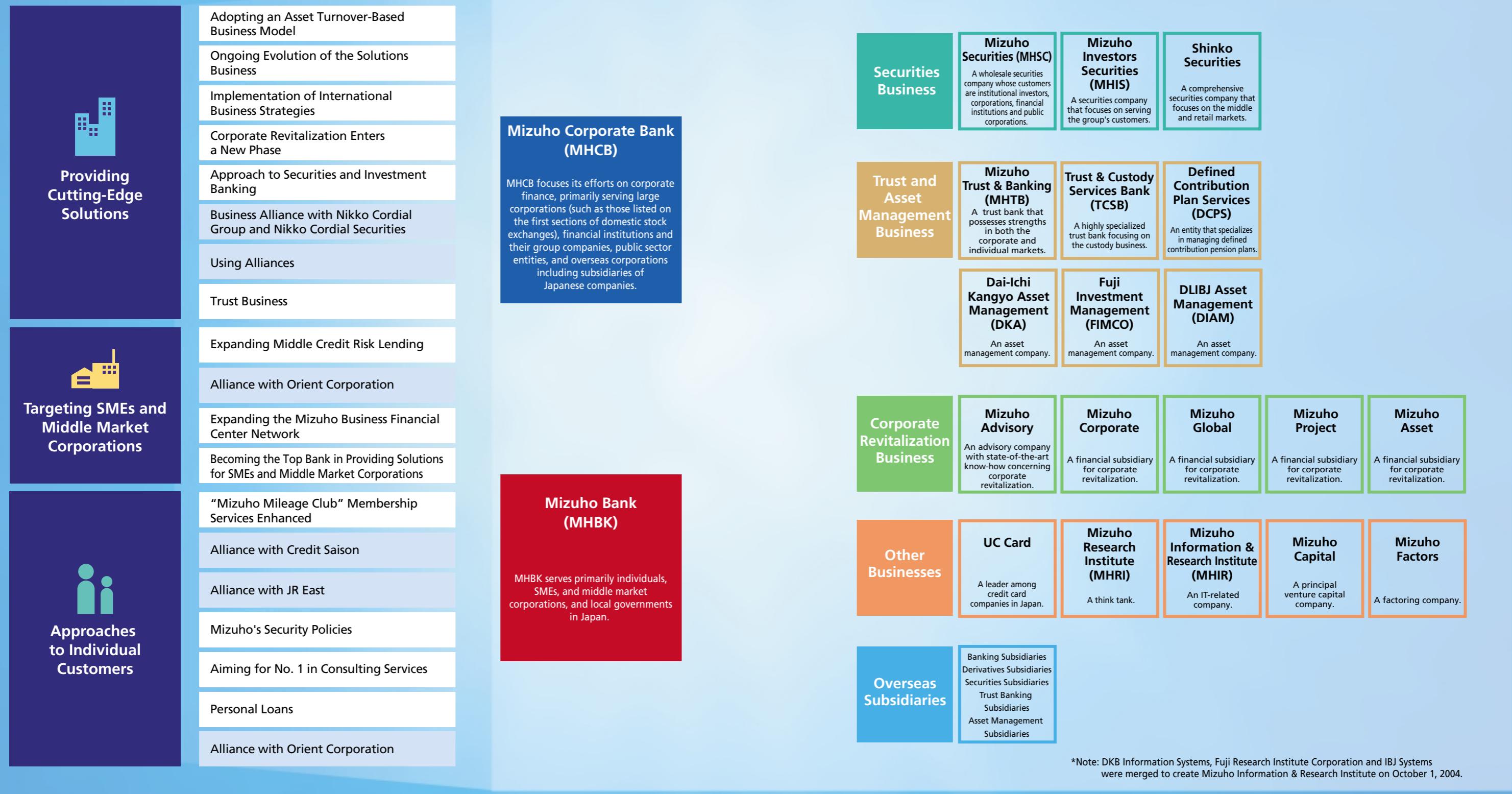


Business Outline of Mizuho

We precisely and swiftly provide products, services and business solutions to meet the diversified financial needs of our customers by actively pursuing group synergies.



*Note: DKB Information Systems, Fuji Research Institute Corporation and IBJ Systems were merged to create Mizuho Information & Research Institute on October 1, 2004.

Providing Cutting-Edge Solutions

We utilize the group's comprehensive financial services capabilities to provide corporate customers with cutting-edge solutions.

MHCB, for example, engages in a wide range of financial services on a continuing, multi-faceted basis by mobilizing the entire line-up of banking, securities and trust products offered by the group while adopting a business model based on asset turnover.

MHSC operates as a wholesale securities firm and has established a top-class position in the bond and equity businesses, M&A and other areas of the financial advisory business, and structured finance. It offers high-quality products and services to satisfy customers' needs at all times.

As the need for trust services increases, MHTB utilizes its sophisticated expertise to provide trust services to group and non-group companies, and is especially strong in areas like real estate and asset backed finance (securitization of monetary claims, etc.).

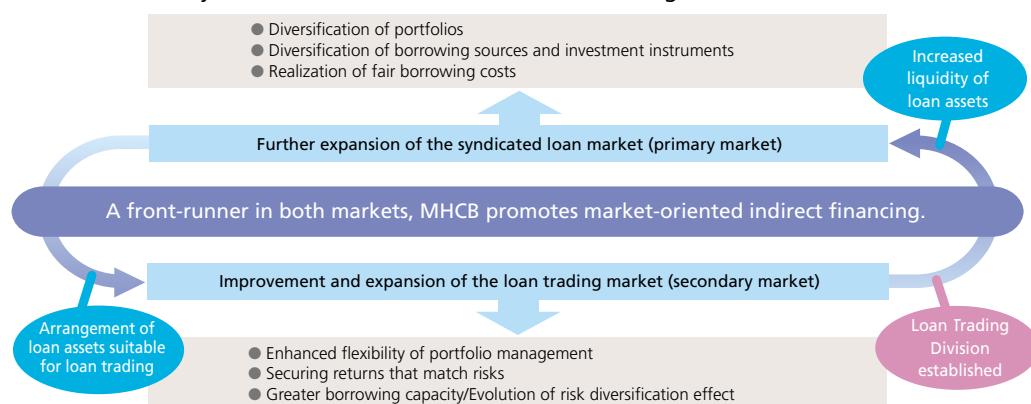
Adopting an Asset Turnover-Based Business Model

Syndication Business Grows in Sophistication

As the preeminent institution in the area of Japan's syndicated loan market, MHCB has been keen and active in promoting the recent rapid expansion of the market. We provide high value-added services by making active use of the syndication function to meet all aspects of corporate financial needs. Examples include cross-border syndicated loan deals timed to take advantage of revisions in the U.S.-Japan Tax Treaty, large LBO transactions and financial solutions for total debt restructuring aimed at increasing corporate value. Through its commitment to a proactive involvement in the syndication business as a means of satisfying the needs of both corporate customers and financial institutions, MHCB is seeking new modes of corporate finance that go beyond traditional methodologies.

