

*A Message from the President & CEO of Mizuho Corporate Bank, Ltd.*  
***Building a Presence as a Global Investment Bank***



*As we accelerate the pace of the implementation of our global strategy, we are entering promising new business fields.*

Building on our strong client base as the bank at the core of Mizuho's Global Corporate Group, as our "Investment Banking Declaration" and "Global Declaration" suggest, we are aiming to globally deploy a business model that promotes and combines our commercial banking and investment banking capabilities.

#### **Our "Global Declaration" and Its Results**

We followed the "Investment Banking Declaration" that we announced in 2005 with our "Global Declaration," which we announced in June 2006, and began initiatives to become a leading global bank.

In line with this objective, we opened a branch in New Delhi, India, in May 2006, and followed this by opening another five overseas branches and relevant office, and one representative office. In fiscal 2007, we are continuing these initiatives to expand our global network coverage. Moreover, on June 1, 2007, Mizuho Corporate Bank (China) began operations, thus making us the first Japanese bank to offer services through a banking subsidiary in China. The advantages of opening this subsidiary include the ability to provide services in

yuan at all our branches in China. We also anticipate that this will make it easier for us to obtain authorization to open new branches and obtain licenses for entering new business activities in China.

On the other hand, for those geographic and product areas that our group's network does not cover, we are supplementing our capabilities through stronger strategic alliances with leading financial institutions by concluding business cooperation agreements and making equity investments in those institutions.

Another development important for the global expansion of our activities was the acquisition of financial holding company (FHC) status in the U.S., which we obtained from the U.S. Board of Governors of the Federal Reserve System in December 2006. As a result, by combining our banking and securities capabilities with those of Mizuho Securities, we will be able to expand the coverage of our investment banking operations from Japan, Europe, and Asia to the U.S. — the world's largest financial market.

#### **Stepping Up Our Global Strategy**

Looking at recent economic and financial market trends in Japan and overseas, the Japanese economy is continuing on a gradual expansionary trend. Our major Japanese corporate clients are clearly focusing on two strategic objectives. The first is to consolidate their marketing and operating positions in Japan and the second is to seek new growth in overseas markets. Overseas, along with the expansion in the international M&A market and in the volume of money in global funds, the markets for investment banking services in the U.S., Europe, and Asia are showing signs of significant growth.

With these recent developments in mind, we have resolved to implement a bold global strategy that will differentiate Mizuho and give us a competitive edge going forward.

Specifically, our global strategy has a number of key elements. The first is to proactively develop our investment banking operations on a global scale. We already have the top market share in Japan's syndicated loan market and are among the international market leaders

in project finance (ranking number three internationally in 2006) and leveraged finance/management buyouts (ranking number five in Europe in 2006). Our next major initiative, subject to the approval from relevant authorities, will be to merge Mizuho Securities with Shinko Securities to form a full-service securities company that will rival the top three Japanese securities companies. In addition, our FHC status will enable us to offer a full line of securities services through Mizuho Securities (USA) in the U.S.

Building on our enhanced capabilities for offering financial products and stringent compliance systems, we will strengthen our ties with Mizuho Securities and offer cutting-edge, comprehensive financial solutions globally to meet the diverse and sophisticated financial needs of our clients.

### Entering New Business Fields

The second element of our global strategy is to create and develop new business fields. Mizuho Corporate Bank was the first Japanese bank to make a full-scale entry into the alternative investment management business, offering these investment products to professional investors, including institutional investors and pension funds. Beginning in the current fiscal year, we have formed a specialized unit for alternative investments, and, in April, together with Mizuho Securities, we established Mizuho Alternative Investment in the U.S. as a strategic asset management subsidiary for dynamic development of this business. In addition, in our sales and trading departments, we have expanded our product lineup beyond interest-rate and currency products to span commodity and credit products.

The third element of our global strategy is to create a management infrastructure appropriate for the global development of our business mission. For example, to build a business platform to support our growth strategy, we are upgrading our information infrastructure and working to promote the speedy sharing of information within our organization as well as the transition to a “paperless” working environment. We are also implementing measures to enhance the sophistication of our decision-making flow.

In parallel with these initiatives, in personnel management also, we are executing changes to enable us to further evolve our business model. To train and recruit diverse human resources in Japan and overseas, we are enhancing policies aimed at further promoting the activities and contributions of national staff members and female employees.

Moreover, in the area of compliance, we are fully aware of our corporate social responsibilities as a financial institution, and are therefore putting into place measures to substantially strengthen our compliance management frameworks and make them fully capable of supporting business development on a global scale.

