross Profits

## Gross Profits

	(JPY Bn)		
	FY2005	Change	FY2004
Gross Profits	1,698.8	72.4	1,626.4
Domestic Gross Profits	1,358.0	143.3	1,214.7
Net Interest Income	957.1	90.9	866.2
Fiduciary Income	77.9	15.1	62.8
Net Fee and Commission Income	308.8	51.7	257.0
Net Trading Income	70.8	54.1	16.7
Net Other Operating Income	-56.7	-68.6	11.9
International Gross Profits	340.7	-70.9	411.6
Net Interest Income	154.8	-6.9	161.8
Net Fee and Commission Income	69.5	11.5	58.0
Net Trading Income	-37.3	-64.5	27.1
Net Other Operating Income	153.7	-10.8	164.5

\* Dividends from the revitalization subsidiaries of JPY120.0Bn for FY2005 are included due to the simple aggregation of 3 banks (non-consolidated) and their revitalization subsidiaries.

## Analysis of Changes

### <Domestic Gross Profits>

#### ➤ Net Interest Income (excluding dividends of JPY 120.0Bn from revitalization subsidiaries: -JPY 29.0Bn)

- Decline in interest margins caused by tougher competition in lending businesses  
Domestic Operations: Loan and Deposit Rate Margin decreased 0.12% compared to FY2004 (2 Banks excluding revitalization subsidiaries)
- Decrease in the average balance of our domestic loans including that against Watch Obligors

#### ➤ Net Fee and Commission Income + Fiduciary Income

- Solution business-related: approx. +JPY 20Bn
- Trust and asset management businesses of TB: approx. +JPY 16Bn
- Investment trusts and individual annuities: approx. +JPY 12Bn

#### ➤ Net Other Operating Income

- Decreased due to disposition of unrealized losses on bond portfolios

### <International Gross Profits>

#### ➤ Net Interest Income

- Slightly decreased mainly due to increases in funding costs such as rising U.S. interest rates, despite increases in Interest and Dividends on Securities and in Interest on Loans centering on increase in loans of overseas branches

#### ➤ Net Trading Income

- Partly affected by the increase in unrealized gains on currency swaps (the same value is recorded as income under "Net Other Operating Income (gains on foreign exchange transactions)" resulting from a forward exchange cover)

#### ➤ Net Other Operating Income

- Decreased due to disposition of unrealized losses on bond portfolios

### <Ratio of Non-interest Income to Gross Profits> \*1

	FY2005 *2		Change	FY2004
Mizuho Bank *3	35.4%	(40.5%)	2.0% (7.1%)	33.4%
Mizuho Corporate Bank *3	29.0%	(36.1%)	-4.2% (2.7%)	33.3%
Mizuho Trust & Banking *3	72.5%	(73.2%)	0.5% (1.3%)	71.9%
3 Banks	37.2%	(42.2%)	0.3% (5.3%)	36.8%

\*1: Calculated as (Gross Profits - Net Interest Income) / Gross Profits. Includes Credit Costs for Trust Accounts, and excludes dividends of JPY 120 Bn from revitalization subsidiaries in FY2005.

\*2: Figures in ( ) exclude the disposition of unrealized losses on bond portfolios in 2H of FY2005.

\*3: Aggregate figures of revitalization subsidiaries.

# Expenses, Employees and Branches

## G&A Expenses

### 3 Banks

	FY2005	Change	FY2004
General and Administrative Expenses (Excluding Non-recurring Losses)	-810.9	18.1	-829.1
Personnel Expenses	-243.7	1.9	-245.7
Non-Personnel Expenses	-518.9	12.3	-531.3
Premium for Deposit Insurance	-53.4	-1.7	-51.7
Miscellaneous Taxes	-48.2	3.8	-52.1

(JPY Bn)

## # of Employees

\* Excluding financial subsidiaries for corporate revitalization

### 3 Banks\*

	March 2006	Change from Sep. 2005	Change from Mar. 2005	September 2005	March 2005
Employees (excluding Executive Officers)	25,689	-472	242	26,161	25,447

## # of Branches

\* Excluding financial subsidiaries for corporate revitalization

### 3 Banks\*

	March 2006	Change from Sep. 2005	Change from Mar. 2005	September 2005	March 2005
Head Offices and Domestic Branches	419	-35	-110	454	529
	419	-33	-42	452	461
Overseas Branches	21	-	-	21	21
Domestic Sub-Branche	76	-15	-24	91	100
	76	-15	-23	91	99

\* Figures in italics denote number of branches when counting multiple branches operating at the same location as one.

## Analysis of Changes

### ➤ Personnel Expenses: JPY 1.9Bn decrease

(Base Expenses)

- Reduction in expenses related to employee retirement benefits: -JPY 6.4Bn
- Other (head count reduction, etc.): -JPY 5.9Bn

(Strategic Expenses)

- Increased personnel in strategic areas (financial consultants, etc.), and enhanced incentives: +JPY 10.4Bn

### ➤ Non-Personnel Expenses: JPY 12.3Bn decrease

(Base Expenses)

- Effect of IT systems integration: -JPY 25.2Bn
- Other (consolidation of domestic branch network, etc.): -JPY 10.6Bn

(Strategic Expenses)

- Implementation of retail banking strategies, etc.: +JPY 23.5Bn

### ➤ Taxes: JPY 3.8Bn decrease

- Reduced property tax as the result of the consolidation of domestic branch network, etc.

# Use & Source of Funds and Interest Margins

## Use & Source of Funds (Domestic Operations)

(JPY Bn)

	FY2005	Change	FY2004
	Average Balance	Average Balance	Average Balance
Use of Funds	88,004.3	-1,706.1	89,710.5
Loans	51,663.5	-715.4	52,379.0
Securities	30,109.8	1,192.2	28,917.6
Source of Funds	91,611.2	-1,874.1	93,485.4
Deposits	58,132.7	1,765.1	56,367.6
NCDs	9,229.5	-848.8	10,078.4
Debentures	7,332.0	-1,339.8	8,671.8
Call Money	6,816.4	-1,492.8	8,309.2

## Interest Margins (Domestic Operations)

(% )

		FY2005	Change	FY2004
1	Return on Interest-Earning Assets	1.12	0.11	1.01
2	Return on Loans and Bills Discounted	1.29	-0.14	1.44
3	Return on Securities	0.94	0.49	0.45
4	Cost of Funding (including Expenses)	0.77	-0.03	0.81
5	Cost of Deposits and Debentures (including Expenses)	0.90	-0.06	0.96
6	Cost of Deposits and Debentures	0.08	-0.02	0.10
7	Cost of Other External Liabilities	0.15	-0.04	0.19
8	Net Interest Margin (1)-(4)	0.35	0.15	0.20
9	Loan and Deposit Rate Margin (including Expenses) (2)-(5)	0.39	-0.08	0.48
10	Loan and Deposit Rate Margin (2)-(6)	1.21	-0.12	1.33

\*Deposits and Debentures include NCDs.