In order to establish the "originate to distribute" business model (i.e., asset turnover-based business model) going forward, MHCB set up the Loan Trading Division in October 2004 to reinforce its specialist team, which is responsible for market-making and broking of loan assets. It has been proactively engaged in expanding the loan trading market, starting with the arrangement of "high-liquidity loans" providing indications of loan pricings on a daily basis in November 2004, and developing the first investment trust in Japan to incorporate domestic syndicated loans with a view to expanding the investor base in March 2005. It will continue its involvement in various businesses designed to increase the liquidity of loan assets.

Mechanisms of the Syndicated Loan Market and the Loan Trading Market



Sophisticated Portfolio Management

MHCB is making efforts to enhance the sophistication of its portfolio management, recognizing it as one of the important pillars of its “originate to distribute” business model alongside its syndication business. Specifically, it is working to streamline and improve risk-returns on its overall credit portfolio and has established a portfolio management division within its Financial Control & Accounting Group to realize these objectives. The division makes use of the loan trading market to strategically buy or sell loans in response to changes in the status of the entire portfolio of the macro economic situation, i.e., making investments to diversify credit risk and eliminating loans which are recognized to have an excess concentration of credit risk. MHCB will continue utilizing the credit market in an attempt to appropriately control credit risk and increase the value of its credit portfolio.

Ongoing Evolution of the Solutions Business

Solutions Business Helps Raise Corporate Value

As part of its continuing evolution, MHCB seeks to respond speedily and appropriately to the financial and management needs of large companies that are rapidly adapting to changes in the business environment. In the solutions business, it endeavors to contribute to raising corporate value for customers. To this end, it is working closely to mobilize all the banking, securities and trust product lines offered by other group companies, including M&As, syndicated loans and CMS. In this way, it is striving to add speed and depth to its “deal after deal” marketing approach, which offers the widest range of financial services on a continuous, multi-faceted basis.

Another issue is the fact that financial institutions must enhance their risk-taking capabilities and rebuild their risk intermediation functions in order to meet the increasingly sophisticated and diversified financial needs of customers. To respond to customers' business and project needs, MHCB is putting considerable effort into upgrading its lending business by setting up new schemes for breaking down and processing the risks involved.

Trend Setting Products

● Acquisition Finance Business

We offer solutions to customers' business restructuring needs through advisory services pertaining to corporate and business acquisitions, and the arrangement of funding. Specifically, we arrange LBO loans and non-recourse loans that collateralize the cash flows of the firms and businesses targeted for acquisition. The group boasts the best track record in the acquisition finance business and operates globally.

Mizuho Corporate Advisory and Mizuho Capital Partners provide advisory services in connection with MBOs and financial strategies, as well as investments through an MBO fund. In April 2005, Mizuho Corporate Advisory and MHBK jointly established Mizuho Management Advisory as an MBO advisory company for SMEs and middle market corporations.

● Structured Finance

Our excellent record in satisfying customers' funding needs domestically by providing ABCP (asset-backed commercial paper) and using asset securitization to improve their management indices puts us in the ideal position to support customers in realizing their financial strategies. We offer wide-ranged securitization solutions for customers with a variety of assets including future receivables and intellectual property rights centered on accounts and notes receivable, as well as sophisticated, specialist products and solutions to meet investors' needs for the use of syndication methods.

● Real Estate Non-recourse Loans

Our support for customers' financial strategies in the area of real estate assets extends from the arrangement of real estate non-recourse financing to support for real estate development and acquisition projects, and the handling of accounting for impairment of fixed assets.

We are playing a proactive pioneering role as a leading player in putting together mezzanine finance deals and

large-scale development finance projects associated with urban renewal, such as the Tokyo Midtown Project for redeveloping the site where the Japan Defense Agency offices once stood.

● Defined Contribution Pension Business

As a front-runner in the defined contribution (DC) plan business, we provide a wide range of services, such as reorganization of pension schemes, new DC plan designs, and actual plan administration utilizing human resources and providing financial solutions.

Specifically, we offer high value-added services which meet the needs of corporate customers and DC plan participants, such as plan design consulting, back-office outsourcing for Group DC plans, unified administration of DC and defined benefit pensions, the Mizuho "SogoGata (comprehensive package)" DC Plan and the "Mizuho Personal DC Plan."

We will continue our proactive efforts to develop this business by providing valuable information and leading-edge services, with a view to making Mizuho the first choice as partner for any pension plan.

Evolution of e-Business

We provide convenient, highly advanced e-solutions to respond to the settlement and cash management needs of increasingly sophisticated, globalized customers.

● Mizuho Advanced CMS

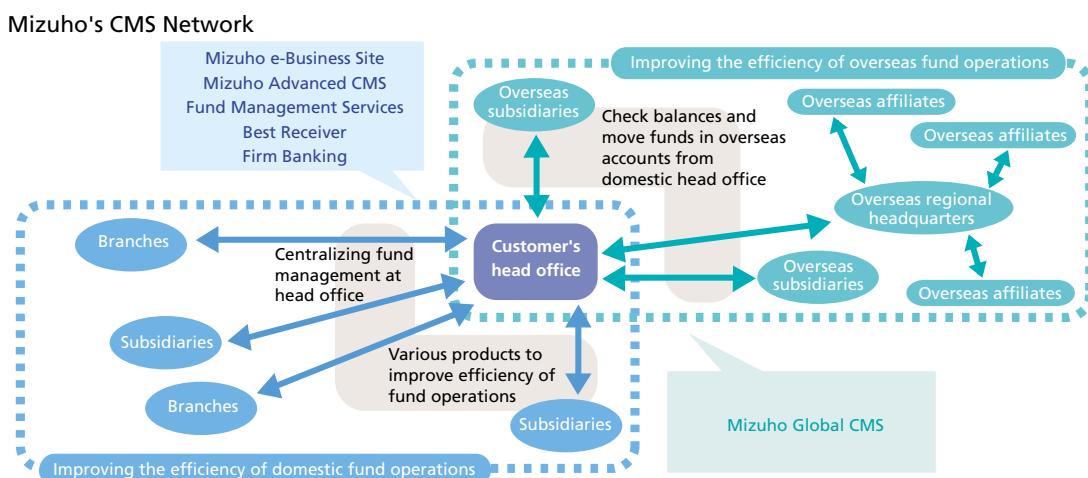
Mizuho Advanced CMS is a financial management system for realizing strategic management of group finances on a consolidated basis.

The system allows flexible tie-ins with centralized group payment and collection operations and schemes to reduce the number of promissory notes issued, as well as management of borrowing among group companies. We also offer CMS advisory services based on the rich experience we have gained in installing a large number of systems, and we offer comprehensive fund management solutions by proposing effective operational methods and constructive utilization methods.

