

Since we commenced operations, we have focused on promoting our “originate to distribute” business model based on asset turnover and worked to improve our capabilities for offering financial and business solutions to our customers. Going forward, we are endeavoring to enhance the sophistication of our business model and become a bank that is “constantly evolving” to respond quickly to changes in the business environment. Our goal is to contribute to the creation of a better future for our customers.

In this report on Mizuho Corporate Bank, we would like to assist you in understanding our management strategies by focusing especially on what kind of financial institution we are striving to be and our strategy for reaching that objective.

July 2005

A handwritten signature in black ink, appearing to read 'H. Saito'.

Hiroshi Saito

President & CEO, Mizuho Corporate Bank, Ltd.

We are establishing a global corporate banking group with a constantly evolving business model.

The Financial Institution We Are Striving to Be: A Global Corporate Banking Group

Mizuho Corporate Bank, standing at the forefront of the group's global corporate banking operations, must play a core role within the Global Corporate Group that will be newly created under the group's “Channel to Discovery” Plan based on the group's future-minded, customer-oriented business stance.

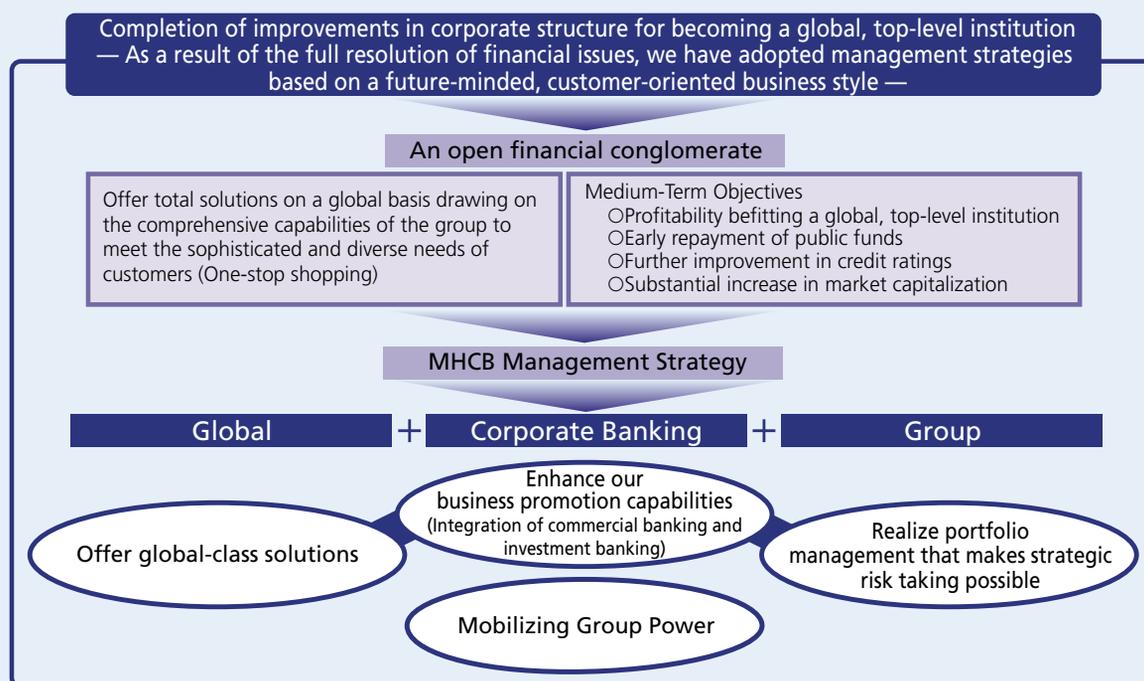
A look at the operating environment shows that, in addition to Japan's Financial Service Agency's regulatory movements as part of its efforts at creating a “Financial Services Nation,” the structure of corporate banking itself is undergoing major changes as deregulation proceeds and financial technology continues to develop, bringing a trend toward the unbundling of financial services. As a result, Japanese financial institutions have entered an era of mega-competition that transcends

national borders and conventional business categories. There is no exaggeration in saying that the only financial institutions that will survive are those with sophisticated financial technology and capabilities for offering cutting-edge financial services that meet customer needs.

Amid these developments, what we are aiming to do is evolve our management strategies further and to become a financial institution that is competitive globally and create a business model that is constantly evolving. Our vision is to be a comprehensive financial services group with the competitive spirit that drives us to seek out challenges on new business frontiers. Our basic strategy to make this vision a reality is to establish ourselves as a “Global Corporate Banking Group.”