Competition among the world's financial institutions is growing ever more intense. To establish a presence as a global investment bank, it will be essential to structure a business model of our own founded on strong risk-management capabilities and a strict compliance framework. We will move into the full-scale implementation of the global strategy that I have outlined and take up the challenge of attaining the objective of “real globalization.” The senior executive officers and employees of Mizuho Corporate Bank share a common awareness and will promote the development of the bank's model going forward. Accordingly, we look forward to earning your ongoing support as we work to building our presence as a world class, global investment bank.

July 2007



Hiroshi Saito  
President & CEO  
Mizuho Corporate Bank, Ltd.

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## *Earning the Unshakeable Trust of Our Customers*



### *A Year Devoted to Creating a Rock-Solid Growth Trend.*

#### **A Retrospective on the Year: What We Did to Earn Customer Trust**

In fiscal 2006, based on the group's "Channel to Discovery" Plan, Mizuho Bank, as the core of the Global Retail Group, worked to move closer to the objective of our medium-term management plan — becoming "The Best Bank in the Middle and Retail Markets." We define "best bank" to mean "No.1 in terms of customer satisfaction" and "No.1 in profitability." Fiscal 2006 was therefore a year when we took the next steps toward building long-term relationships of trust with our clients.

About 25 million individual customers have accounts with Mizuho Bank, and about 100,000 companies, primarily small and medium-sized enterprises (SMEs) and middle-market corporations, rely on us for financing. A common theme we must address is meeting the increasingly diverse and sophisticated financial needs of both individuals and corporations. During the fiscal year, we endeavored to strengthen ties with other group companies to offer speedy services tailored to meet the requirements of our customers. Also, while working to substantially upgrade our service lineup, we

adopted measures to heighten the awareness of compliance issues among senior executive officers and employees and carried out a proactive program of corporate social responsibility (CSR) activities.

#### ● **Services for Individual Customers**

Mizuho Bank opened a new branch in the Toyosu area of Tokyo in March and proceeded with our opening "Mizuho Personal Squares," the branches with a greater focus on convenience for individual customers. In addition, during the year under review, we had a total of about 2,300 financial consultants (FCs), who are capable of offering advice in many specialized areas, assigned to our branches nationwide in Japan. In addition, we installed "Premium Salons," which are consultation booths for our customers, in our branches throughout Japan. Moreover, we are installing Mizuho Investors Securities' "Planet Booths" in the lobbies of our branches, whereby we can offer one-stop services to meet the securities-related needs of Mizuho customers.

Among our products and services for customers, we continued to enhance the attractiveness of the various services offered to members of the Mizuho Mileage Club, including preferential charges on certain services, and total membership in this club now exceeds 3.5 million. In addition, to provide security to our customers, we proceeded with the issuance of ATM cards incorporating IC chips and, in last fiscal year, introduced biometric identification (finger vein recognition) for ATM transactions. To deal properly with losses due to forgery and card theft, we introduced compensation for such losses, as provided for under Japan's Depositor Protection Law.

Within our lineup of loan products, we expanded our range of housing loans and our housing loan centers, which are dedicated to providing such loans and related services. Through our tie-up with Orient Corporation, we have created a finance framework that responds to a wide range of needs, including providing uncollateralized loans.

#### ● **Services for Corporate Customers**

In our corporate customer business, while stepping up our activities to develop relationships with new

customers, we responded to a wide range of financing needs in the SME and middle markets. We also provided solution business services, such as facilitating business succession and M&A, supporting IPOs, and offering assistance for companies entering or expanding their operations in markets outside Japan. These solution business services are offered by about 350 dedicated staff at the head quarter, who work together with branch staff members to help customers address a broad spectrum of management issues. Moreover, we draw on the comprehensive capabilities of the group, including the knowledge and skills of Mizuho Investors Securities, Mizuho Capital, and Mizuho Trust & Banking, to assist customers in listing their stocks and making arrangements for passing business to the next generation or to new owners.

For small-scale companies, we have established the Mizuho Business Finance Center, a subsidiary with more than 600 experienced staff, which is dedicated to financing small-scale companies and responding proactively to their needs for funding.

Among financial products, to reduce excessive reliance on real estate collateral and guarantees by individuals, we are working to expand our range of unsecured loan products and are endeavoring to develop and offer securitization and lending schemes secured by operating revenue generated in account receivables, inventories, and other assets.

Also, for both individuals and corporations, we are upgrading our Internet-based banking services and actively developing new methods for settlements via mobiles.

#### ● Promoting Compliance and CSR Activities

To create a corporate culture that will promote thorough compliance with laws and regulations and effective internal controls, we have strengthened monitoring activities at our head quarters and branches and substantially expanded our internal control systems.