● Mizuho Global CMS

Mizuho Global CMS offers more efficient cash management to customers with overseas offices. As of the end of March 2005, this service was offered around the clock in Japanese, English, Chinese and Thai through 22 offices in 15 countries. In Europe, integrated fund management services are offered in an alliance with ABN AMRO Bank and cross-border pooling services and netting services are due to start within 2005.

In China, we are the only Japanese bank to have obtained authorization to offer Internet banking, and in addition to providing data in the Chinese language, we are working to provide more responsive services through data links with ERP (Enterprise Resource Planning) software from a major Chinese software vendor.



● Internet Banking—Mizuho e-Business Site

The Mizuho e-Business Site opened for business as an Internet banking service for corporate customers in April 2005. Already offering various services pertaining to foreign exchange and forward exchange contract transactions over the Internet, domestic exchange transactions and electronic tables are due to be added during fiscal 2005, with further phased expansion planned thereafter. Using these services as a platform, we will develop this into a full-fledged Web service offering great convenience and high value-added services.

● Expanding Peripheral Fund Settlement and Administration Services

Mizuho e-Market Financial is the first e-procurement scheme set up by a Japanese bank to reduce purchase costs by combining services ranging from customers' materials procurement and purchasing operations to fund settlements into a single package. Mizuho Shared Service Solution provides strategic support for accounting and peripheral settlement operations to realize a unique comprehensive solution in a linkage with CMS.

Support for Business Risk Control

In the sales and trading business, we are working to solidify our market reputation as a "solutions provider" by offering risk hedging schemes employing derivatives and optimal solutions that use cutting-edge financial technologies to satisfy customers' diversified financial and business risk control needs. The line-up has expanded from interest and foreign exchange products to commodity derivatives like oil, metal and weather.

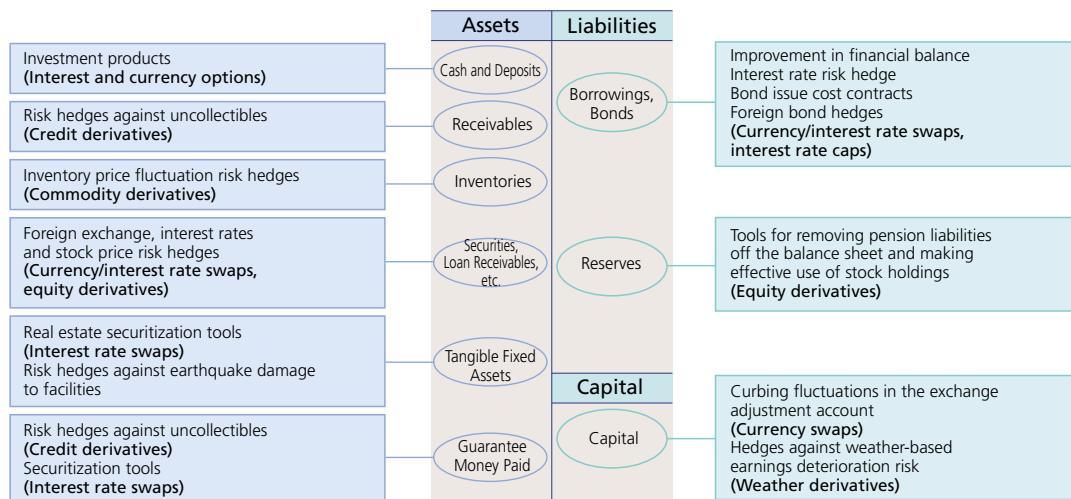
Moreover, in a tie-up with Mizuho-DL Financial Technology, a group company specializing in the development of financial technology, it is introducing sophisticated risk control methodologies that incorporate dynamic foreign exchange hedges, as well as ALM and correlation analyses and financial engineering approaches.

Glossary

►Dynamic foreign exchange hedges

A statistical/probabilistic exchange risk hedging method that eliminates market views and arbitrariness.

Business Risks in the Balance Sheet and Corresponding Solutions



Solutions for Financial Institutions and Public Sector Entities

● Financial Institutions

To date, MHCB has strengthened its product line-up to include syndicated loans, investment trusts, derivatives, foreign exchange and securities lending programs. In addition, it has taken advantage of the removal in 2004 of the ban on banks engaging in the securities introducing agents business and since April 2005 has been building up a joint securities sales framework with group securities companies. To a greater extent than ever, it can now offer

more robust, more appropriate solutions to the increasingly sophisticated and diverse needs of investors in such areas as financial strategy and risk management. Nor do its efforts stop at providing products. With an eye on the launching of the Book-entry Transfer System for "Corporate Bonds" of JASDEC (Japan Securities Depository Center) in 2006, it has been putting effort into providing infrastructure by making overall asset management support available to its financial institution customers. Among other things, this has included accepting entrustment of the custody operations of TCSB and the issuing and paying agency business.

As customers switch to more aggressive management approaches, we seek to channel the group's financial functions into proposing even better quality advisory services and solutions to management issues such as capital policies, the removal of assets off the balance sheet and alliance strategies.

● Public Sector Entities

As special public corporation and government FILP (Fiscal Investment and Loan Program) reforms move ahead, public sector entities face growing needs in such areas as structuring private sector-type finance schemes and increasing the sophistication of their market risk management.

In response, MHCB endeavors to propose optimal solutions by utilizing research and analysis capabilities that bring together group know-how and financial technologies such as syndicated loans and derivatives.

In the public bond market, MHCB provides issuers with stable support for funding using its strong record and rich experience as the leading bank in the sector.

Implementation of International Business Strategies

As a leading financial institution in Japan, we offer domestic and overseas customers engaged in global business activities the best available solutions by dynamically combining our rich experience in overseas markets with our powerful overseas network and our cutting-edge financial products.

Mizuho's Strong Presence in Asia

We are strategically focusing management resources on Asia, where Japanese companies are highly active in developing their business and which we see as our home ground. In May 2005, MHCB further strengthened its solutions capabilities and increased convenience for customers by establishing the Asia Corporate Banking Division in Singapore and Hong Kong to bring together its syndication, structured finance, CMS and other product-related functions.

The pace of our customers' business development in China has significantly increased, and we have effectively supplemented one of the largest networks of any Japanese bank in China through business cooperation agreements with several powerful Chinese local banks and the local governments of Beijing, Shanghai and elsewhere, creating a framework to provide close support for our customers' business efforts throughout the country. In Japan, we established the China Business Promotion Division within MHCB to offer comprehensive advisory services on doing business in China, and have established a solid reputation among customers as an expert in the field.