By “Global,” we mean being able to provide maximum quality services in global markets to meet the needs of customers that conduct their

Management Strategy of Mizuho Corporate Bank



business activities on a global scale. Therefore, we are aiming to strategically enhance the capabilities of our global network and become a financial group that has global-class capabilities for developing financial services and products.

“Corporate Banking” stands for the integration and combination of commercial banking and investment banking. We are aiming to substantially strengthen our capabilities for business promotion to corporations as well as financial institutions and public sector entities, improve our product development abilities, and thereby position ourselves to offer solutions and products that meet the needs of these customers. In parallel with this, we are also working to increase the sophistication of our portfolio management systems and generate new opportunities for making profits through strategic risk taking.

And, “Group” is the combined capabilities—not only of Mizuho Corporate Bank, but also the other members of the Mizuho Group, including companies providing securities, trust, and other services—offered seamlessly to provide corporate finance services.

In particular, we will work closer with Mizuho Securities. Moreover, in the age of global mega-competition, speed is extremely important, and we would like to pursue an alliance strategy, providing financial services as an “open financial conglomerate.”

To develop the corporate culture needed for the establishment of a constantly evolving business model, we must focus on making improvements in our management infrastructure, including human resources, administrative functions, business processes, and IT.

Our Management Strategy

The following discussion describes our corporate strategy for establishing a Global Corporate Banking Group.

● Offering Solutions that Contribute to Increasing Corporate Value

Our strength lies in the breadth and depth of our customer base, which includes corporations as well as financial institutions and public sector entities. This strength, in turn, is supported by our top-quality

products and our strong relationship management structure, which is centered on our capabilities for offering solutions that respond to customers' financial and management needs quickly and accurately.

In June 2004, we reorganized our Head Office business promotion divisions by industry to create a relationship management structure that features a higher level of professionalism, including the in-depth understanding of industry trends. The members of our relationship management team work closely with our Industry Research Division, which conducts an extensive program of research on a global basis. The relationship management staff, therefore, are well prepared to offer total solutions and strategic advice. In contrast to European and U.S. financial institutions, we are not focused just on individual deals but seek to offer solutions that will contribute to increasing the value of corporate customers and aim to establish a position as a partner with our customers helping them to formulate important corporate strategies.

The key is to offer our customers sophisticated and continuously evolving solutions through promoting our “deal after deal” marketing approach that offers customers solutions based on the widest range of financial services on a continuous, multi-faceted basis. We will accomplish this by mobilizing the full range of capabilities of our group—including not only banking but also securities, trust, and

other services—to implement M&A deals, syndicated loans, CMS, as well as other services and solutions, with our focus on building customers' corporate value.

● **Challenging New Domains in the Syndication Business**

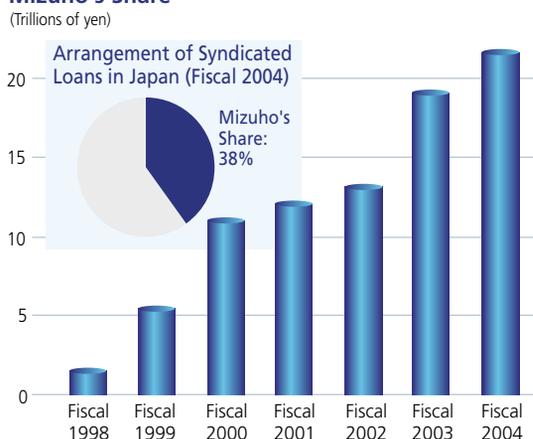
Since commencing operations, we have focused on promoting our “originate to distribute” business model based on asset turnover with loan syndication as its core. We are working to improve our capabilities for offering financial and business solutions to our customers, and have taken a front-runner position in leading the growth of the domestic syndicated loan and loan trading markets.

In fiscal 2004, we offered solutions making use of syndication functions in many types of deals meeting corporate financial needs, including cross-border syndicated loans, major LBOs, and total debt restructuring arrangements aimed at increasing customers' corporate value. In addition, in our loan trading operations, we have taken a number of steps to promote the expansion of our business in the market such as establishing the Loan Trading Division in October 2004 and creating the “high-liquidity loan” service, which provides an ongoing indication of loan prices, in November of the same year.