(Reference) After excluding Loans to Deposit Insurance Corporation of Japan, government, and other

11	Return on Loans and Bills Discounted	1.41	-0.15	1.57
12	Loan and Deposit Rate Margin (including Expenses) (11)-(5)	0.51	-0.09	0.61
13	Loan and Deposit Rate Margin (11)-(6)	1.32	-0.13	1.46

\* Excluding financial subsidiaries for corporate revitalization

## Analysis of Changes

### ➤ Changes in the average balance of funds

- While the domestic loans bottomed out in 1H of FY2005, the average balance (including claims against Watch Obligors) decreased from FY2004.
- Average balance of securities increased from FY2004 mainly due to the diversification of investment (including credit investments).
- Average balance of debentures continued to decrease  
Mizuho Bank: Ceased selling certificated debentures in Sep. 2003, and will suspend over-the-counter sales in Mar. 2007  
Mizuho Corporate Bank: Suspended the issuance of five-year coupon debentures in Mar. 2006, and started issuing straight bonds from Apr. 2006

### ➤ Loan and Deposit Rate Margins (Line 10 & 13)

- Decreased from FY2004 as a result of a decline in loan spreads caused by tougher competition and a decline in the balance of claims against Watch Obligors, which has relatively higher margins

# Housing and Consumer Loans / Loans to Both Small / Medium-Size Companies and Individual Clients / Deposits

## Balance of Housing and Consumer Loans

(JPY Bn)

## 3 Banks

	March 2006	Change from September 2005	Change from March 2005	September 2005	March 2005
Housing and Consumer Loans	11,774.1	103.0	-58.8	11,671.1	11,833.0
<i>Housing Loans for owner's residential housing</i>	** 9,225.6	** 153.7	** 85.1	9,071.9	9,140.4

\* Above figures are aggregated banking and trust account amounts.

\*\* At Mizuho Trust & Banking, the balance of consumer loans decreased JPY 84.2 Bn in 1H of FY2005. This was due to the loan trust account housing loans being converted to beneficiary rights, in preparation for discontinuing the acceptance of new loan trust applications. (Transfer from loans and bills discounted to monetary claims.)

## Loans to Both Small / Medium-Size Companies and Individual Clients

(% , JPY Bn)

## 3 Banks

	March 2006	Change from September 2005	Change from March 2005	September 2005	March 2005
Percentage of Loans to Both Small and Medium-size Enterprises and Individual Customers, of Total Domestic Loans	65.1	3.5	2.6	61.6	62.4
Loans to Both Small and Medium-size Enterprises and Individual Customers	39,531.7	2,854.9	2,223.8	36,676.7	37,307.8

\*Loans as of March 2006 include loans to MHFG of JPY 965.0Bn from MHBK (JPY 623.0Bn) and MHCB (JPY 342.0Bn).

## Breakdown of Deposits (Domestic Offices)

(JPY Bn)

## 3 Banks\*

	March 2006	Change from September 2005	Change from March 2005	September 2005	March 2005
Deposits	65,731.8	-1,654.0	646.5	67,385.8	65,085.3
Individual Deposits	31,710.2	439.4	782.1	31,270.8	30,928.1
Corporate Deposits	28,527.6	-316.3	-87.2	28,843.9	28,614.9
Financial/Government Institutions	5,493.8	-1,777.1	-48.3	7,271.0	5,542.2

\* Above figures are before adjustment of transit accounts for inter-office transactions, and do not include deposits booked at overseas offices and offshore deposits.

# Breakdown of Deposits of Mizuho Bank

## Deposit Balances by Deposit Type (Domestic Operations)

(JPY Bn)

	March 2006		March 2005	March 2004
		Change from March 2005	Change from March 2004	
Total Deposits	51,464.1	1,637.7	2,066.1	49,826.4
Liquid Deposits	32,779.9	1,676.8	1,952.3	31,103.0
Proportion of Liquid Deposits	63.6%	1.2%	1.2%	62.4%

\* Yen denominated deposits of domestic branches excluding Yen-denominated non-resident deposits and Offshore deposits

Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

## Deposit Balances by Depositor (Domestic Offices)

(JPY Bn)

	March 2006		March 2005	March 2004
		Change from March 2005	Change from March 2004	
Total Deposits	52,321.6	1,393.5	1,839.3	50,928.0
Individual Deposits	29,945.9	841.1	1,407.5	29,104.7
Corporate Deposits	19,281.6	260.0	443.5	19,021.6
Financial / Governmental Institutions	3,094.0	292.4	-11.6	2,801.5
Proportion of Individual Deposits	57.2%	0.0%	0.7%	57.1%

\* Above figures are before adjustment of transit accounts for inter-office transactions, and do not include deposits booked at overseas offices and offshore deposits.

# Breakdown of Deferred Tax Assets (DTAs)

## Deferred Tax Assets

Net DTAs further decreased by JPY 729.5Bn from Mar. 2005

### Analysis of Changes

#### <1, 2, 5 & 6>

Acceptance of the "Tax Losses Carried Forward etc." by BK, CB, and TB from their financial subsidiaries for corporate revitalization  
→ Increase in Deferred Tax Assets

#### <2 & 8>

Elimination of "Temporary Differences" related to investments to the financial subsidiaries for corporate revitalization of BK, CB, and TB  
→ Decrease in Deferred Tax Assets related to Devaluation of securities, and decrease in the Valuation Allowance

#### <5>

Decrease in Tax Losses Carried Forward in line with recording taxable income (Total of 3 Banks excluding revitalization subsidiaries: approx. JPY 358Bn)  
→ Decrease in Deferred Tax Assets

#### <8>

More conservative estimates of future taxable income  
→ Increase in Valuation Allowance

#### <12>

Increase in unrealized gains on stocks  
→ Increase in Deferred Tax Liabilities

		(JPY Bn)		
		March 2006	March 2005	Change
Reserves for Possible Losses on Loans	1	328.7	283.4	45.3
Devaluation of securities	2	468.9	1,097.6	- 628.6
Net Unrealized Losses on Other Securities	3	-	-	-
Reserve for Employee Retirement Benefits	4	8.1	6.4	1.6
Tax Losses Carried Forward	5	1,757.6	1,497.7	259.9
Other	6	411.1	398.5	12.5
Total Deferred Tax Assets	7	2,974.6	3,283.8	- 309.1
Valuation Allowance	8	- 1,563.1	- 1,661.1	98.0
Sub Total (= 7 + 8)	9	1,411.4	1,622.6	- 211.1
Amount related to Retirement Benefits Accounting	10	- 237.5	- 240.2	2.6
Unrealized Profits related to Lease Transactions	11	-	-	-
Net Unrealized Gains on Other Securities	12	- 857.3	- 347.7	- 509.6
Other	13	- 41.5	- 30.0	- 11.4
Total Deferred Tax Liabilities	14	- 1,136.4	- 618.0	- 518.4
Net Deferred Tax Assets (= 7 + 8 + 14)	15	275.0	1,004.5	- 729.5

\* Amount related to Retirement Benefits Accounting includes Deferred Tax Liabilities related to gains from establishment of retirement benefits trust of -JPY138.0Bn.