Approach to the Americas and the European Markets

In the Americas and the European markets, we make strategic use of flexible relationships with external financial institutions to offer syndicated loans and various other advanced products proactively to customers engaging in business at the global level. In the European MBO market, for example,

Performance as an Arranger of European MBOs (LBOs) (2000-2004)		
Ranking	Company name	Amount (millions of U.S. dollars) No. of transactions
1	Royal Bank of Scotland	173,506 287
2	Bank of Scotland	129,984 213
3	HVB Group	102,473 137
4	Barclays	97,338 146
5	Calyon	86,687 152
6	Mizuho Financial Group	66,547 87
7	SG Corporate & Investment Banking	65,661 126
8	Lloyds TSB Capital Markets	65,397 100
9	BNP Paribas	61,846 115
10	ING	60,353 107
11	JP Morgan	57,843 73
12	Allied Irish Banks plc	52,962 69
13	Deutsche Bank AG	52,450 57
14	Citigroup Inc	51,730 40
15	HSBC	51,342 87

Source: Dealogic Loanware League Table

the group not only holds a top-tier position but is also active in putting together securitization products such as CDOs (Collateralized Debt Obligations) that use advanced financial technology. Moreover, we are introducing the technologies built up through these activities into Japan and using them in developing financial products that better match our customers' needs.

Corporate Revitalization Enters a New Phase

During fiscal 2004, we materially resolved our NPL issues when we achieved the target set by the Financial Revitalization Program of halving our NPL ratio. In light of this achievement, MHCB established the Credit Engineering Division in April 2005 to bring together the highly specialized know-how we accumulated during the corporate revitalization process to promote and support business that focuses more on enhancing corporate value and improving market confidence. The new division is engaged in the strategic and highly expert operations necessary to achieve higher corporate value for customers.

Specifically, it is actively engaged in setting up business revitalization schemes, calculating corporate value and supporting feasibility studies on refinancing and capital policy measures, as well as arranging CLOs (Collateral Loan Obligations), putting together new schemes to make use of the markets, and tackling as yet unexplored business areas. When bringing deals to fruition, MHCB contributes to creating corporate value for customers in keeping with its aspirations as an "open financial conglomerate" by making use of MHSC and other group resources while at the same time working in broad-based cooperation with foreign investment banks and various types of equity funds.

Approach to Securities and Investment Banking

Aiming to become a Market Leader in the Securities and Investment Banking Businesses

MHSC operates as a wholesale securities firm that offers optimized solutions in the areas of securities and investment banking in response to the needs of domestic and international institutional investors, corporations, financial institutions and public sector entities. The three pillars of its operations consist of the debt, the equities, and the investment banking businesses placing financial advisory business, such as M&As as well as structured finance operations such as ABS, as its core. Based on this, and making the most of its

**Domestic SB League Table
(Excluding bank debenture, self-led issues,
retail targeted)**

* Underwriting amount basis. Total Amount of Issues: ¥6,327.6 billion (April 2004 - March 2005)

Ranking	Company name	Underwriting (billions of yen)	Market share (%)
1	Nomura Securities	1,223.8	19.34
2	Daiwa Securities SMBC	1,154.4	18.24
3	Mizuho Securities	1,101.1	17.40
4	Nikko Citigroup	793.5	12.54
5	Mitsubishi Securities	454.2	7.18
6	Goldman Sachs	397.4	6.28
7	Morgan Stanley Securities	259.2	4.10
8	UFJ Tsubasa Securities	204.8	3.24
9	Shinko Securities	155.1	2.45
10	Merrill Lynch Japan Securities	148.5	2.35

Source: I-N Information Systems

M&A Advisory Ranking (Japanese target, any acquirer nation, deals completed)

* League table based on number of deals (January 2004 - December 2004)

Ranking	Advisor	No. of transactions	Amount (millions of U.S. dollars)
1	Mizuho Financial Group	109	9,168
2	Nomura	108	24,271
3	Daiwa Securities SMBC	88	18,044
4	Mitsubishi Tokyo Financial Group	65	8,577
5	Nikko Cordial Securities	55	505
6	UFJ Holdings	49	3,693
7	KPMG Corporate Finance	32	4,751
8	Merrill Lynch	25	8,020
9	ChuoAoyama Audit Corporation	20	1,364
10	PricewaterhouseCoopers	19	1,282
	Citigroup	19	8,236

Source: Thomson Financial

Overall ABS Bookrunner League Table (ABSs backed by assets in Japan: Domestic public and private bonds and Eurobonds)

* Settlement date basis (April 2004 - March 2005)

Ranking	Company name	No. of issues	Amount (billions of yen)	Market share (%)
1	Mizuho Financial Group	15	335.2	17.6
2	Merrill Lynch	6	330.0	17.3
3	Shinsei Bank	9	312.3	16.4
4	Nomura Securities	5	219.9	11.6
5	Daiwa Securities SMBC	8	213.4	11.2
6	Lehman Brothers	5	117.5	6.2
7	Citigroup	4	100.0	5.3
8	Goldman Sachs	3	90.0	4.7
9	Morgan Stanley	2	80.0	4.2
10	CS First Boston	2	74.2	3.9

Source: THOMSON DealWatch

*Figures for Mizuho Financial Group are the aggregate figures for MHSC and its overseas securities subsidiaries

high-quality human resources and advanced financial technologies, it offers customers high value-added products and services at all times. It has established a top-class position for itself in many sectors, and competes with the big firms of Europe and the U.S. as a professional house at the global level through its bases in New York, London, Zurich and Hong Kong.

In fiscal 2004, MHSC posted Ordinary Profits of ¥50.2 billion on a consolidated basis, and set a new record for Ordinary Profits on a non-consolidated basis. It remains committed to its goal of becoming a leading investment bank in Japan.

Strengthening the Equities Business

Since bank securities subsidiaries were allowed to engage in the equities business in October 1999, MHSC has streamlined and strengthened its full line-up of equity-related services.

In the area of sales and trading operations, it is extending the range of stocks the research division covers, offering high value-added IR services, and working through its global network to secure trading orders for sales of Japanese stocks. In the process, it is steadily increasing its presence in terms of broker rankings and share of turnover on the Tokyo Stock Exchange. It is also building up its capabilities for offering solution services in such areas as basket trading and block trading, and execution services based on its sophisticated systems.

In the area of equity underwriting, backed by a highly experienced staff, superior financial technology and enormous selling power at home and overseas, it offers solutions for dealing with customers' needs in areas such as IPOs, and primary and secondary offerings of stocks, thus steadily improving its performance by, among other things, increasing the number of deals in which it acts as lead underwriter. It will continue working to win large lead manager deals by further strengthening its sales organization with a view to enhancing its reputation.

