

## *Global Corporate Group*

— Approaches to Large and Global Corporations, and Other Entities —



### *Business Environment and Overview of the Global Corporate Group*

The Japanese economy remains firm due to strong exports and robust capital expenditure driven by a sustained improvement in corporate earnings. Moreover, with firm growth in the U.S., Europe and Asia, the global economy is taking a turn for the better, and markets for various industries are expanding as a result of surging worldwide demand. In this environment, there are signs of a global industrial realignment that transcends national boundaries. Under these conditions, clients among large and global corporations and other entities expect financial institutions to do more than simply resolve their financial issues in areas such as funding and financial efficiency. Indeed, their needs have expanded to include restructuring existing businesses, advancing into new business sectors, overseas strategies, risk management and numerous other management issues.

For a financial group to enhance its competitiveness in satisfying these needs, it is essential to offer sophisticated, cutting-edge solutions that combine financial functions such as securities and trusts, as well as banking.

To respond to the needs of large and global corporations and other entities, the Global Corporate Group provides highly specialized, cutting-edge solutions by leveraging its banking, securities, trust and other financial capabilities and promoting close cooperation between the global corporate banking sector and the wholesale securities sector.

## Key Group Companies

### ● Mizuho Corporate Bank

MHCB provides optimal solutions to the increasingly diverse and sophisticated needs of clients in the areas of both finance and business strategies, focusing its efforts on serving major corporations (such as those listed on the first sections of domestic stock exchanges), financial institutions and their group companies, public sector entities, and overseas corporations including subsidiaries of Japanese corporations.

Specifically, it is revamping its organization to dramatically strengthen its ability to provide solutions through competitive services at the global level.

In addition to taking full advantage of the functions of other group companies such as MHBK, MHSC and MHTB, it is working in broadly based cooperation with foreign investment banks and various types of investment funds as it pursues a "deal after deal" marketing strategy that offers clients cutting-edge financial solutions on a continuous, multi-faceted basis.

### ● Mizuho Securities

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

Its operations have been broadly divided into the "Global Investment Banking Groups" and the "Global Markets & Products Groups," and it is strengthening its market presence in both areas.

## Highlights

### ● MHCB

- In December 2006, became the first Japanese bank to acquire financial holding company (FHC) status in the U.S.
- Established an asset management company in New York to engage proactively in "alternative" asset management business aimed at professional investors, an area experiencing remarkable global growth and expansion.
- Remains committed to expanding its network. Established branches in New Delhi, Wuxi, Brussels\* and Ho Chi Minh City, and representative office in Moscow, and commenced business promotion activities at the São Paulo Representative Office in fiscal 2006. Became the first Japanese bank to establish a local subsidiary in China in June 2007.

\* The Brussels Branch is a branch of Mizuho Corporate Bank Nederland.

- Maintained top domestic share in the syndicated loan sector in fiscal 2006.
- Claimed number three spot in Thomson Financial's world ranking of project finance arrangers.

### ● MHSC

- Concluded a merger agreement with Shinko Securities on March 29, 2007. Subject to the relevant authorities' approval, the merger will take place as of a target date of January 1, 2008.
- Implemented a sweeping reorganization in April 2007 to enable it to offer proposals for comprehensive solutions in response to clients' increasingly sophisticated needs.
- Received the Thomson DealWatch "Straight Bond House of the Year" and "Asset-backed Securities House of the Year" awards.

## Accelerated Global Strategy

### Acquisition of FHC Status in the U.S. Marks New Embarkation

In December 2006, MHCBC became the first Japanese bank to acquire financial holding company (FHC) status in the U.S. As a result, Mizuho Securities USA is now able to engage in full-scale securities business operations in the U.S., including underwriting corporate bonds and equities. From a broader perspective, it also enables Mizuho to engage in a wide range of investment banking activities in the world's largest market — the U.S. — in addition to Japan, Europe and Asia.

### Development of New Business Fields

In the global wholesale market, MHCBC is now proactively engaged in the “alternative” asset management business, which is growing and expanding at a remarkable rate. Its goal is to open up new business fields with high growth potential. To this end, in April 2007, a specialist unit was created within MHCBC and an alternative investment company was established in New York jointly with MHSC. MHCBC will further strengthen its global capabilities in Japan, the Americas and Europe with a view to becoming Japan's pioneer in this area.

