

## ***A Message from the President & CEO of Mizuho Financial Group, Inc.***



### **Advancing into a New Phase of Our Management Strategies**

Based on our awareness that we have entered a new phase in the management strategies of Mizuho and are aiming to win the support of our customers, we have started to implement a new business strategy—the “Channel to Discovery” Plan—from the current fiscal year. Under this new plan, we are focusing on expanding our top-line growth by aggressively investing corporate resources in new growth business areas and accelerating the repayment of public funds.

One of the key pillars of our new management plan is our Business Portfolio Strategy, which entails realigning Mizuho's group activities into three global groups based on customer needs: namely, the Global Retail Group, the Global Corporate Group, and the Global Asset & Wealth Management Group. We have created earnings models that maximize the advantages of each of these three groups.

Our Global Retail Group will continue to position sale of investment products through enhanced consulting functions and loans to individuals as strategic business areas within the retail banking market and work to expand customer transactions through enhancing the services of the Mizuho Mileage Club. For small and medium-sized enterprises and middle market corporations, the Global Retail Group is aiming to expand its balance of loans, principally to middle credit risk corporations, and increase non-interest income by promoting its solutions businesses.

To respond effectively to the needs of large corporations and multinationals, our Global Corporate Group is leveraging the comprehensive capabilities of our worldwide corporate banking and wholesale securities businesses to offer high-value-added products and services, including syndicated loan arrangements and securities and investment banking activities.

Our Global Asset & Wealth Management Group is working to strengthen our trust and asset management business for individual and corporate customers while realizing further synergies with other Mizuho group companies. In November 2005, Mizuho Private Wealth Management, Japan's first full-fledged private banking company, started its operations.

## ***A Message from the President & CEO of Mizuho Financial Group, Inc.***

Another pillar of our “Channel to Discovery” Plan is our Corporate Management Strategy, which aims to secure transparency in corporate governance and to further enhance confidence among investors. In line with this strategy, we are moving ahead with preparations for listing our stocks on the New York Stock Exchange as early as feasible. In addition, we fully recognize the importance of basing corporate action and behavior on the principles of corporate social responsibility (CSR) to create new corporate value and facilitate future development. Accordingly, we have formed the CSR Committee and will significantly step up our CSR-related activities, including environmental initiatives and support for promoting financial education. Moreover, we are implementing a strategy to establish the Mizuho brand as one that is appropriate for a leader among the world's financial groups.

### **Aiming for Full Repayment of Public Funds**

The implementation of our new management strategy delivered strong results for the first half of fiscal 2005, including steady expansion of our top-line profits—the primary focus of our management efforts. During the six months ended September 30, 2005, consolidated Net Income increased ¥104.6 billion over the same period of the previous fiscal year, to ¥338.5 billion. In addition, we continued our initiatives of the previous fiscal year to further improve our financial soundness, and, at the end of September 2005, the ratio of non-performing loans to total claims had declined to the 1% range. Our BIS Capital Adequacy Ratio stood at a sufficient level of 10.73% as of September 30, 2005, even after the repayment of public funds of ¥616.4 billion for the first half. Also, along with the decrease in Net Deferred Tax Assets, the quality of our capital has shown further improvement. We plan to pay a dividend of ¥3,500 per share of Common Stock for the current fiscal year. Moreover, we are scheduled to make dividend payments on Preferred Stocks as prescribed.

As a consequence of the repayment of public funds including that of ¥250.0 billion in October 2005, made possible by steadily accumulating retained earnings through stable profit base, we have repaid ¥2,349.0 billion, or approximately 80%, of total public funds. The remaining balance of ¥600 billion in public funds consists entirely of non-convertible type Preferred Stocks. We plan to complete the repayment of public funds during fiscal 2006, while continuing to maintain sufficient financial soundness through steady accumulation of retained earnings.

To strengthen our capital base and support our growth strategy going forward, in November 2005, we conducted an offering of more than ¥500 billion of the Common Stock of Mizuho Financial Group, Inc. (MHFG) held by Mizuho Financial Strategy (MHFS, formerly Mizuho Holdings). Following the planned full repayment of the public funds, we intend to repurchase and cancel the remaining Common Stocks of MHFG held by MHFS periodically, giving due regard to our financial condition and other factors.

We are fully committed to moving forward steadily with the implementation of our “Channel to Discovery” Plan, with the objectives of becoming “a financial partner that helps customers shape their future and achieve their dreams,” further strengthening our competitiveness and profitability, and increasing our corporate value. I sincerely look forward to your continuing support.

January 2006



**Terunobu Maeda**  
President & CEO

Mizuho Financial Group, Inc.