Domestic Public Offering League Table

* Underwriting basis, including REITs. Total Amount of Issues: ¥2,383.2 billion (April 2004 - March 2005)

Ranking	Company name	Underwriting (billions of yen)	Market share (%)
1	Nomura Securities	524.9	22.03
2	Daiwa Securities SMBC	509.0	21.36
3	Nikko Citigroup	425.3	17.85
4	Mizuho Securities	183.6	7.70
5	Mitsubishi Securities	156.4	6.56

Source: I-N Information Systems

Business Alliance with Nikko Cordial Group and Nikko Cordial Securities

In January 2005, MHCB, MHSC, the Nikko Cordial Group and Nikko Cordial Securities signed a formal business cooperation agreement for the purpose of cooperating in complementing each other's operations by utilizing each other's business know-how and customer base.

More specifically, MHSC, Nikko Cordial Securities and Nikko Citigroup will undertake a phased expansion of their cooperation in equity underwriting and marketing activities with a view to greatly expanding their presence in the market by making services that utilize their respective strengths available to customers.

MHSC and Nikko Cordial Securities will also broaden the range of cooperation to cover alliances for providing products, and cooperating in principal investments and other securities-related areas.

Following the signing of this business cooperation agreement, MHSC's parent MHCB acquired 94 million shares of Nikko Cordial Corporation's treasury stock in January 2005.

Approach to Principal Finance Business

MHSC has adopted a proactive approach to its principal finance business as part of its efforts to diversify its earnings from the investment banking business. Focusing on its broad customer network, it will search for investment deals and expand its investments in unlisted stocks.

In April 2004, it established the Principal Finance Strategies Office to promote private equity and other investment operations. In September 2004, it established Polaris Principal Finance as a private equity fund management company in a joint venture with DIAM. Together with Japan Industrial Partners, which has already compiled an impressive record in corporate reorganization deals centered on strategic carve-outs (spin-offs of business divisions

from companies), this has strengthened its ability to deal with a wide range of investment deals.

By strengthening its principal finance business, it will endeavor to secure more business opportunities centered on IPOs, M&As and other equity business associated with the fund's investment targets.

Glossary

► Principal Finance

This kind of investment activity uses Mizuho's own funds to realize earnings through strategic investments made from a medium- to long-term perspective.

Using Alliances

MHSC participates in alliances designed to strengthen its business promotion base and selling power, and expand its operations as a wholesale securities firm.

Since completing the transfer of the entire business operations of Norinchukin Securities in March 2004, it has been providing financial institutions connected with agricultural cooperatives throughout Japan with a wide range of investment products, including investment trusts and bonds. In September 2004, MHSC accepted ¥74.9 billion in capital from The Norinchukin Bank with a view to expanding its ties with the Bank and financial institutions connected with agricultural and forestry cooperatives, while further strengthening its own business base and profitability.

In August 2004, MHSC concluded business cooperation agreements for the entrustment of equities sales with Monex Securities, Nikko Beans Securities and Monex Beans Holdings (MBH). This alliance enabled MHSC to broaden its equities-related business base by expanding its sales channels, centered on MHSC's IPO-related lead manager transactions, to retail customers who utilize the MBH Group's on-line trading system, one of the best in Japan.

It is proactively engaged in the securities introducing agents business to contribute to strengthening its sales of equities and bonds in the future, and as of the end of March 2005 had alliances with three regional banks.

MHSC concluded a business alliance with Resona Bank in connection with M&As in March 2004, and set up a cooperative arrangement on cross-border M&A deals between Japanese and European firms with UBS Securities Japan in May 2004. In this way, it is further strengthening its already first-class presence in the M&A business by making use of both its allies' and our group's customer bases to create new business opportunities.

Trust Business

Expanding the Trust Market

The business environment is changing substantially as a result of alterations to the legal system and reforms of the accounting system. This increases the number of opportunities for providing solutions that use trust functions to cope with the planned mandatory application of impairment accounting, or revisions to corporate pension schemes.

Furthermore, the December 2004 revisions to the Trust Business Law abolished restrictions that formerly limited the number of assets that could be placed in trust to six, including money and land. As a result, it is now possible to entrust intellectual property rights such as patents and copyrights. For all practical purposes, only financial institutions were originally allowed to participate in the trust business, but it has now been opened up to general business corporations, and the scope for adopting the franchise system for trust businesses has been expanded. This means the trust mechanism has come into more general use and the market is expected to grow further.

MHTB sees expansion of the trust market as a new business opportunity and will provide customers with sophisticated trust solutions.

Approach to Real Estate Securitization

In recent years, real estate securitization has come into increasingly active use. Contributing factors include the growing need to make more efficient use of assets, the diversification of fund investment and procurement needs, and the overhaul of strategies relating to real estate holdings in response to the introduction of impairment accounting.

Fully utilizing the know-how it has built up over many years, MHTB is engaged in a wide range of securitization deals involving office buildings and commercial facilities. At the same time, it is proactively engaged in real estate development methods that utilize securitization mechanisms. MHTB's capabilities and performance in arranging real estate securitization deals have earned high marks among rating agencies and foreign investors. As of the end of March 2005, it boasted the highest balance of securitized assets under administration as trustee with a total in excess of ¥3 trillion.

It will put forward sophisticated proposals that will satisfy all real estate needs by making the most of the overall strengths generated through the combination of its arrangement capabilities and financial functions.

Approach to Securitization of Monetary Claims and Other Claims

MHTB makes full use of its trust functions in developing stable asset financing schemes on an order-made basis, and in proposing them to its customers. Utilizing the high-level structuring capabilities it has built up on the basis of its performance as the institution with the highest share of entrustments in the trust business, MHTB proposes various solutions to customer needs for fund procurement, cutbacks in assets and liabilities and better financial indices. At the same time, it provides investors with new investment instruments in the form of asset securitization products. In particular, outstanding sales of its "Chochiku no Tatsujin" automobile loan securitization product for individuals broke through the ¥500 billion mark just two years and eight months after the product was launched.

MHTB is proactively developing new products to satisfy the growing variety and sophistication of customer needs, including funding schemes that use music copyrights, Japan's first-ever software copyright trust and animation copyright trusts.

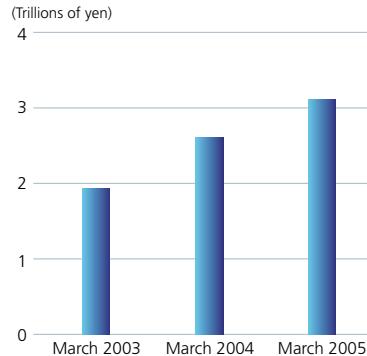
Pensions Business

The move to reform corporate pensions triggered by the introduction of accounting standards for retirement benefits is now underway in earnest following the passage of the Defined Benefit Corporate Pension Law and the Defined Contribution Pension Law. As Japan's structural reforms progress, and responses to globalization become necessary, corporate pension schemes are increasingly in need of drastic reform as companies reassess their human resource programs, strengthen their measures against financial risk, and move ahead with corporate realignments.