In our CSR activities, we are focusing on the theme of “aiming to be a bank that is user-friendly for everyone, regardless of age, gender, or physical challenges.” These activities, which we have named our “Heartful Project,” are including creating fully barrier-free

branches, documents, website and interaction with customers.

#### Looking to Fiscal 2007

The current fiscal year will be the final year of the group's strategic “Channel to Discovery” Plan. We want to maximize the effectiveness of our ongoing business strategy and attain steady and stable growth. Realizing these goals will require three supporting elements: (a) winning the maximum trust of our customers, (b) creating a rock-solid growth trend, and (c) working to build the optimal business infrastructure.

To win the unshakeable trust of our customers, we must of course offer a broader lineup of products and services, but, in addition, to build closer relationships with our customers, we will implement a much larger shift of personnel from the head quarter to our branches. At the same time, we will implement initiatives to ensure compliance and customer protection in all aspects of our business activities because these are crucial preconditions for winning and maintaining customer trust. To create a rock-solid growth trend, we will make investments and allocate expenditures strategically and selectively to strengthen earnings power in our core businesses. To build the optimal business infrastructure, we will continue working to attain even greater sophistication and efficiency in our internal processing operations.

The senior executive officers and employees of Mizuho Bank are committed to making the bank a financial institution that offers convenient services for our customers, provides them greater security, and inspires them to think “Mizuho is the bank I want to deal with.” As we work toward building long-lasting customer relationships based on underlying customer trust and confidence, we look forward to your continuing support.

July 2007



Seiji Sugiyama  
President & CEO  
Mizuho Bank, Ltd.

## *Securities, Trust and Asset Management Business Strategies*

### **Basic Strategy for the Securities Business**

In order to pursue greater synergies by strengthening cooperation between group banks and securities companies and exploiting its overall strengths, the group has promoted integrated banking and securities operations based on customer segmentation, while ensuring that the securities companies make the most of their capabilities and advantages.

### **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 the major securities companies.

It has already established a top-level presence in the area of M&A and other financial advisory services for Japanese clients, 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 clients 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 expand its cooperative channels with MHBK by establishing a network of 100 joint branches. It is also proactively strengthening ties with the group, promoting a securities sales agency business with MHBK, a trust business with MHTB as an agent, and its IPO business through cooperative efforts with other group companies. With this as its operational base, MHIS responds to customers' asset investment needs by offering various securities-related solutions,

and to their funding needs by offering stock and bond underwriting services and consulting business 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 middle market/retail customers with a wide selection of financial products and services.

Shinko Securities has started to handle wrap accounts in its securities sales agency business with MHBK, and has launched a trust business with MHTB as an agent.

Subject to the approval from relevant authorities, MHSC and Shinko Securities will merge as of a target date of January 1, 2008. Mizuho Securities, the merged new entity, will offer competitive cutting-edge financial services on a global basis through the combining of MHSC's global investment banking business platform and Shinko Securities' nationwide client base and business network as full-service securities company covering all of Japan.

## Basic Strategy for the Trust Business

The group recognizes that the asset management business is a growth sector and is working to deliver the best solutions to clients through MHTB, which offers a full range of trust services as the core Global Asset & Wealth Management Group, and Trust & Custody Services Bank (TCSB), which offers high-level custody services.

MHTB quickly and accurately responds to the increasingly diversified and sophisticated needs of today's clients by offering various products and services together with group companies through the agent system and with external entities through business tie-ups, and also by holding joint seminars.

## Mizuho Trust & Banking

MHTB aims to become the most trusted trust bank by accurately meeting the diversified needs of clients 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 clients 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" and "Chochiku no Tatsujin" which are money trusts based on securitized automobile loan assets, 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 carefully-tailored services. MHTB is offering services to an even larger number of clients through its network of agents at MHBK, and has one of the highest balances of such trusts in the sector. For corporate clients, MHTB cooperates with group companies in offering optimal solutions in such areas as real estate, securitization, pensions, the stock transfer agency business and asset management. In particular, through its sophisticated consulting services, MHTB supports clients in formulating effective business strategies to deal with management issues arising from changes in accounting

systems and revisions to the Company Law.

MHTB will continue to identify clients' 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 clients with high-quality, high value-added trust and custody services, and outsourcing for comprehensive asset administration services. TCSB also responds to clients' 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 pensions markets, we aim to become one of the world's leading players in terms of both quality of services and assets under management.

On July 1, 2007, Dai-ichi Kangyo Asset Management and Fuji Investment Management merged to become Mizuho Asset Management.

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

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.