Making the promotion of its global investment banking products more sophisticated and strengthening its approach to new business fields with high growth potential will enable MHCBC to provide clients with advanced financial solutions of a higher level of sophistication than ever before.

## Accelerating Global Business Promotions

### New Global Expansion

As a leading financial institution in Japan, Mizuho offers domestic and foreign clients engaged in global business activities the best available solutions by dynamically combining its rich experience in overseas markets with its powerful overseas network and its cutting-edge financial products.

#### ● Strategic Reinforcement of Office Network

In light of the increasing global expansion of its clients' business, MHCBC is proactively extending its global network in order to provide them with high-quality support.

Among other things, it has strengthened its support for Japanese companies that are increasingly active in the burgeoning BRICs (Brazil, Russia, India and China) economies. MHCBC opened the New Delhi Branch in May 2006, the Wuxi Branch in June 2006, and the Moscow Representative Office in March 2007. In February 2007, the São Paulo Representative Office commenced business promotion activities. It also opened branches in Brussels\* in July 2006, and in Ho Chi Minh City in Vietnam in October the same year. The branches in New Delhi and Ho Chi Minh City are the bank's second branches in the two countries, allowing MHCBC to offer services that are even more seamless than before.

In fiscal 2007, it opened the Milan Branch in April, and the Dubai Representative Office in June. In May 2007, the Mexico Representative Office commenced business promotion activities. On June 1, 2007, Mizuho Corporate Bank (China) opened for business, and Mizuho's five Chinese branches (Shanghai, Beijing, Shenzhen, Dalian and Wuxi) were transferred to its jurisdiction. The establishment of a local subsidiary should expedite authorizations for new branches, allow all branches in China to handle the yuan, and make it easier to obtain licenses for new businesses, ultimately resulting in greater convenience for its clients. Also, MHCBC opened the Tianjin Branch in July 2007, the first new branch in China since the local subsidiary was established.

MHCBC will continue to carefully analyze medium- to long-term trends in economic conditions and clients' needs in these regions with a view to maintaining its flexible, proactive branch network development strategy.

\*The Brussels Branch is a branch of Mizuho Corporate Bank Nederland, a wholly owned subsidiary of MHCBC.

## ● Strengthening Alliances

The group complements those regions and products that its network cannot cover by strengthening relationships with leading local financial institutions through tie-ups and equity investments.

It has built relationships with a number of overseas financial institutions, including TISCO Bank of Thailand in June 2006, and two Korean financial institutions — the Shinhan Financial Group and the government-affiliated Korea Development Bank — in September the same year. It also tied up with two banks in Kazakhstan — JSC Kazkommertsbank and the government-affiliated JSC Development Bank of Kazakhstan — in February 2007, and BANORTE (Banco Mercantil del Norte) of Mexico in March 2007. Together with its equity investment in China CITIC Bank Corporation in April 2007, these moves represent its efforts to build up its cooperative relationships so that it can better respond to its clients' needs.

## Approaches to the Global Alternative Investment Business

MHCB is the first Japanese bank to engage proactively in a rapidly growing and expanding area of the global wholesale market — the “alternative” asset management business aimed at professional investors such as institutional investors and pension funds.

### ● Establishing Mizuho Alternative Investments

In April 2007, MHCB and MHSC jointly established an asset management company called Mizuho Alternative Investments, as a strategic focus for full-scale engagement in the alternative investment business.

In addition to investing in CLOs and CDOs, the company is due to establish a credit arbitrage fund. Positioned at the core of group business operations, this company will offer products that are attractive to investors by boosting its investment earnings and expanding its product lineup.