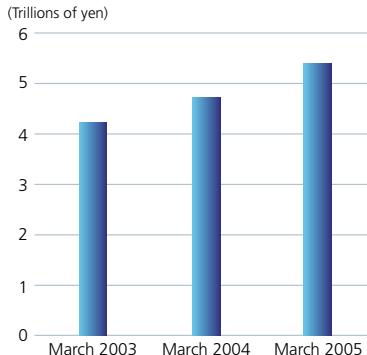
MHTB responds to customers' broad-based needs as a pension trustee offering full services ranging from pension planning and consultation to pension asset management. In cooperation with Mizuho Pension Research Institute, MHTB provides ALM consultation and risk management services through highly experienced professionals equipped with the best know-how in the business.

As a "Best Solutions Partner" in the area of corporate pensions, MHTB will continue to offer appropriate high-quality services and products.

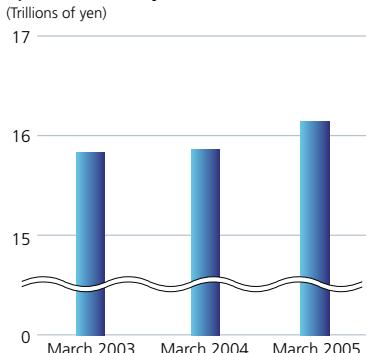
Securitized Assets (Real Estate) under Administration as Trustee
 (Trillions of yen)



Securitization of Monetary Claims and Other Claims
 (Trillions of yen)



Retirement Benefit Funds under Administration as Trustee
 (Directed money trust for separate investment + Pension trust + Pension specific money trust)
 (Trillions of yen)





Targeting SMEs and Middle Market Corporations

SMEs and middle market corporations need stable lending responses and answers to management problems. We are responding by making the most of the high levels of expertise possessed by each group company in our proactive efforts to increase lending and enhance the solutions business.

Having resolved its NPL and other financial issues, MHBK has switched from a strategy of raising profits by cutting credit costs to one of raising profits by increasing lending. At the same time, it has boosted its efforts to promote the solutions business in order to become the top bank, both in terms of share of transactions with SMEs and middle market corporations, and in terms of providing solutions to them.

Expanding Middle Credit Risk Lending

MHBK is in the midst of switching its lending strategy away from a focus on low credit risk loans towards an increase in middle credit risk loans (loans offering high returns after adjusting for risk).

Alliance with Orient Corporation

In July 2004, MHBK agreed to form a business alliance with the Orient Corporation (Orico), a major credit sales company. The main aims of the tie-up are to strengthen financing functions for individuals, SMEs and middle market corporations, and to increase good quality personal loans to individuals.

Launching New Loan Products for SMEs

MHBK is making use of the credit enhancement capabilities offered by Orico and the debt servicer know-how offered by Japan Collection Service, a member of the Orico group, to develop a number of loan products for SME customers. On an execution basis, it has already extended loans in excess of ¥250 billion.

This was realized by developing the three breakthrough products that manage risks for the entire product portfolio. "Mizuho Long Partner" provides unsecured working capital for up to seven years, "Mizuho Rising Partner" provides loans to smaller companies with growth potential, and "Mizuho Support 30" assists relatively small-scale companies. Of these, "Mizuho Long Partner" responds to the needs of companies planning IPOs. So long as they meet certain criteria, guarantees from a customer's representative director are not necessary.

MHBK intends to respond speedily to the financing needs of a wide range of corporate customers by developing more unsecured loan products in cooperation with Orico.



In the second half of fiscal 2004, more proactive efforts to increase middle credit risk lending in particular resulted in an increase of approximately ¥420 billion in loans (including private bond issues), and an expansion of market share. In the area of transactions with new customers, too, it mobilized more staff to specialize in new loans and strove to increase new lending, with the result that lending increased by around ¥570 billion in fiscal 2004.

In order to strengthen its ability to take risks proactively without relying on collateral, it strengthened its line-up of unsecured loan products and launched its new ¥1 trillion "Super Wide" strategic loan fund in October 2004. Standardizing screening procedures that focus on customer cash flow have made it possible to make speedy decisions on extending up to ¥500 million in unsecured loans for a maximum of five years.

MHBK has adopted a proactive approach to meeting customers' funding demands by expanding the "Partner Series" of unsecured loan products and offering various fund procurement schemes as a means of satisfying the varied needs of SMEs and middle market corporations.

Expanding the Mizuho Business Financial Center Network

MHBK has concentrated its overall lending operations for small-scale companies in the Mizuho Business Financial Center, a subsidiary specializing in lending, and is proactively engaged in extending loans to small-scale businesses.

During fiscal 2005 it plans to enhance the network aggressively by increasing the number of centers from 19 at the end of March 2005 to 100 by the end of the fiscal year. Increasing the number of staff with expertise in the lending business to 600, it is promoting loans with guarantees by the Credit Guarantee Corporation, as well as sales of the "Mizuho Advance Partner," an unsecured loan product that uses an automatic credit-scoring model.

Mizuho Business Financial Center specializes in small-scale enterprises and is manned by veteran staffers, so it is well-positioned to continue offering carefully tailored responses, including helpful business consultations and guidance on policy-based loans.

Becoming the Top Bank in Providing Solutions for SMEs and Middle Market Corporations

Enhancing Solution Business Promotion

Working as the Mizuho Business Supply Chain, a team of approximately 300 MHBK professionals specializing in corporate banking is working together with its branches to provide solutions that make the most of the bank's expertise as a specialist in transactions with SMEs and middle market corporations.

The solutions offered are very diverse, ranging from financing deals in areas like structured finance and syndicated loans to solutions associated with business strategies such as M&As and MBOs, business matching services, consulting services for hospitals, and advisory services on overseas expansion and foreign exchange-related issues. The excellent reputation the team has earned in providing solutions has led to an increase in lending.

Business Matching

MHBK is proactively engaged in business matching services for introducing its customers to other Mizuho Group customers who best match their varied business needs. These services extend to introducing new sales vendors and suppliers, partner enterprises for diversification into new product development and partnerships in franchise chains, as well as companies possessing effective information pertaining to cost reduction.

"Business Matching Forums" are designed to bring corporate customers together to engage in individual business negotiations and have been extremely well received. Each event features a specific theme—such as companies with multiple stores or mail-order firms—and MHBK will continue to hold these forums periodically in response to customers' needs.

Mobilizing Group Strengths

● Support for New Businesses

In the new business market, MHBK's know-how is far superior to that of other banks, and it prepares proposals on making use of grant schemes through the Charitable Trust for Mizuho New Business Fund for customers possessing core technologies with promising business potential, even if they are recently established venture firms. It is also actively providing finance through copyright trust schemes and other intellectual property finance, as well as loans with stock purchase warrants.