\* Excluding financial subsidiaries for corporate revitalization

(%、JPY Bn)

	March 2006 (Preliminary)	Change from Sep. 2005	Change from Mar. 2005	September 2005	March 2005
(1) Capital Adequacy Ratio	11.59	0.86	-0.32	10.73	11.91
Tier I Capital Ratio	5.87	0.43	-0.32	5.44	6.19
(2) Tier I Capital	4,555.9	693.4	383.8	3,862.4	4,172.0
Common Stock and Preferred Stock	1,540.9	-	-	1,540.9	1,540.9
Capital Surplus	411.1	341.4	-611.4	69.6	1,022.5
Retained Earnings	1,417.5	94.7	444.9	1,322.7	972.5
Minority Interests in Consolidated Subsidiaries	1,280.5	166.4	201.3	1,114.1	1,079.2
Preferred Stock Issued by Overseas SPCs	1,095.7	152.8	167.7	942.8	927.9
Unrealized Losses on Other Securities	-	-	-	-	-
Treasury Stock	-46.8	88.0	347.7	-134.8	-394.5
Foreign Currency Translation Adjustments	-47.4	2.7	1.2	-50.1	-48.6
Goodwill Equivalent	-0.0	0.0	0.0	-0.0	-0.0
Consolidation Differences Equivalent	-	-	-	-	-
(3) Tier II Capital	4,554.0	514.8	597.5	4,039.2	3,956.4
Amount included in Capital	4,554.0	691.5	597.5	3,862.4	3,956.4
45% of Unrealized Gains on Other Securities	994.6	404.7	568.6	589.8	426.0
45% of Revaluation Reserve for Land	131.0	-10.3	-19.6	141.4	150.7
General Reserve for Possible Losses on Loans	615.7	65.4	-21.5	550.3	637.3
Debt Capital	2,812.5	55.0	70.1	2,757.5	2,742.3
Perpetual Subordinated Debt and Other Debt Capital	776.3	-50.8	-77.9	827.1	854.3
Subordinated Debt and Redeemable Preferred Stock	2,036.2	105.8	148.1	1,930.3	1,888.0
(4) Deductions from Capital	116.7	1.5	8.4	115.1	108.2
(5) Capital (2)+(3)-(4)	8,993.2	1,383.4	973.0	7,609.8	8,020.2
(6) Risk-adjusted Assets	77,534.5	6,659.6	10,209.5	70,874.8	67,324.9

- Major factors for changes in Capital (Since Mar. 2005: +JPY 973.0Bn, of which changes in Tier 1: +JPY 383.8Bn)
- Repayment of public funds preferred shares: -JPY 943.6Bn (issue price basis: -JPY 866.4Bn)  
→ Capital surplus decreased by the same amount due to repurchase and cancellation
  - Net Income: +JPY 649.9Bn
  - Sale of common shares of MHFG held by the subsidiary (Mizuho Financial Strategy Co., Ltd.): +JPY 531.6Bn
  - Issuance of preferred securities: approx. +JPY 140Bn
  - Increase in amounts equivalent to 45% of unrealized gains on securities (Tier II), due to the rise in the stock market: +JPY 568.6Bn
- Major factors for increase in Risk-adjusted Assets (Since Mar. 2005: + JPY 10,209.5Bn): Increase in assets such as loans and credit investments resulting from an enhanced risk-taking capability
- On-balance sheet items (Since Mar. 2005: +JPY 7,207.6Bn) Increase in loans: approx. +JPY 2.8Tn; Credit investments etc. : approx +JPY 3.2Tn;  
Investment in shares (market price): approx. +JPY 1.2Tn
  - Off-balance sheet items (Since Mar. 2005: +JPY 1,924.1Bn) Increase in commitment lines: approx. + JPY 1.2Tn

## Earnings Estimates for FY2006

**Consolidated**

	(JPY Bn)	
	FY 2006 (Estimates)	Change from FY2005 *2
Consolidated Net Business Profit *1	1,200.0	277.4 (138.9)
Credit-related Costs	-90.0	-143.2
Net Gains related to Stocks	40.0	-191.5
Ordinary Profits	1,120.0	198.9
Net Income	720.0	70.0

\*1: Consolidated Gross Profits - General and Administrative Expenses (Excluding Non-recurring Losses)

+ Equity in Income from Investments in Affiliates and other consolidation adjustments

\*2: Figures in ( ) indicate the figures excluding the effect of the disposition of Unrealized Losses on bond portfolios in the 2H of FY2005.

**3 Banks**

	(JPY Bn)			
	FY 2006 (Estimates)			
	Aggregated Figures of the 3 Banks	Mizuho Bank	Mizuho Corporate Bank	Mizuho Trust & Banking
Net Business Profits (before Provision for General Reserve for Possible Losses on Loans)	1,015.0	525.0	410.0	80.0
Credit-related Costs	-69.0	-60.0	0.0	-9.0
Ordinary Profit	910.0	405.0	435.0	70.0
Net Income	645.0	270.0	330.0	45.0

\* Net Business Profits (before Provision for General Reserve for Possible Losses on Loans) of MHTB exclude the amounts of Credit Costs for Trust Accounts.

**Mizuho Financial Group, Inc.  
(Holding Company) Non-Consolidated**

	(JPY Bn)	
	FY 2006 (Estimates)	Change from FY2005
Operating Income	1,250.0	1,121.0
Ordinary Profits	1,220.0	1,106.5
Net Income	1,230.0	439.7

# Overview of Disclosure of NPLs

(March 2006)

1. SELF-ASSESSMENT				
Obligor	Non-Category	Category II	Category III	Category IV (Non-Collateralized)
Bankrupt and Substantially Bankrupt Obligors 130.8	130.8 Collateral, Guarantees, etc. : 117.0 Reserves for Possible Losses : 13.8	Reserve Ratio 100%	Direct Write-offs	
Intensive Control Obligors 355.2	311.8 Collateral, Guarantees, etc. : 194.6 Reserves for Possible Losses : 117.2	43.4 Reserve Ratio 72.9%		
Watch Obligors				
Claims for Special Attention 566.6	Reserve Ratio against Uncovered Portion 33.9% Collateral, Guarantees, etc. : 200.1 Reserves for Possible Losses : 124.5			
Special Attention Obligors				
Other Watch Obligors				
Normal Obligors				
Total 74,190.4				

2.

Disclosed Claims under the Financial Reconstruction Law
Claims against Bankrupt and Substantially Bankrupt Obligors 130.8 Coverage Ratio 100%
Claims with Collection Risk 355.2 Coverage Ratio 87.7%
Claims for Special Attention (Note1) 566.6 Coverage Ratio 57.2%
Total Coverage Ratio 72.8%

3.

Non-Accrual, Past Due & Restructured Loans
Loans to Bankrupt Obligors 28.7
Non-Accrual Delinquent Loans 432.5
25.1 (Note 2)
Loans Past Due for 3 Months or More 13.9
Restructured Loans 552.3

(JPY Bn)

## Amount of Partial Direct Write-offs (Banking Account + Trust Account)

Disclosed Claims under the Financial Reconstruction Law: 725.0

Non-Accrual, Past Due & Restructured Loans: 703.5

(Note 1) Claims for Special Attention is denoted in individual loans basis. Claims against Special Attention Obligors includes all claims, not limited to Claims for Special Attention.

(Note2) The difference between total Non-Accrual, Past Due & Restructured Loans and total Disclosed Claims under the FRL represents claims other than loans included in Disclosed Claims under the FRL.