### ● Future Business Development

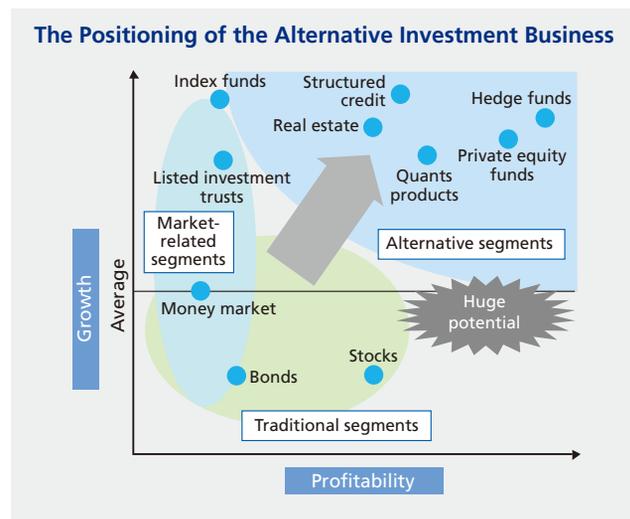
Centered on Mizuho Alternative Investments and Mizuho Investment Management UK, the group is working vigorously to develop investment products. At the same time, it is reinforcing its network across the Americas, Europe and Asia, including the establishment of an investment company in Tokyo, in order to strengthen its access to global money and create superior level investment opportunities.

It is also drawing on the all-round strengths of group companies through appropriate tie-ups with their various functions as represented by MHSC, which is strengthening its global sales network, MHTB, which has been commissioned to handle pension fund management, and Mizuho's asset management companies.

## Sharing Clients' Global Growth Strategies

Based on its “Investment Bank Declaration” and its “Global Declaration,” MHCB is drawing on its robust, long-term relationships with clients in the area of commercial banking operations to develop its “solutions business” and thus help raise its clients' corporate value over the medium- to long-term.

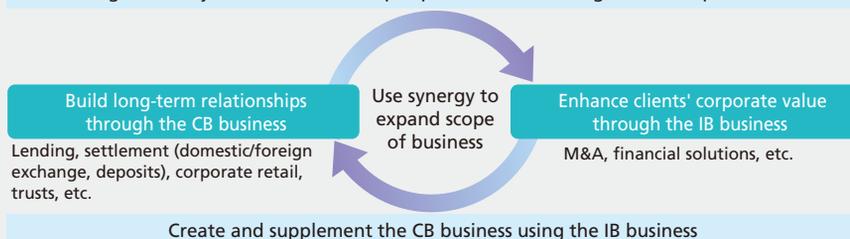
Acting as relationship managers (RMs) for the entire group and employing a “strategic advisory service-based solutions business approach” as their code of behavior, MHCB's RMs identify the management issues clients face amidst intensifying global competition. They offer M&A advisory services, various forms of securitization, syndicated loans and pensions and cash management systems (CMS), and make maximum use of the banking, securities, trust and other specialist functions embodied within the group to offer the best possible financial solutions on a global basis.



The environment facing clients is changing rapidly as a result of growing activity in the area of strategic cross-border corporate alliances and increasingly fierce competition for market share in emerging markets overseas. MHC's Industry Research Division has led the field of domestic industrial research for many years, and has now established its offices in New York and London to strengthen its industrial research capabilities on a global basis, allowing it to work with its clients in tackling management issues and strengthening its functions as a global partner.

### Combining CB (Commercial Banking) and IB (Investment Banking) Functions

Strategic advisory functions from the perspective of enhancing clients' corporate value



## Solutions for Financial Institutions and Public Sector Entities

### ● Financial Institutions

MHC offers the financial institutions among its clientele appropriate proposals for comprehensive solutions in such areas as financial strategies and risk management. In order to respond to clients' increasingly diverse and sophisticated investment needs, MHC's investment proposals have come to embrace new products and investment instruments, including cross-border syndicated loans, and investment products incorporating tailor-made investment trusts and structured credit products. MHC also draws on the financial functions of group companies for creating proposals for high-quality advisory services and solutions to management issues associated with strengthening clients' financial structures. These include capital policies, removing assets from the balance sheet, offering products for retail, and internal control schemes.