It responds to IPO needs through multi-faceted collaborations with other group companies: Mizuho Capital serves as a venture capital investor and provides advice on going public; MHIS provides broadly based support as a securities company; and MHTB provides advisory and stock transfer agency services.

● MHIS's IPO Support Business

MHIS responds proactively to the IPO needs of the group's SME and middle market corporation customers in cooperation with MHBK, MHTB and Mizuho Capital.

MHIS posted a very strong performance in fiscal 2004. It served as lead managing underwriter for a total of 12 companies, ranked within the top five in the league tables in terms of deals handled, and was involved in underwriting approximately 40% of the 172 new company listings on the stock markets.

● "Noteless" Service Utilizing Trusts

MHTB led the industry in developing the "Noteless" lump-sum accounts receivable trust scheme, offering it to the group's SME and middle market corporation customers in a tie-up with MHBK.

"Noteless" is a product whereby account receivables are accepted in trust from customers who have dealings with large corporations in such a way as to provide them with a service that allows due-date collections and pre-maturity conversion into funds of the receivables in question. "Noteless" has been well received because it reduces the cost of issuing notes and allows fund procurement on more favorable terms than discounting bills. At the end of March 2005, the entrusted balance was close to ¥1 trillion, giving MHTB the best performance in the industry in this area.

● Responding to Overseas Business Expansion Needs

In order to satisfy the needs of Japanese companies that are increasingly active in China and other Asian markets, specialist staff who are well-versed in overseas business provide assistance in customers' local projects through the group's overseas network, which is one of the most extensive of any Japanese bank.

Our specialist staff cooperates with the relevant departments to offer the CMS, which provides management support for the accounts of overseas offices including subsidiaries from their head offices, and to provide operational support for foreign exchange and foreign trade, and solutions to risk mitigation needs.

Securities Introducing Agents Business

In March 2005, MHBK established the Asset Management Office for Corporate and launched its securities introducing agents business aimed at corporate customers. The bank has long offered various kinds of investment products to customers who hold investment assets, but taking advantage of the removal of the ban on banks engaging in the securities introducing agents business, it has been proactively responding to customers' varied needs by engaging in solicitation and agency businesses in connection with structured bonds and other instruments, which were once the exclusive province of securities companies.

The Asset Management Office for Corporate specializes in proposing solutions to corporate customers' investment needs, and its highly expert staff offers not only securities introducing agent services but also investment trusts and other products to suit customers' requirements.



Approaches to Individual Customers

We are utilizing the group's comprehensive financial capabilities to provide individual customers with high-quality financial services.

MHBK is working to strengthen its sales of investment management products by enhancing its consulting functions, and to build a high-profit, high-efficiency business model by reinforcing its efforts in the area of housing and unsecured loans. It is also strengthening its profit base among its 26 million individual customers by encouraging them to deepen, expand and consolidate their banking transactions with MHBK, offering highly convenient products and services such as the "Mizuho Mileage Club" and an expanded channel network.

It is responding to customers' increasingly diverse and sophisticated needs by opening joint branches with group securities companies, and initiating a franchise system for trust business and securities introducing agents business.

"Mizuho Mileage Club" Membership Services Enhanced

Large numbers of customers have signed up for the "Mizuho Mileage Club" membership service, which was launched in August 2004.

From April 2005, we started issuing the "Mizuho Mileage Club Card (Saison)" in an alliance with Credit Saison, Japan's largest retail industry-based credit card company, adding to the cards already issued under the UC (MasterCard) brand. This has made the functions and services offered by the Saison Card, the leading brand in

Alliance with Credit Saison

In December 2004, MHFG, MHBK, UC Card and Credit Saison, Japan's largest retail industry-based credit card company, signed the "Comprehensive Strategic Business Alliance Agreement" in the credit card business. This will result in the creation of the strongest business structure in the sector, crossing the boundaries between banking and retailing by offering the 26 million individual customers of MHBK and the 16 million holders of Credit Saison cards an extremely convenient and innovative service.

Specifically, MHBK and Credit Saison plan to issue cash cards equipped with credit card functions that combine services provided by MHBK to its "Mizuho Mileage Club" members. Consideration will also be given to integrating the businesses of UC Card and Credit Saison. This will include consolidating the card-issuing business of UC Card, and UC Card's integration of the management of the member stores and processing business of Credit Saison, which will realize a business structure that will be able to provide cutting-edge products and services speedily and at low cost.

Credit Saison's Strengths

● High Growth Potential

Saison has continued to grow rapidly on the strength of its high brand recognition, the strongest new cardholder recruiting mechanism in the business, and marketing capabilities that generate high usage.

Credit card turnover: ¥2,596.2 billion (+7.8%)

Total number of cardholders: 16.9 million (+6.5%)

Number of active cardholders: 8.83 million (+5.0%)

● Overwhelming Support from Leading Consumer Segments

Owing to its roots in the retail industry sector, its membership is characterized by the fact that female cardholders account for 67% of the total, and people aged below 40 for 42%.

*As of the end of March 2005 (Figures in parentheses indicate year-on-year changes.)

the industry and an eminently strong brand among women and younger age groups, as well as a wide range of international brand names in credit cards, including Visa and JCB, more available to customers.

In February 2005, we also initiated affiliations with a number of well-known firms transcending the boundaries of the financial sector to offer the "Partners Service." This represents a completely new type of service that allows the granting of bonus points and the conversion of points among corporate partners involved in the alliance. As a result of efforts to expand the alliance, 14 companies had joined as of May 2005, including airlines, department stores, volume retailers and mail-order sales companies.

Alliance with JR East

In March 2005, MHBK and the East Japan Railway Company (JR East) signed a letter of basic understanding in connection with the card business.

This alliance aims to provide services that transcend the boundaries between banking and transportation by designing a revolutionary card that combines MHBK's ATM card and JR East's Suica to provide ATM card, credit card, train ticket and electronic money functions in a single IC card.

The goal is to expand MHBK's customer base and raise customer satisfaction by issuing cards that offer even greater convenience to the over 11 million Suica users as well as MHBK's 26 million individual customers.

Mizuho's Security Policies

Since March 2005, MHBK has shifted to using IC ATM cards for all saving account ATM cards issued to individual customers as part of its measures against counterfeiting. Since IC ATM cards carry IC chips that are difficult to fabricate, depositors are very interested and applications for approximately half a million cards were received within two months of their launch. MHBK has also boosted security by raising the ceiling on the amount that can be withdrawn in any one-day period to ¥5 million in the case of ATMs that are designed to read IC ATM cards, but lowering the ceiling to ¥500,000 in the case of ATMs that are not.

MHBK is working to popularize IC ATM cards still further while taking further steps to enhance security in taking care of customers' invaluable assets, including work on using biometrics for identification.