## Claims against Special Attention Obligors (Banking Account)

Coverage Ratio: 59.5%

Reserve Ratio for Uncovered Portion: 34.3%

Reserve Ratio against Entire Claim: 21.1%

\* Banking Account

# NPL Balance and Coverage & Reserve Ratios

## NPLs under FRL

(Banking Account + Trust Account)

### Reduced Net NPL Ratio to 0.4% range

(JPY Bn)

	March 2006	Change from Sep. 2005	Change from Mar. 2005	September 2005	March 2005
Claims against Bankrupt and Substantially Bankrupt Obligors	130.8	-30.6	-78.6	161.4	209.5
Claims with Collection Risk	355.2	-347.4	-450.5	702.7	805.8
Claims for Special Attention	566.7	133.4	86.4	433.2	480.2
Total	1,052.8	-244.6	-442.8	1,297.5	1,495.6

Above figures are presented net of partial direct write-offs, the amounts of which are indicated in the table below.

Amount of Partial Direct Write-offs	725.0	-59.1	-140.4	784.1	865.4
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(%)

NPL Ratio	1.41	-0.43	-0.74	1.85	2.16
Net NPL Ratio	0.47	-0.10	-0.28	0.58	0.75

## Coverage & Reserve Ratios

(Banking Account)

### Continued conservative reserves and maintained high ratios

(%)

Coverage Ratio	72.8	- 7.7	- 3.7	80.6	76.6
Claims against Bankrupt and Substantially Bankrupt Obligors	100.0	-	-	100.0	100.0
Claims with Collection Risk	87.7	- 0.2	2.7	88.0	84.9
Claims against Special Attention Obligors	59.5	- 4.9	5.5	64.5	54.0

Reserve Ratio against Non-collateralized Claims

Claims against Bankrupt and Substantially Bankrupt Obligors	100.0	-	-	100.0	100.0
Claims with Collection Risk	72.9	- 8.5	- 2.4	81.5	75.4
Claims against Special Attention Obligors	34.3	- 0.8	2.4	35.1	31.9

(Reference) Reserve Ratio

Claims against Special Attention Obligors	21.11	1.87	- 0.44	19.24	21.56
Claims against Watch Obligors excluding Special Attention Obligors	11.35	1.57	3.06	9.77	8.28
Claims against Normal Obligors	0.11	- 0.00	0.00	0.12	0.11

## Results of Final Disposals

Progress in Removal of NPLs from the Balance Sheet  
(Accumulated Removal Amount and Removal Ratio)

(Banking Account + Trust Account)		(JPY Bn)		(%)	(%)
	Amount	Balance at March 2006	Accumulated Removal Amount	Accumulated Removal Ratio(%)	Modified Accumulated Removal Ratio*
As of September 2002	6,630.3	49.7	6,580.6	99.2	99.4
2H of FY2002	809.5	24.6	784.8	96.9	97.6
1H of FY2003	390.3	11.4	378.8	97.0	97.8
2H of FY2003	525.9	17.3	508.5	96.7	97.4
1H of FY2004	515.7	35.5	480.2	93.1	96.0
2H of FY2004	674.1	114.8	559.3	82.9	85.0
1H of FY2005	148.9	81.6	67.2	45.1	53.3
2H of FY2005	150.8	150.8			
<b>Total</b>	<b>9,845.8</b>	<b>486.1</b>	<b>9,359.7</b>		

\* Modified accumulated removal ratios are based on the accumulated removal amount including the amount which was in the process of being removed from the balance sheet.

## Breakdown of Accumulated Amount Removed from the Balance Sheet

(Banking Account + Trust Account)	Amount Removed								(JPY Bn)
	Up to 2H of FY2002(*)	In 1H of FY2003	In 2H of FY2003	In 1H of FY2004	In 2H of FY2004	In 1H of FY2005	In 2H of FY2005	Accumulated Removed Amount from 2H of FY2000	
Liquidation	-962.2	-20.6	-129.5	-27.3	-160.3	-28.5	-40.7	-1,369.4	
Restructuring	-994.5	-46.4	-320.8	-139.5	-98.6	-12.5	-55.8	-1,668.4	
Improvement in Business Performance due to Restructuring	-121.2	-6.4	-43.9	-0.5	-2.9	-1.0	-3.1	-179.4	
Securitization	-2,637.6	-116.0	-411.9	-254.1	-502.5	-153.2	-47.6	-4,123.3	
Direct Write-off	1,761.8	19.3	519.6	128.6	363.0	99.2	45.8	2,937.6	
Other	-2,605.8	-332.6	-438.1	-428.7	-520.0	-203.8	-427.3	-4,956.6	
Debt recovery		-224.2	-313.7	-160.7	-291.4	-148.5	-217.0		
Improvement in Business Performance		-108.3	-124.4	-267.9	-228.6	-55.2	-210.2		
<b>Total</b>	<b>-5,559.7</b>	<b>-502.9</b>	<b>-824.7</b>	<b>-721.7</b>	<b>-921.6</b>	<b>-300.0</b>	<b>-528.9</b>	<b>-9,359.7</b>	

\* From 2H of FY2000 to 2H of FY2002.

# Disclosed Claims under FRL and Coverage Ratios by Industry

(JPY Bn, %)

(Banking Account + Trust Account)	March 2006						September 2005		March 2005	
	Disclosed Claims under the FRL	Coverage Ratio	Change from September 2005		Change from March 2005		Disclosed Claims under the FRL	Coverage Ratio	Disclosed Claims under the FRL	Coverage Ratio
			Disclosed Claims under the FRL	Coverage Ratio	Disclosed Claims under the FRL	Coverage Ratio				
Domestic Total (excluding Loans Booked Offshore)	1,002.3	73.0	-234.0	-8.5	-423.5	-4.3	1,236.4	81.5	1,425.8	77.3
Manufacturing	95.3	73.7	-1.0	-12.3	-20.9	-4.9	96.3	86.0	116.2	78.7
Agriculture	0.4	85.3	-0.1	-9.2	-0.2	-7.6	0.5	94.6	0.7	93.0
Forestry	0.0	100.0	-	-	0.0	-	0.0	100.0	-	-
Fishery	0.0	72.3	0.0	-27.6	0.0	-27.6	0.0	100.0	0.0	100.0
Mining	0.0	100.0	-0.0	-	0.0	-	0.0	100.0	-	-
Construction	46.7	73.4	-40.4	-9.7	-50.7	-8.7	87.2	83.2	97.5	82.2
Utilities	0.1	100.0	-0.6	-	-0.8	-	0.7	100.0	1.0	100.0
Communication	6.0	70.1	-1.9	-4.0	-5.7	1.7	8.0	74.2	11.8	68.4
Transportation	217.9	67.4	83.5	-4.6	141.1	-1.1	134.3	72.0	76.8	68.5
Wholesale & Retail	177.8	61.4	-59.6	-12.7	-157.3	-7.6	237.4	74.1	335.1	69.1
Finance & Insurance	4.9	55.6	-1.6	-8.6	-3.3	-20.5	6.6	64.3	8.3	76.1
Real Estate	176.0	85.9	-80.3	-4.5	-118.7	0.1	256.3	90.4	294.7	85.7
Service Industries	129.7	63.8	-108.8	-14.2	-146.2	-5.0	238.5	78.1	275.9	68.9
Local Government	-	-	-	-	-	-	-	-	-	-
Other	147.1	88.2	-22.9	-0.1	-60.3	-2.3	170.1	88.3	207.5	90.5
Overseas Total (including Loans Booked Offshore)	50.4	69.7	-10.5	10.1	-19.2	7.9	61.0	59.5	69.7	61.8
Governments	2.9	17.5	-5.3	-0.2	-7.5	-6.8	8.3	17.8	10.5	24.4
Financial Institutions	7.5	93.4	6.8	-6.5	6.9	-6.5	0.6	100.0	0.6	100.0
Other	39.9	69.1	-12.0	3.4	-18.6	1.0	52.0	65.7	58.5	68.0
Total	1,052.8	72.8	-244.6	-7.6	-442.8	-3.7	1,297.5	80.6	1,495.6	76.6

\*Trust account denotes trust accounts with contracts indemnifying the principal amounts.