Especially, in the loan trading business, we have positioned the current fiscal year as “year one for loan trading,” with the goal of imparting greater momentum to market development and we are implementing a wide range of initiatives to establish an active secondary market.

Considering that enhancing corporate value is an imperative for corporations and that increasing profitability while advancing the sophistication of risk management is a must for financial institutions, and also taking into account the changes in money flows in Japan and overseas, we believe that existing market practices and stereotypes will undergo substantial changes in the years ahead. We are aiming to take significant leaps forward in increasing our market size, and will continue to meet the challenges of expanding the syndication business.

Trends in Japan's Syndicated Loan Market and Mizuho's Share



Sources: Fiscal 1998 – Fiscal 2002: IFR database
 Fiscal 2003 – Fiscal 2004: Bank of Japan statistics
 (Market share calculated by Mizuho Corporate Bank)

●Building an Even Stronger International Operation

In our international business, we have conducted a strategic business realignment aimed at creating a more powerful earnings structure and management framework. As part of this realignment, we have positioned Asia, starting with China, as the group's home market and are focusing our initiatives in this region. As a result, our customers have favorably evaluated our strong presence in Asian markets.

On the other hand, in Europe and the Americas, we have established a position in a range of financial products and services comparable with banks based in those regions. In Europe, for example, we have compiled a top-class track record in MBOs, and, in both Europe and the Americas, we have strengths in asset management and related services including the arrangement of CDOs (Collateralized Debt Obligations).

Going forward, we intend to emphasize the expansion of our top-line earnings while working to build an even stronger presence in international banking by playing the role of "Value Creation Driver" for the group. This will include increasing our market presence and introducing cutting-edge products from overseas into Japan.

For our Japanese customers doing business in markets overseas, we are working to deepen our relationships by expanding our product and service offerings in response to their needs. Also, for our customers based in other countries, we are actively investing our resources to enable us to strengthen our marketing and other initiatives. Moreover, we are making strategic upgrades in our international network and are considering the formation of alliances that may provide additional impetus for growth of our activities.

●Corporate Revitalizations Move to a New Stage

In the challenging field of assisting companies in restructuring and revitalizing their activities, we have brought together our professionalism and sophisticated skills to tackle corporate revitalization. Initiatives have included the formation of our Corporate Restructuring Business Unit, a special corporate revitalization section, in October 2002, followed by the establishment of financial subsidiaries specializing in corporate revitalization under our Corporate Revitalization Project in July 2003. As a result of these efforts, Mizuho Corporate Bank's NPL ratio declined to approximately 2.0%, as of March 31, 2005, and we believe we have materially seen the end of the NPL issue.

In view of these positive results, we are looking to move corporate revitalization to its next stage. To this end, in April 2005, we created our Credit Engineering Division to focus on taking early steps when market evaluations suggest the need for corporate and business revitalization. This division is drawing on its specialized know-how to prepare business revitalization schemes that will contribute to the enhancement of the corporate value of corporate customers as well as offer advice on capital structure and other management issues. Through these services, we intend to respond to customer needs and proactively develop new business models.

The senior executives and employees of the Mizuho Corporate Bank have the drive and depth needed to adapt quickly to changes in the operating environment. By promoting our concept of an "evolving business model," we are striving to become "a financial partner that helps customers shape their future and achieve their dreams" and increase our competitiveness and earning power, as befitting a top, global banking institution. We sincerely look forward to your continuing support.

We have the spirit and drive it takes to move into challenging new business frontiers and are aiming to build the strong competitiveness and earning power that will make us one of the top, global banks.



At present, we are actively engaged in implementing aggressive strategies to become the best bank in Japan's middle and retail markets as well as to consolidate our position as the number-one financial institution in Japan in terms of customer satisfaction and profitability. With respect to the allocation of our corporate resources, they are distributed strategically and flexibly with the aim of gaining the solid trust and support of our customers and being a bank that customers can look to for assistance in meeting their financial needs.

July 2005

A handwritten signature in black ink that reads "Seiji Sugiyama".

Seiji Sugiyama
President & CEO, Mizuho Bank, Ltd.

A year for setting out to rebuild our foundation to achieve the first stage of dramatic growth.

