

## Advancing into a New Phase of Our Management Strategies

We advanced into a new phase in our management strategies and deployed our new business strategy, called the “Channel to Discovery” Plan, in which we focus on enhancing our top-line growth (expansion in Gross Profits), while accelerating the repayment of public funds.

### Earnings Performance

Our top line profits, the strengthening of which has been the primary focus of our management efforts, steadily increased, while we accelerated the reduction of General and Administrative Expenses.

Moreover, due mainly to low and stable Credit-related Costs and steady increase in profits for our group companies, our consolidated Net Income for the first half of fiscal 2005 amounted to ¥338.5 billion, an increase of ¥104.6 billion compared to the same period of the previous fiscal year.

There was a notable improvement in our interim Return on Equity (ROE), which rose to 17.7% (annualized basis). In addition to our good profit performance, this improvement was also due to the repurchase and cancellation of Preferred Stocks of public funds.

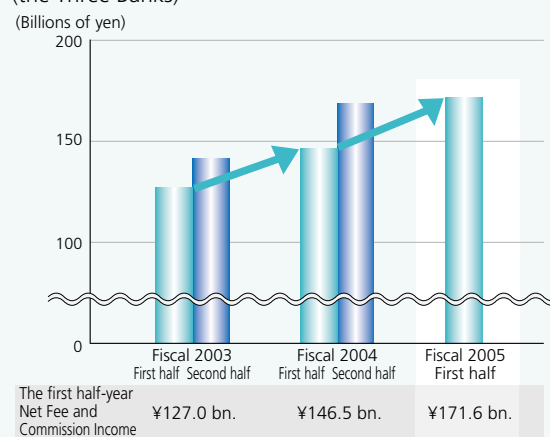
#### ● Steady Enhancement of Top-Line Growth and Reduction of Expenses

With regard to Non-interest Income, in our business with corporate customers, fee income from our solutions businesses increased as well as profit base in foreign exchange and overseas businesses steadily expanded. In our business with individual customers, fee income related to investment trusts and individual annuities increased as a result of expansion in sales of investment products.

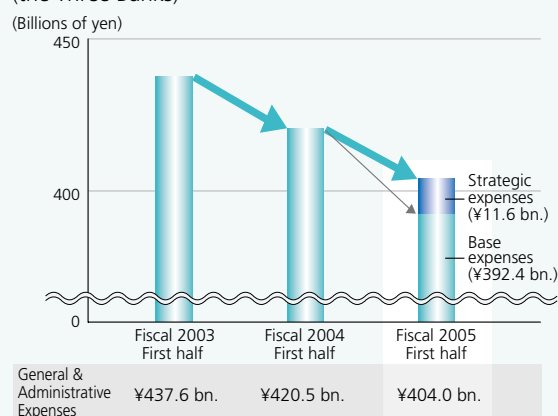
Net Interest Income continued to decrease, due in part to the effects of the decrease in loans during the previous fiscal year. As for the loan balance, however, our domestic loans bottomed out and expanded in the first half of fiscal 2005, in addition to an increase in overseas lending. The main factor contributing to this increase in our domestic loans was an increase in our loans to middle credit risk corporations and our personal loans, both of which are business areas we have focused on from the previous fiscal year, and this increase was also supported by the improvement in the domestic economy.

With regard to General and Administrative Expenses, as a result of the completion of Mizuho Bank's IT systems integration in December 2004, “base expenses,” especially IT-related expenses, further decreased. On the other hand, “strategic expenses” were allocated to growth business areas, such as the strengthening of the consulting framework in our individual customer market, and have contributed to an increase in our top-line profits. As a result of these and other developments, Mizuho's Expense Ratio, excluding impact of dividends received from the financial subsidiaries for corporate revitalization, improved 5.6 percentage points and declined to 47.6%.

#### Increase in Net Fee and Commission Income (the Three Banks)



#### Decrease in General and Administrative Expenses (the Three Banks)



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### Further Improvement in Financial Soundness

Even after the repayment of public funds, our BIS Capital Adequacy Ratio was sustained at a sufficient level of 10.73% as of September 30, 2005.

Our Net Deferred Tax Assets to Tier 1 Capital Ratio at 19.6% and our Non-performing Loan Ratio at 1.85% demonstrate further improvement in our financial soundness.

\*The Three Banks: Mizuho Corporate Bank + Mizuho Bank + Mizuho Trust & Banking + their financial subsidiaries for corporate revitalization.

### Disciplined Capital Management

#### ● Repayment of Public Funds:

##### Repayment of More Than 80% of Public Funds

We repurchased and cancelled Preferred Stocks of public funds amounting to ¥616.4 billion in August 2005 and ¥250.0 billion in October 2005 on an issued-price basis.

As a result, the aggregated amount we repaid was ¥2,349.0 billion, or approximately 80% of the initial amount of ¥2,949.0 billion (Preferred Stocks of ¥1,949.0 billion and Subordinated Bonds of ¥1,000.0 billion), and we have steadily improved the quality of our capital.

As we gave priority to canceling convertible Preferred Stocks in order to avoid dilution, the only and remaining Preferred Stocks of ¥600.0 billion public funds are all non-convertible type.

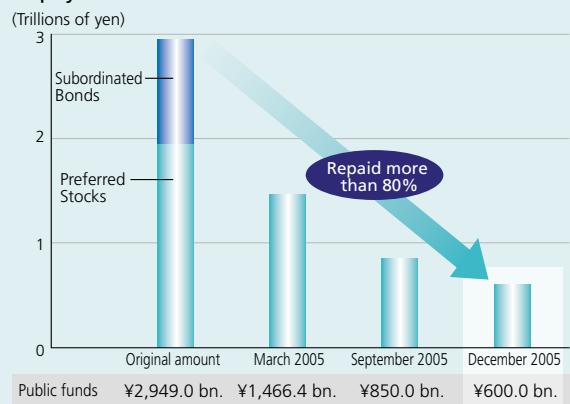
We aim to complete full repayment of the remaining public funds by the end of fiscal 2006, while maintaining a sufficient financial soundness through the steady accumulation of retained earnings.

#### ● Secondary Offering of Common Stock of Mizuho Financial Group, Inc. (MHFG)

In November 2005, by means of a global offering, we conducted an offering in the scale of more than ¥500 billion of MHFG's Common Stock held by Mizuho Financial Strategy (MHFS) (formerly Mizuho Holdings). This offering will contribute mainly to enhancing the group's capital base to support future growth strategies.

With regard to the remaining Common Stocks of MHFG held by MHFS after the offering, our aim is to repurchase and cancel such stocks periodically, after the completion of our intended full repayment of the public funds, taking our financial condition and other factors into consideration.

#### Repayment of Public Funds



### Trends in MHFG's Stock Prices

Our strong profit performance and improved financial soundness have been reflected in our stock prices.