# Status of Loans by Nationality of Borrowers

## Loans to Restructuring Countries

(Banking Account + Trust Account)

(JPY Bn, number of countries)

	March 2006			September 2005	March 2005
		Change from September 2005	Change from March 2005		
Loan amount	33.8	-9.0	-17.5	42.9	51.4
Number of Restructuring Countries	5	-1	-1	6	6

## Loans by Nationality of Borrowers

(Banking Account + Trust Account)

(JPY Bn)

	March 2006						September 2005		March 2005	
	Outstanding Loans	Non-Accrual, Past Due and Restructured Loans	Change from September 2005		Change from March 2005		Outstanding Loans	Non-Accrual, Past Due and Restructured Loans	Outstanding Loans	Non-Accrual, Past Due and Restructured Loans
			Outstanding Loans	Non-Accrual, Past Due and Restructured Loans	Outstanding Loans	Non-Accrual, Past Due and Restructured Loans				
Asia	1,872.6	14.4	253.6	-8.4	536.8	-11.5	1,619.0	22.9	1,335.8	26.0
China	348.5	2.3	32.5	-2.8	79.5	1.8	315.9	5.1	268.9	0.4
Thailand	273.2	1.6	53.5	0.0	61.5	-3.2	219.6	1.5	211.6	4.8
Hong Kong	323.1	1.4	70.4	-1.3	119.1	-0.9	252.7	2.7	204.0	2.3
Central and South America	1,156.9	0.7	138.1	-0.9	253.1	-2.1	1,018.8	1.6	903.8	2.9
North America	1,894.6	36.1	296.5	0.0	349.9	-2.4	1,598.1	36.0	1,544.7	38.6
Eastern Europe	29.1	-	-36.2	-	-10.2	-	65.3	-	39.4	-
Western Europe	1,836.2	8.9	618.2	0.2	903.1	1.4	1,218.0	8.7	933.0	7.5
Other	550.4	1.3	75.1	-7.9	148.4	-25.2	475.3	9.3	401.9	26.5
Total	7,340.1	61.6	1,345.4	-17.1	2,181.2	-40.0	5,994.7	78.7	5,158.9	101.7

## Gains &amp; Losses on Securities

## Net Gains (Losses) on Securities

	(JPY Bn)		
	FY2005	Change	FY2004
Net Gains (Losses) related to Bonds	-118.7	-126.4	7.7
Gains on Sales and Others	70.8	-29.3	100.1
Losses on Sales and Others	-104.9	-38.4	-66.4
Devaluation	-75.8	-74.5	-1.3
Reversal of (Provision for) Reserve for Possible Losses on Investments	3.2	6.6	-3.4
Gains (Losses) on Derivatives other than for Trading	-11.9	9.2	-21.2

\* Above figures don't include losses of JPY85.3Bn related to Japanese Bonds etc., resulting from a review of the bond portfolio (included in Non-recurring Losses).

\* Above figures include Reversal of Reserve for Possible Losses on Investments (included in Extraordinary Gains)

Net Gains related to Stocks	231.5	21.1	210.3
Gains on Sales	272.9	-3.8	276.7
Losses on Sales	-7.7	9.2	-16.9
Devaluation	-29.9	18.8	-48.7
Reversal of (Provision for) Reserve for Possible Losses on Investments	-0.0	0.9	-0.9
Gains (Losses) on Derivatives other than for Trading	-3.6	-4.0	0.3

\* Above figures include Reversal of Reserve for Possible Losses on Investments (included in Extraordinary Gains)

## Unrealized Gains / Losses on Other Securities

	March 2006			September 2005	March 2005
	Unrealized Gains (Losses)			Unrealized Gains (Losses)	Unrealized Gains (Losses)
		Change from Sep. 2005	Change from Mar. 2005		
Other Securities	2,201.4	897.9	1,258.7	1,303.4	942.6
Stocks	2,462.3	986.4	1,352.7	1,475.8	1,109.6
Bonds	-234.4	-96.3	-104.1	-138.0	-130.2
Japanese Government Bonds	-230.6	-93.5	-95.3	-137.1	-135.3
Other	-26.4	7.8	10.1	-34.3	-36.6

## Analysis of changes

## ➤ Net Gains related to Bonds (-JPY 126.4Bn from FY2004)

- Disposed unrealized losses on bond portfolios in light of such factors as current trends in interest rates (2H FY2005: -JPY 138.5Bn)

## ➤ Net Gains related to Stocks (+JPY 21.1Bn from FY2004)

- Gains on sales of stocks associated with credit and alternative investments (JPY 44.2Bn)
- Gains on sales of a part of Mizuho Trust & Banking stock (1H FY2005: JPY 42.4Bn)
- Recorded net gains related to the preferred stock acquired through the corporate revitalization project

## ➤ Reduction of the book value of Stock Portfolio

- FY2005 JPY 96.7Bn  
of which was sold to Banks' Shareholdings Purchase Corporation JPY 8.1Bn

## ➤ Unrealized Gains on Other Securities (the base amount to be recorded directly to Shareholders' Equity after tax and other necessary adjustment) (JPY 2,201.4Bn)

(Stocks) Increased by JPY 1,352.7Bn from Mar. 2005 due to favorable performances in the stock market

- \* Nikkei 225: JPY 11,809 (Mar. 2005 month average)  
→ JPY16,311 (Mar. 2006 month average)

(Bonds) Declined by JPY 104.1Bn from Mar. 2005 due to rise in long-term interest rates despite disposing unrealized losses on bond portfolios (full year: JPY 223.8Bn)

- of which, net unrealized losses on floating-rate bonds: -JPY 90.8Bn (-JPY 90.4Bn from Mar. 2005)

- \* 10-year JGB: 1.32% (Mar. 2005) → 1.77% (Mar. 2006)
- 10-year UST: 4.55% (Mar. 2005) → 4.85% (Mar. 2006)

(JPY Bn)

# Projected Redemption of Other Securities

■ The projected redemption schedule for securities classified as Bonds Held to and Other Securities with maturities is as follows:

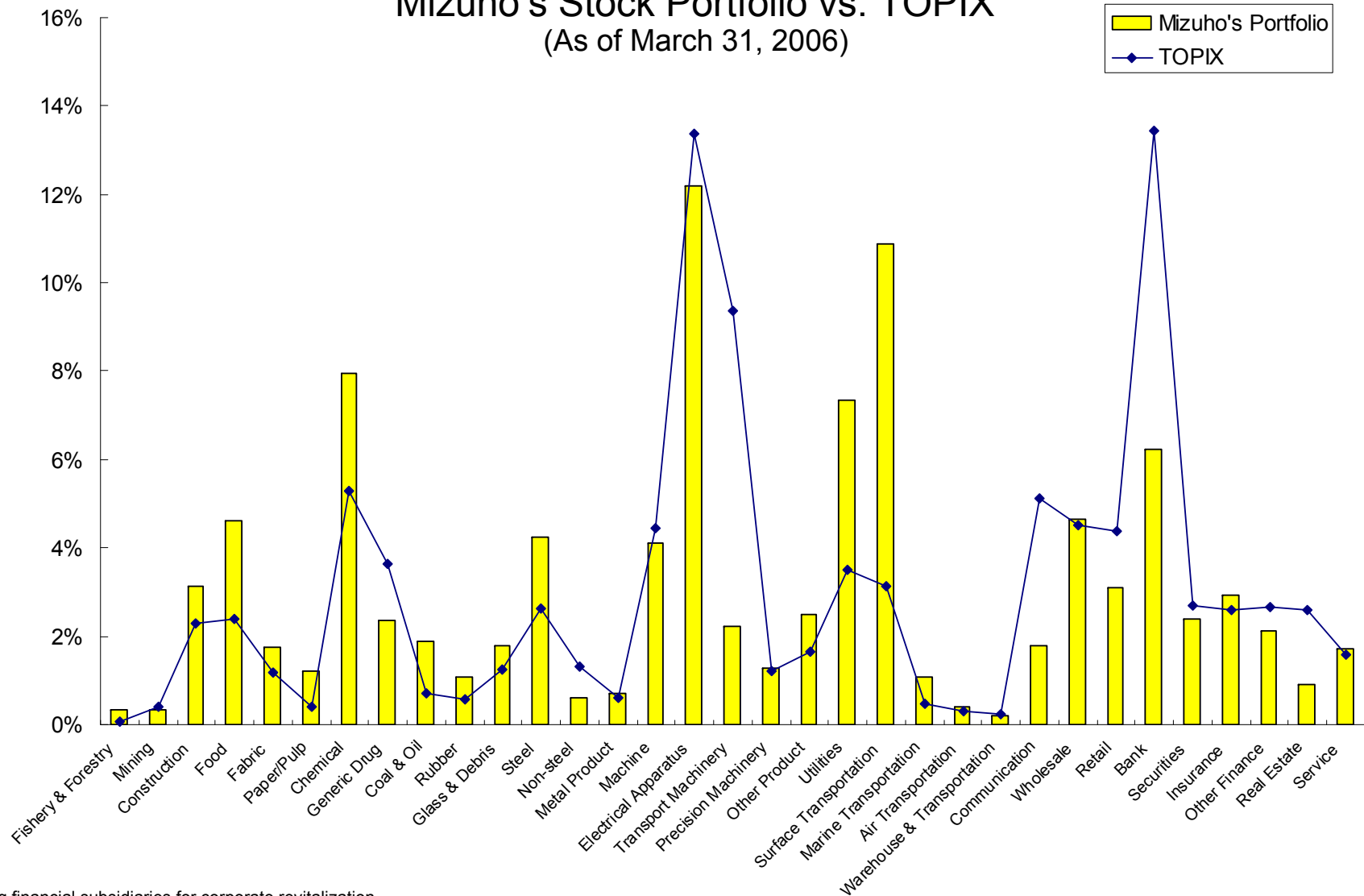
(JPY Bn)

3 Banks									Floating rate bonds included in the left table	
	Within 1 year		1 - 5 years		5 - 10 years		Over 10 years		March 2006	September 2005
	March 2006	September 2005	March 2006	September 2005	March 2006	September 2005	March 2006	September 2005		
Japanese Bonds Total	10,678.2	11,802.0	7,874.2	7,304.4	3,154.5	3,635.1	1,526.5	1,485.3		
Japanese Government Bonds	10,367.2	11,551.2	5,919.6	5,575.3	2,699.5	3,238.0	1,273.8	1,270.0	1,402.2	1,282.1
Japanese Local Government Bonds	3.5	2.8	95.3	97.1	68.3	40.8	8.7	9.6		
Japanese Corporate Bonds	307.4	247.9	1,859.3	1,631.8	386.6	356.2	243.9	205.7		
Other	458.8	593.7	3,000.5	3,914.8	1,372.5	1,324.8	3,050.6	2,271.8		
Mizuho Bank									628.0 512.9	
Japanese Bonds Total	9,084.4	10,285.3	5,799.7	4,690.2	2,004.5	2,094.3	670.6	585.6		
Japanese Government Bonds	8,884.5	10,191.3	4,233.8	3,369.9	1,664.3	1,801.8	629.7	552.2	628.0	512.9
Japanese Local Government Bonds	1.7	1.4	84.2	85.1	61.7	35.6	-	-		
Japanese Corporate Bonds	198.1	92.5	1,481.6	1,235.1	278.4	256.8	40.9	33.4		
Other	51.6	44.0	1,217.8	954.9	220.0	271.7	798.4	254.5		
Mizuho Corporate Bank									370.3 370.3	
Japanese Bonds Total	1,366.2	1,243.0	1,776.7	2,311.5	933.3	1,434.2	546.2	546.5		
Japanese Government Bonds	1,282.7	1,099.8	1,487.4	2,014.0	842.7	1,341.6	334.4	364.7	370.3	370.3
Japanese Local Government Bonds	1.4	1.2	2.7	3.5	2.2	2.3	8.7	9.6		
Japanese Corporate Bonds	82.0	141.8	286.5	293.9	88.2	90.2	203.0	172.2		
Other	394.5	357.9	1,697.1	2,781.8	1,066.2	989.5	2,252.1	2,017.2		
Mizuho Trust & Banking									403.9 398.9	
Japanese Bonds Total	227.6	273.6	297.7	302.6	216.6	106.5	309.6	353.1		
Japanese Government Bonds	199.9	259.9	198.3	191.4	192.3	94.5	309.6	353.1	403.9	398.9
Japanese Local Government Bonds	0.4	0.1	8.3	8.3	4.3	2.8	-	-		
Japanese Corporate Bonds	27.2	13.4	91.1	102.8	20.0	9.1	-	-		
Other	12.5	191.7	85.5	178.0	86.3	63.5	-	-		

\* Excluding financial subsidiaries for corporate revitalization

# Stock Portfolio by Industry

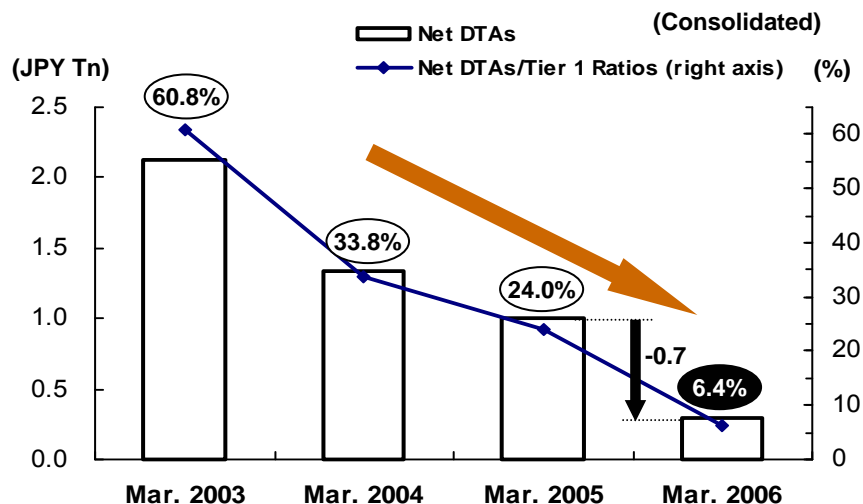
Mizuho's Stock Portfolio vs. TOPIX  
(As of March 31, 2006)