A Year in Which We Rebuilt Our Foundation

Fiscal 2004 was my first year at the helm of Mizuho Bank, and it could be summed up as a year for building the foundation for implementing an aggressive business strategy. During the year we materially saw the end of the NPL issue, as well as the successful completion of the major task of integrating our IT systems, which was a massive task completed in eight stages between July and December 2004. I would like to express my heartfelt appreciation to our customers for their understanding and cooperation, without which we could not have completed these major undertakings.

Turning to the business environment, competition has become much more intense due to such factors as financial deregulation and non-financial institutions entering the banking industry. Against this backdrop, since becoming President & CEO, I have tried to instill in each and every senior executive and employee that they should carry out their duties without fear of change and face challenges head on in order that we can become a bank where customers in the end will evaluate us as a bank they can look to for assistance in meeting their financial needs.

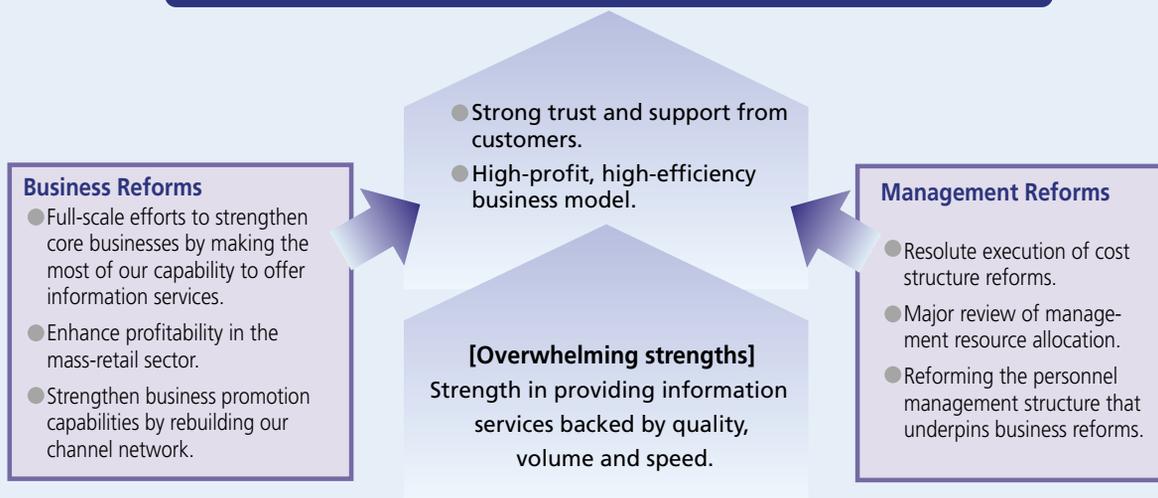
My greatest concern after becoming the head of Mizuho Bank has been "speed." In the context of managing Mizuho Bank, my concept of speed has taken on two meanings. One is speed in providing services to our customers and the other is speed in our decision-making regarding strategies and other issues.

In customer services, speed is a service in itself. For example, the speed at which we provide housing loans to individual customers and lending to SMEs and middle market corporations is just as much a part of the service of lending. I am also convinced that quickness in making strategic management decisions that support this speed in service is another important meaning of speed.

To speed up our services for individual customers, we took a number of important steps. These included shifting to an integrated development and marketing approach covering all steps from planning and creation of products and services to sales promotion. Similarly, to impart greater speed to our services for corporate customers, we expanded the credit authorization limits of our branch managers, reviewed the credit approval systems and delegated greater authority for approving credit applications in our Head Office. In addition,

The Strategic “Action CS” Campaign for Achieving Top Bank Status

Japan's Best Bank in the Middle and Retail Markets
— To be Number One in Customer Satisfaction and Profitability —



to take our customer services to a much higher level, we formed the Business Reform Committee with the aim of increasing the sophistication and efficiency of our internal business processes.

During the current fiscal year, we intend to draw maximum benefits from these initiatives and move decisively to implement proactive strategies for expansion. Aimed at achieving major leaps forward, these business policies are contained in our “Action CS” package, which is a part of our medium-term strategies.

Action CS: The First Step in Achieving Dramatic Growth

The ultimate objective of Action CS is to enable us to become the best bank in the middle and retail markets. “Action” is intended to express the strong determination of all senior executives and employees to take appropriate action, and “CS” stands both for “Customer Satisfaction” and for “Consulting and Solutions.” In other words, “Action CS” means we are committed to offering consulting services to individual customers and solutions to our corporate customers.