Aiming for No. 1 in Consulting Services

MHBK is striving to become the leader in consulting services to ensure that it is the customer's bank of choice as a lifetime advisor at various life stages. To this end, it is working to train and deploy more expert personnel, build a new in-branch organization and improve its information infrastructure.

By the end of fiscal 2005, it will respond to customers' increasingly sophisticated needs by training and deploying 2,000 financial consultants who specialize in business promotion for individual customers and can respond to all kinds of consulting needs.

Currently, it has established "Premium Salons" at approximately 70 branches to provide customers with space for thorough consultations on asset management using TV phones and life plan simulations, and it plans to expand this to approximately 250 branches eventually.

It will also establish "Comprehensive Reception and Information Desks" and deploy "Lobby Concierges" to assist customers in completing their business at branches more smoothly.

Expansion of Product and Service Line-Up

To support customers' asset investment needs, we offer a wide range of products and proposals tailored to the needs of customers.

MHBK has created a new line-up of four key, carefully selected products and launched its own Inflation-Index Bonds Fund (Quarterly Distribution.) It is also expanding its JGB services for individuals, in the process becoming the first Japanese bank not to charge government bond account administration fees.

Since December 2004, MHBK's private banking operations have been engaged in the securities introducing agents business, promoting services that involve cooperation between banking and securities, so as to respond more rapidly to customers' increasingly diverse and sophisticated needs. In combination with its expansion of the network of joint branches with group securities companies by setting up their booths within the lobbies of MHBK branches, this represents part of MHBK's efforts to satisfy customers' securities transaction requirements.

More recently, it has started offering securities introducing agent services via the Internet, allying with the leader in the online securities business, Monex Beans Holdings, and group securities company, MHIS, to offer high-quality online securities introducing agent services. This allows us to make the most of the group's comprehensive strengths while enabling MHBK to strengthen its efforts in the securities business to provide more direct, more rapid responses to customers' diverse asset management needs than ever before.

Using the franchise system for trust businesses, MHBK handles MHTB's asset management products at all its branches. Following the December 2004 revisions of the Trust Business Law, MHBK started handling testamentary trusts from January 2005.

It will continue to use the group's all-round financial capabilities to provide even higher quality services.

MHTB's Testamentary Trust Business

MHTB's testamentary trust business covers a variety of services. The first involves consent to undertake the execution of wills so that their provisions are fulfilled, and covers everything from assistance in drawing up and keeping wills, to acting as executor in carrying out the various procedures when an inheritance arises. The second involves will custody services, namely holding wills in safe custody and transferring them to the designated recipient when an inheritance arises. And the third involves being entrusted by all heirs to act as their agent in the inheritance and thus the distribution of the estate.

Using the specialist know-how it has built up over many years to satisfy customer needs, MHTB has been entrusted with over 10,000 testamentary trusts, more than any other Japanese bank.

Furthermore, focusing on the fact that real estate accounts for a particularly high proportion of inherited assets in Japan, MHTB assists as a sales intermediary along with group company Mizuho Trust Realty Company, which boasts one of the best records in the real estate business.

Personal Loans

Strengthening the Housing Loan Business

During the second half of fiscal 2004, MHBK expanded its housing loan campaign as part of its efforts to respond to customers' constantly diversifying needs.

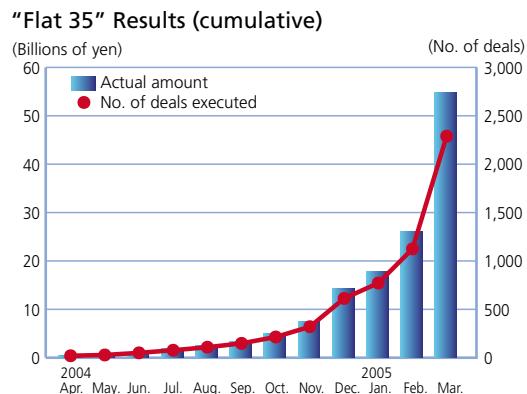
The original special interest rate loan campaign that was offered on a time-limited basis, and the addition of 5- and 10-year fixed interest loans to this campaign, have been well received, and continues through the first half of fiscal 2005 (time limit for applications September 30, 2005).

To respond to customers' longer term fixed-interest needs, the "Flat 35" securitization-type housing loan product, offered in cooperation with the Government Housing Loan Corporation, provides a fixed-interest rate throughout the entire period of the loan up to a maximum of 35 years. This, too, has proven popular, giving MHBK the number-one spot among financial institutions on a results basis in fiscal 2004.

MHBK also held a total of four weekend consultations for housing loans to assist customers who cannot otherwise visit its offices on regular business days with their refinancing and other needs. Since large numbers of customers attended, it continues to hold these consultations during fiscal 2005.

In addition to expanding its Housing Loan Business Promotion Centers as a means of strengthening its relationships with real estate vendors, it has reconfigured its housing loan screening processes and taken steps to speed them up.

In the retail market, MHCB and MHBK use their vast domestic corporate transaction base to proactively promote business with employees of its corporate customers centering on housing loans.



Alliance with Orient Corporation

Expanding Sales of Captive Loans for Installment Sales for Individual Commodities

Using Orico's affiliated merchant base, which underpins the strongest installment sales for individual commodities of any Japanese credit sales company, MHBK has greatly reinforced its captive loan business based on its loans with Orico guarantees. At the end of fiscal 2004, the balance was approximately ¥190 billion, an increase of ¥150 billion compared with the end of the preceding fiscal year.

MHBK's efforts to utilize one of its main strengths, its vast corporate customer base, to introduce new affiliated stores to Orico has resulted in the conclusion of participating merchant contracts with over 2,000 companies, expanding both Orico's affiliated merchant base and profit-earning opportunities.

Glossary

►Installment Sales for Individual Commodities

When customers purchase relatively expensive products and services such as cars and consumer electrical appliances, the credit sales company pays the purchase price on the customer's behalf, and then collects it in installments from the customer.

►Captive Loans

Orico is entrusted with the business of guaranteeing and recovering payments associated with exclusive sales tie-up loans extended through Orico's affiliated merchants.

Transfer of Guarantee Business

In April 2005, MHBK transferred its entire unsecured personal loan guarantee business from UC Card to Orico. This resulted in faster, more finely tuned services for customers.

New Loan Product for Individuals Launched

MHBK is currently developing the new Mizuho Orico Loan Card (provisional name), which will provide individuals with unsecured loans guaranteed by Orico.

Orico's core customer base constitutes the nucleus of the customers with whom MHBK should expand its transactions from now on. Making use of Orico's know-how in areas like credit screening and marketing, MHBK will endeavor to strengthen its unsecured personal loan business. MHBK will work to promote greater usage by a wider range of customers by speeding up the credit screening process and expanding the range, convenience and simplicity of customer application channels, including the Internet and mobile phones.

In March 2005, it also started handling new loan products secured with Orico guarantees.