\* Excluding financial subsidiaries for corporate revitalization

## Steady Decrease in the Balance of Net Deferred Tax Assets (DTAs)

### Balance of Net DTAs



- Continued conservative estimation of future taxable income  
➤ (If the decrease in the valuation allowance, caused by the merger of the revitalization subsidiaries – deferred tax assets and compensating balance – is excluded) the valuation allowance has, in effect, been built up
- Recorded taxable income (aggregate estimation of 3 Banks excluding revitalization subsidiaries: JPY 358Bn)

➡ **DTAs decreased steadily**

### Change in Net DTAs

(JPY Bn, 3 Banks excluding revitalization subsidiaries)

	Mar. 06	Mar. 05	Change	
Net DTAs (1)+(2)+(4)	275.0	1,004.5	-729.5	
Total Deferred Tax Assets (1)	2,974.6	3,283.8	-309.1	
Devaluation of Securities	468.9	1,097.6	-628.6	(A)
Tax Losses Carried Forward	1,757.6	1,497.7	259.9	(B)
Total Deferred Tax Liabilities (2)	-1,136.4	-618.0	-518.4	
Net Unrealized Gains on Other Securities (3)	-857.3	-347.7	-509.6	(C)
Valuation Allowance (4)	-1,563.1	-1,661.1	98.0	(A) (D)
(Ref.) Net DTAs excluding Net Unrealized Gains on Other Securities (1)+(2)+(4)-(3)	1,132.4	1,352.3	-219.8	

#### (Major Factors)

#### Merger of financial subsidiaries for corporate revitalization into BK, CB, and TB (A), (B)

- Elimination of the "Temporary Differences" related to the investment in the financial subsidiaries for corporate revitalization under BK, CB, and TB: (A)  
⇒ Decrease in DTAs related to Devaluation of Securities and in Valuation Allowance
- Acceptance of "Tax Losses Carried Forward, etc." from the financial subsidiaries for corporate revitalization under BK, CB, and TB: (B)  
⇒ Increase in deferred tax assets

#### Increase in unrealized gains on stockholdings (C)

⇒ Increase in deferred tax liabilities

#### Further conservative estimation of future taxable income (D)

⇒ Increase in valuation allowance

## Consolidation of Funds (Limited Liability Partnerships)

- Reviewed standards on control with reference to the U.S. standards, ahead of the revisions to Japan's accounting rules  
(Consolidate if fund-managing subsidiaries hold executory authority for the fund)



**Number of subsidiaries consolidated: +13**  
**Assets (consolidated basis): +Approx. JPY 30Bn**

## Employee Retirement Benefits

- **Unrecognized Actuarial Losses disappeared\* due to considerable increase in Expected Return on Plan Assets associated with favorable market conditions**



**Estimate the recording of Amortization of Actuarial Gains for FY2006**

- **Recorded JPY 14.4Bn in Extraordinary Losses resulting from a review of the method used to calculate Employee Retirement Benefits at the beginning of the fiscal year**

(JPY Bn)

		FY2005	Change	FY2004
Projected Benefit Obligation	(A)	1,129.2	11.3	1,117.9
Fair Value of Plan Assets	(B)	1,849.5	468.1	1,381.3
Unrecognized Net Obligation	(C)	* -174.6	-462.2	287.6
Prepaid Pension Cost	(D)	584.2	-3.9	588.2
Reserve for Employee Retirement Benefits	(A)-(B)-(C)+(D)	38.6	1.4	37.1

(Reference)

Service Cost	-21.9	2.0	-23.9
Interest Cost	-27.5	0.6	-28.2
Expected Return on Plan Assets	50.6	3.9	46.6
Amortization of Actuarial Gains (Losses)	-44.2	-4.3	-39.9
Amortization of Net Obligation by the Change of Accounting Policy	-	24.5	-24.5
Amortization of Prior Service Cost	0.4	-2.9	3.4
Others	-22.1	-17.0	-5.1
Expenses related to Employee Retirement Benefits	-64.9	6.8	-71.7

## Further Improvements in Credit Ratings

# ■ Credit Ratings has improved significantly over the past two years

		Mizuho (Mizuho Bank, Mizuho Corporate Bank, Mizuho Trust & Banking)					
		(Mar.31, 2004)	(Mar.31, 2005)	(Mar.31, 2006)	Mizuho (Mar.31, 2006)	SMBC (Mar.31, 2006)	BTMU (Mar.31, 2006)
Moody's	Long-term Ratings	A3 <sup>*1</sup>	A1	A1	A1	A1	A1
	Bank Financial Strength Ratings	E <sup>*2</sup>	D-	D+	D+	D	D+
S&P	Long-term Ratings	BBB	A-	A	A	A	A
Fitch	Long-term Ratings	BBB+	A-	A	A	A-	A-
	Individual Ratings	E	D	C	C	C/D	C/D
R&I	Long-term Ratings	A-	A	A+	A+	A	A+
JCR	Long-term Ratings	A <sup>*3</sup>	A+ <sup>*4</sup>	AA- <sup>*5</sup>	AA- <sup>*5</sup>	A+	AA

Note: Credit Ratings of Mizuho Trust & Banking are as follows \*1: Baa1, \*2: E+, \*3: A-, \*4: A, \*5: A+

## Recent Actions by Rating Agencies on Mizuho's Credit Ratings

- Mar.31, 2006 R&I raised Long-term Ratings of the 3 banks (A → A+)
- Feb.8, 2006 Fitch raised Individual Ratings of Mizuho Bank (C/D → C)
- Nov.24, 2005 Moody's raised Bank Financial Strength Ratings of the 3 banks (D- → D+)
- Aug.12, 2005 JCR raised Long-term Ratings of the 3 banks (A+ → AA- (Mizuho Trust & Banking: A → A+))
- Jul.28, 2005 Fitch raised Long-term and Individual Ratings of the 3 banks (Long-term: A- → A, Individual: D → C (Mizuho Bank: D → C/D))
- Jun.8, 2005 S&P raised Long-term Ratings of the 3 banks (A- → A)