Action CS stands for the core set of specific strategies and measures within our group’s “Channel to Discovery” Plan, which was announced in April 2005, and also within the medium-term business plan for the Global Retail Group, which has Mizuho Bank at

its core. Utilizing alliances with top well-known Japanese and overseas corporations and implementing other strategies, we will offer global-level products and services to meet the ever more diversified and international requirements of our customers.

We intend to make the current fiscal year a period in which we take the first steps toward dramatic growth aimed at achieving our goal of becoming the best bank in the middle and retail markets as well as becoming number one in terms of customer satisfaction and profitability.

Approximately 26 million individual customers have accounts with us, and about 90,000 SMEs and middle market corporations have borrowings from us. The financial needs of both individuals and companies are becoming increasingly diverse and sophisticated. We intend to respond to these needs with carefully tailored services based on improved cooperation within our group, while creating an earnings-generating capacity appropriate to the vast customer base that supports our operations. To this end, last fiscal year we embarked on making decisive business and management reforms and adopted measures to create a highly profitable and highly efficient business model that will earn the solid trust and support of our customers, based on our overwhelming strengths in providing information services.

●Business Reforms

The three principal pillars of our business reforms are strengthening our core businesses, enhancing profitability in the mass-retail sector, and rebuilding our channel network. And as part of our aggressive business strategy, we are dynamically and boldly allocating our resources.

To strengthen our core businesses, in the area of individual customer transactions, we are focusing on developing a consulting structure that will allow us to provide advice sufficiently for customers who purchase investment products. We will also respond broadly to customers' loan needs by expanding our Housing Loan Centers and concluding tie-ups with credit loan companies.

In corporate banking, we are stepping up our activities to respond broadly to the financing needs of corporate customers, including promotion of new transactions in the SME and middle market corporation markets. We are also creating a structure for providing services that will position us as the number-one bank in the solutions business.

In the mass-retail area, we are planning to continue to expand our "Mizuho Mileage Club" membership service, which we introduced in August 2004, and expand Club-related services that are even more closely tuned to the daily lives of our customers by increasing the level and depth of our services.

To rebuild our channel network, we are creating a new channel and branch structure that will allow us to provide tailor-made services to meet customer needs and give us a foothold for further expanding the services we offer.

●Management Reforms

The three main points of our management reforms are realigning our cost structure, reviewing the allocation of our management resources, and making reforms in our human resources management structure.

Especially in cost reforms, we are conducting a thorough review of all operations and steadily moving forward with cost reductions. However, to hasten the implementation of our strategy of improving customer services, we are allocating management resources aggressively to bring increases in business profits and make improvements in our cost ratios.

Human resources management reforms include strengthening our training regime and assigning personnel to positions that are best suited to their abilities. In addition, we are placing more emphasis on the active recruitment of mid-career professionals.

Strategies for the Individual Customer Market: In Tune with the Everyday Lives of Our Customers

Under our Active CS strategy for the individual customer market, we are focusing on the following three elements.

1. Improving our capabilities for providing consulting services to respond to the asset management needs of our customers.
2. Strengthening our promotion program for loans to individuals.
3. Consolidating our position in the mass-retail market through our Mizuho Mileage Club and other programs.

Specific schemes include enhancing our line-up of quality products to meet a broader range of needs, but we are also adopting a number of other approaches. For example, we are increasing the number of financial consultants who can provide advice in response to all kinds of consulting needs of customers. Thus far, we have trained about 1,000 financial consultants, and we plan to increase the number to 2,000 during the current fiscal year. We are also scheduled to expand the number of our branches with "Premium Salons," where our customers can visit our consultants to receive advice, from approximately 70 at present, to about 250. Moreover, we are working with the securities companies in our group and have set up their consulting booths in about 50 of our branches. Plans call for increasing this number to approximately 100. Similarly, in Internet brokerage transactions, we are concluding tie-ups with online securities companies and plan to actively expand these services.

In the area of private banking, we began to offer securities introducing agent services in December 2004. In addition, our group is planning to set up Japan's first full-fledged private banking company "Mizuho Private Wealth Management," in the fall of 2005 and we will work closely with this new company.

To expand our unsecured loan business for individuals, we concluded an alliance with Orient Corporation in July 2004 and are endeavoring to provide responsive, tailor-made services for our customers. In the area of housing loans, we have developed a range of products that respond to differing customer needs for interest rates. We have also focused sharply on speeding up the loan approval

process and are taking other steps to improve related systems, just as we previously aggressively expanded our network of Housing Loan Service Centers.