# Preferred Shares and Fully Diluted Outstanding Shares of Common Stock

As of the end of March 2006

Type	Commencement Date of Conversion Period	Mandatory Conversion Date	Average Outstanding Shares (FY2005)	Term-end Outstanding Shares (a)	Issued Price (b) (JPY Thousand)	(a)*(b) (JPY Bn)	Average Increasing Shares of Common Stock for Dilutive Securities (FY2005)	Repurchase Date
<b>Repaid</b> First Series Class I	Jul 01, 1998	Aug 01, 2005	0	0	3,000	0.0	0 thousand	Aug 31, 2004
<b>Repaid</b> Second Series Class II	Aug 01, 2004	Aug 01, 2006	25,232	0	2,000	0.0	77 thousand	Aug 29, 2005
<b>Repaid</b> Third Series Class III	Aug 01, 2005	Aug 01, 2008	41,905	0	2,000	0.0	125 thousand	Aug 29, 2005
Fourth Series Class IV	-	-	150,000	150,000	2,000	300.0	—	<b>Repaid full on July 4<sup>th</sup>, 2006</b>
Sixth Series Class VI	-	-	150,000	150,000	2,000	300.0	—	
<b>Repaid</b> Seventh Series Class VII	Oct 01, 2006	Feb 01, 2011	66,438	0	2,000	0.0	255 thousand	Oct 12, 2005
<b>Repaid</b> Eighth Series Class VIII	Oct 01, 2004	Feb 01, 2009	24,369	0	2,000	0.0	90 thousand	Aug 29, 2005
<b>Repaid</b> Ninth Series Class IX	Sep 01, 2003	Sep 01, 2009	0	0	1,250	0.0	0 thousand	Mar 07, 2005
<b>Repaid</b> Tenth Series Class X	Jul 01, 2003	Sep 01, 2009	57,534	0	1,250	0.0	158 thousand	Aug 29, 2005
Eleventh Series Class XI	Jul 01, 2008	Jul 01, 2016	943,740	943,740	1,000	943.7	1,861 thousand	
<b>Converted</b> Twelfth Series Class XI	Jul 01, 2003	Jul 01, 2011	0	0	1,000	0.0	0 thousand	
Thirteenth Series Class XIII	-	-	36,690	36,690	1,000	36.6	—	
Shaded Preferred Shares were repaid or converted to common stocks.					Total	1,580.4	2,569 thousand	A
Average Outstanding Shares of Common Stock (FY2005, Consolidated)							11,172 thousand	B
Fully Diluted Outstanding Shares of Common Stock (FY2005, Consolidated)							13,741 thousand	A+B

## Diluted Net Income per Share of Common Stock

$$= \frac{\text{Net Income - Amount Not Available to Common Shareholders *1 + Adjustments}}{\text{Average Outstanding Shares of Common Stock During the Term *2 + Increasing Shares of Common Stock for Dilutive Securities *3}}$$

= **JPY 46,234.51**

\*1 Dividends on Preferred Stock and other

\*2 Treasury Stock is excluded from shares of Common Stock

\*3 Increasing Shares of Common Stock for Dilutive Securities is calculated under the assumption that dilutive options regarding dilutive securities are exercised at the beginning of the term, in accordance with accounting standards. That is, all dilutive convertible securities, including those before the conversion period, are assumed to be converted at the price calculated below

- The reference price is the average price of daily closing prices (including closing bid or offered prices) of Common Stocks as reported by the Tokyo Stock Exchange (the "TSE") for the 30 consecutive trading days (excluding trading days on which no closing prices, closing bid or offered prices are reported) commencing on the 45th trading day prior to April 1, 2005.

The reference price under this calculation: JPY506,900

The increase in shares of common stock for dilutive securities calculated by the term-end outstanding shares (a) and stock price (JPY 963,000 as of March 31, 2006): 980 thousand

# Tier 1 / Tier 2 Securities (Public Offerings)

## Tier 1 Securities

### Overseas Offerings

[Overseas SPC of Mizuho Financial Group, Inc.]

Issuer	Issue Amount	Dividend	Step-up	Issue Date	Maturity	Redemption at Issuer's option	Rating (Moody's-S&P-Fitch)
Mizuho Capital Investment (USD) 1 Limited	US\$600M	6.686% p.a. for the first 10 years, floating rate thereafter	None	13 Mar. 2006	Perpetual	On each dividend payment date from June 2016 at five-year intervals*	Baa2/BBB/A-
Mizuho Capital Investment (EUR) 1 Limited	Euro500M	5.02% p.a. for the first 5 years, floating rate thereafter	None	13 Mar. 2006	Perpetual	On each dividend payment date from June 2011 at five-year intervals*	Baa2/BBB/A-

[Overseas SPC of Mizuho Corporate Bank, Ltd.]

Issuer	Issue Amount	Dividend	Step-up	Issue Date	Maturity	Redemption at Issuer's option	Rating (Moody's-S&P)
Mizuho Preferred Capital Company L.L.C.	US\$1,000M	8.79% p.a. for the first 10 years, floating rate thereafter	+150bps from June 2008	23 Feb. 1998	Perpetual	On each dividend payment date after June 2008*	Baa1/BBB+
Mizuho JGB Investment L.L.C.	US\$1,600M	9.87% p.a. for the first 10 years, floating rate thereafter	+150bps from June 2008	16 Mar. 1998	Perpetual	On each dividend payment date after June 2008*	Baa1/BBB+

\* Subject to prior approval of relevant authorities

## Tier 2 Securities

### Overseas Offerings

[Overseas SPC of Mizuho Financial Group, Inc.]

Issuer	Issue Amount	Coupon	Step-up	Issue Date	Maturity	Redemption at Issuer's option	Rating (Moody's-S&P-Fitch)
Mizuho Financial Group (Cayman) Limited	US\$1,500M	5.79% p.a.	None	8 Mar. 2004	15 Apr. 2014	None	A2/A-/A-
	Euro750M	4.75% p.a. for the first 5 years, floating rate thereafter	+150bps from Apr. 2009	8 Mar. 2004	15 Apr. 2014	On each interest payment date after Apr. 2009*	A2/A-/A-
	US\$1,500M	8.375% p.a.	None	27 Jan. 2004	Perpetual	On each interest payment date after Apr. 2009*	A2/-/-

\* Subject to prior approval of relevant authorities

### Domestic Offerings

Issuer	Issue Amount	Coupon	Step-up	Issue Date	Maturity	Redemption at Issuer's option	Rating (Moody's-R&I-JCR)
Mizuho Bank, Ltd.							
Unsecured Subordinated Bonds No.1	JPY 60Bn	1.7% p.a.	None	4 Feb. 2005	3 Feb. 2015	None	A2/A/A+
Unsecured Subordinated Bonds No.2	JPY 40Bn	1.67% p.a.	None	9 Aug. 2005	7 Aug. 2015	None	A2/A/A+
Unsecured Subordinated Bonds No.3	JPY 10Bn	2.04% p.a.	None	9 Aug. 2005	7 Aug. 2020	None	A2/A/A+
Unsecured Subordinated Bonds No.4	JPY 30Bn	1.81% p.a.	None	30 Jan. 2006	29 Jan. 2016	None	A2/A/A+
Unsecured Subordinated Bonds No.5	JPY 20Bn	2.49% p.a.	None	30 Jan. 2006	30 Jan. 2026	None	A2/A/A+
Mizuho Corporate Bank, Ltd.							
Unsecured Subordinated Bonds No.1	JPY 60Bn	2.1% p.a.	None	13 Feb. 2004	12 Feb. 2014	None	A2/A/A+
Unsecured Subordinated Bonds No.2	JPY 60Bn	2.18% p.a.	None	6 Aug. 2004	5 Aug. 2014	None	A2/A/A+
Mizuho Trust & Banking, Ltd.							
Unsecured Subordinated Bonds No.1	JPY 30Bn	1.91% p.a.	None	20 Dec. 2005	21 Dec. 2015	None	A2/A/A
Unsecured Subordinated Bonds No.2	JPY 10Bn	2.24% p.a.	None	20 Dec. 2005	21 Dec. 2020	None	A2/A/A

Ratings as of May 29, 2006