In the mass-retail market, as part of our Mizuho Mileage Club services, in addition to our joint card issued with the UC brand, we have also concluded an alliance with Credit Saison and are working to expand related services. In addition, we have made tie-ups with 14 companies in other industries and are endeavoring to expand our offering of services useful to customers beyond the financial area.

Through our alliance with East Japan Railway, we are scheduled to begin issuing a revolutionary IC card, the Mizuho Suica Card, that will combine the functions of ATM cards, credit cards, train tickets, and electronic money.

To ensure that deposits placed with us by our customers are held in safe custody as a matter of first priority, we are working to significantly expand the usage of IC ATM cards and are scheduled to introduce biometric systems to confirm the identity of cardholders.

Strategies for the Corporate Customer Market: Aiming to Be Number One in Share of Transactions and in Providing Solutions

The key points related to corporate banking in our Action CS strategy are:

1. Increase business profits through expansion in corporate lending.
2. Establish our position in the SME and middle market corporation markets as the number-one bank in terms of both share of transactions and solutions business.

As a result of our proactive efforts at corporate revitalization and preventing the emergence of additional NPLs, our credit costs have declined to a low and stable level. We have, therefore, shifted to a strategy of increasing business profits through substantial expansion in our loan portfolio, while continuing thoroughgoing measures to control risk.

Specific measures include the introduction of a preauthorized transaction system and a review of our policy concerning the share of loans to customers.

The preauthorized transaction system involves internally clarifying our transaction policy for each corporate customer beforehand, thus enabling us to respond quickly to customers' funding demands when they are made. In addition, in line with this policy, we are now setting targets for our share of lending to each corporate customer and offering appropriate services to attain these targets. Along with this, we have drastically reviewed our credit approval process to speed it up and we have also expanded our line-up of loan products to include a broader range of unsecured loans that meet the needs of companies of all sizes and borrowing requirements. Also, for small enterprises, we have established the Mizuho Business Financial Center, a subsidiary specializing in lending to small-scale businesses that provides speedy and supportive services.

We are also placing substantially greater emphasis on developing new transaction relationships and are planning to expand the number of staff specializing in new business development from the current 180 to 500.

In our solutions business, we are working to accumulate unique know-how and specialized expertise to enter new business fields. Especially for SMEs and middle market corporations, we are using our know-how in areas where we already have a track record in providing financing, such as syndicated loans, financing for shipping, real estate and equipment, business matching and cross-referrals, and M&As. Looking forward, we plan to step up recruitment of specialists and strengthen our service delivery capabilities.

In April 2005, we entered into separate business collaborations with two of the best U.S. super-regional banks, Wachovia and Wells Fargo, aiming to reinforce products and services internationalized to the highest standard for our retail banking business.

Drawing on the strengths of these partners, our staff will exert their best efforts to attain the goal of being Japan's best bank in the middle and retail markets. We look forward to your continued support and encouragement.

We will respond to the diverse needs of our individual, SME and middle market customers by drawing fully on the comprehensive capabilities of our group.

Basic Strategy for the Securities Business

In addition to pursuing integrated banking and securities operations based on customer segmentation, the group's three securities companies—Mizuho Securities (MHSC), Mizuho Investors Securities (MHIS) and Shinko Securities—make the most of their capabilities and advantages in order to ensure that the group can maximize its comprehensive strengths.

Integrated Banking and Securities Operations

In the group's "Business Reorganization" implemented in March 2003, MHSC was made a subsidiary of Mizuho Corporate Bank (MHCB) and MHIS a subsidiary of Mizuho Bank (MHBK) with the aim of pursuing greater synergies by strengthening cooperation between group banks and securities companies in accordance with customer segmentation. This resulted in the creation of a framework for providing comprehensive solutions that make the most of the respective functions of the banks and securities companies.

More specifically, MHCB utilizes the investment banking function as well as the bond and equity-related capabilities of MHSC to provide a broad range of new and more specialized products and services for customers. MHBK offers its customers MHIS's bond and equity-related functions and, by jointly developing branches with MHIS, gives customers the convenience of "one-stop shopping."

Strengths and Characteristics of the Group's Three Securities Companies

Mizuho Securities

MHSC is a wholesale securities company that offers high-quality, specialized solutions in response to the wide-ranging needs of domestic and international institutional investors, corporations, financial institutions and public sector entities.

It occupies a top position among the major securities companies in the area of bond underwriting, and boasts a strong presence in bond sales as well. In the equity-related business, it offers a full range of services

and has raised its market standing to a position close to that of Japan's major securities companies.

It has already established a top-level presence in the area of M&A and other financial advisory services for Japanese customers, and has a track record in structured finance that puts it among the market leaders in Japan.

MHSC also aims to satisfy the diversified needs of customers who are active at home and abroad by offering seamless domestic and overseas business services through its network of overseas securities subsidiaries.

Mizuho Investors Securities

MHIS is working to proactively strengthen cooperation among group companies through establishing 100-joint-branches network with MHBK and starting securities brokerage business with MHBK (MHBK's securities introducing agents business) as well as IPO business with group companies. With this as its business promotion base, MHIS responds to customers' asset investment needs by offering various securities-related products, and to funding needs of SMEs and middle market corporations by offering bond and equity underwriting services and consulting services in connection with their capital structure planning. In this way, it aims to become the customer's first choice as the most trusted securities company by providing carefully tailored, high-quality products and securities services in a speedy manner.

Shinko Securities

Shinko Securities is a comprehensive securities company with a nationwide network that offers a full range of services from underwriting to brokerage. Through dynamic and efficient cooperation with group companies, it uses its full-line functions to provide individual customers, and SMEs and middle market corporations with a wide selection of financial products and services.

The three group securities companies aim to make the most of their strengths and characteristics, and maximize synergies to develop a group presence that matches other major securities companies.

Basic Strategy for the Trust Business

We recognize that the trust business is a growth sector and is working to deliver the best solutions to customers through Mizuho Trust & Banking (MHTB), which offers a full range of trust services, and Trust & Custody Services Bank (TCSB), which offers high-level custody services. MHTB quickly and accurately responds to increasingly diverse and sophisticated needs of customers by offering various products and services together with group companies through the franchise system, and with external entities through business tie-ups, opening up joint branches and holding joint seminars with group companies.

Mizuho Trust & Banking

MHTB accurately meets the diverse needs of customers through original products and services that draw on the high level of expertise and rich know-how it has built up over many years.

MHTB responds to the asset management and investment needs of a wide range of individual customers by offering consulting services in connection with assets in general, including financial assets and real estate. It also offers asset investment products such as “Always” money trusts, which are based on securitized automobile loan assets, and “Chochiku no Tatsujin” automobile loan securitization product for individuals, and asset management products such as “Asset Management Trusts” for centralized management of financial assets.

In the area of testamentary trusts, MHTB’s experienced professionals have earned an excellent reputation for their meticulous services and the bank has the highest testamentary trusts entrusted in the sector. In January 2005, MHBK, a trust franchisee, entered the testamentary trust business, making it possible to offer this service to a larger number of customers.

For corporate customers, MHTB cooperates with group companies in offering optimal solutions in such areas as real estate, securitization, pensions, stock transfer agency business and asset management. In particular, through its sophisticated consulting services,

MHTB supports customers in formulating effective business strategies to deal with management issues arising from changes in accounting and legal systems, including the introduction of impairment accounting and revisions to the Company Law.

MHTB will continue to identify customers’ needs and to satisfy them by proactively developing new products and services, and creating new trust business.

Trust & Custody Services Bank

Based on its advanced systems infrastructure and highly transparent internal control systems, TCSB provides financial institutions, institutional investors and other customers with high-quality, high value-added trust and custody services, and outsourcing models for comprehensive asset administration services. TCSB also responds to customers’ high-level custody requirements through participation in the “account management institution business” developed in response to Securities Settlement Systems and Infrastructure Reform in Japan, and through the provision of securities lending services.

Basic Strategy for the Asset Management Business

In the investment trust and pension markets, we aim to become one of the world’s leading players in terms of both quality and assets under management.

Our asset management companies Dai-ichi Kangyo Asset Management, Fuji Investment Management and DLIBJ Asset Management, all make the most of their individual specialties in offering high-quality products and services to both group and non-group customers. In the distribution of investment trusts, we offer a widely varied line-up of products designed to meet the increasingly complex and sophisticated needs of customers.

In the Japanese defined contribution pension business, we are channeling our total resources into providing solutions for corporate management issues by supporting the formation of assets for individuals to enjoy in their retirement.