### ● Public Sector Entities

Special public corporation reforms, government FILP (Fiscal Investment and Loan Program) reforms and other reforms affecting the public sector have now begun in earnest. As a result, the needs of public sector clients have become more diverse and sophisticated than ever. In response, MHC endeavors to propose optimal solutions that bring together the sophisticated expertise and know-how of group companies. In the area of diversifying financial needs, examples include the arrangement of syndicated loans and asset securitization, as well as advisory entrustment and the proposal of derivative products to meet increasingly complex risk management needs.

In the public bond business, MHC provides issuers with stable support for funding using its strong record and rich experience as a leading bank.

## Offering Financial Product Functions at the Global Level

### Providing Comprehensive Solutions at Home and Overseas

#### ● Leveraged Finance and MBOs

Amidst the rapid growth in Japan's M&A business in recent years, MHC has endeavored to help clients raise their corporate value through business restructuring by promoting leveraged finance, primarily non-recourse finance, based on the cash-flows of the target companies. In the MBO/LBO sectors in particular, it provides advisory services and arranges finance in

connection with large-scale business restructuring involving sell-offs of clients' business divisions and subsidiaries, and similar deals. It has also adopted a proactive approach to cross-border deals and through its four-axis global network centered on Tokyo, New York, London and Hong Kong, has compiled an excellent track record in the sector for leveraged finance transactions at the global level.

Group companies Mizuho Corporate Advisory and Mizuho Capital Partners provide advisory services in connection with MBOs and financial strategies, as well as responding to clients' increasingly sophisticated financial needs through investments in MBO funds and mezzanine funds.

## ● Real Estate Finance

MHCB is a leading player in the real estate finance business, using a full range of instruments, from senior debt to mezzanine finance, and equity investment to arranging financing. It also puts together large-scale development finance projects associated with urban renewal, such as the Tokyo Midtown Project, which redeveloped the site once occupied by the Defense Agency, and engages in the real estate fund investment business.

As globalization fuels rapid changes and expansion in the real estate market, it is endeavoring to provide clients with optimal solutions for their efforts in areas like financial strategies and domestic and overseas real estate deals. In doing so, it draws on its strong record and rich experience in real estate finance, its real estate-related advisory functions and its links with overseas branches.

## ● Structured Finance

MHCB supports clients' financial strategies by arranging securitization programs to satisfy their diversifying needs for funding through asset securitization and offering optimal solutions for removing assets from the balance sheet in order to improve their management indices.

It offers several securitization solutions for clients with a variety of assets, and uses syndication methods to satisfy investors' needs for sophisticated, specialist products and solutions.

In order to provide a wide range of finance solutions using securitization methods, it offers inventory finance and other forms of asset-based lending, and "whole business securitization" schemes for securitizing businesses based on operational cash flow.

## ● Project Finance

By its very nature, project finance has to be tailored to the different business structures of individual projects, and requires sophisticated skills and a rich store of knowledge. With its team of highly experienced banking staff operating at the global level, MHCB ranks third in the world on an arrangement value basis. This kind of performance has greatly enhanced its reputation, to the extent that in February 2007 it was awarded the financial advisor contract for the Panama Canal expansion project by the Panama Canal Authority. A total of 15 U.S., European and Japanese banks participated in the international bid for the contract.

In line with the shift from the public to the private sector, MHCB offers non-recourse finance for PFI/PPP projects such as natural resource development, power generation, desalination

and infrastructural improvement in Japan and overseas. It has also established an expert financial advisory team to offer optimal solutions to clients with a range of needs for project feasibility assessments and funding advice.

### Project Finance Global Mandated Lead Arranger Table

(January to December 2006)

Rank	Company name	Amount (millions of U.S. dollars)	No. of transactions
1	Royal Bank of Scotland	13,236.7	66
2	Calyon	8,664.4	60
3	<b>Mizuho Financial Group</b>	7,722.8	54
4	Societe Generale	7,028.5	34
5	ABN AMRO	6,276.3	18
6	BNP Paribas	5,930.3	47
7	Banco Bilbao Vizcaya Argentaria	5,790.6	32
8	WestLB	5,436.4	36
9	State Bank of India	5,365.2	27
10	Mitsubishi UFJ Financial Group	4,425.5	47

Source: Thomson Financial

## Syndication Business Continues to Develop

Japan's syndicated loan markets have grown rapidly in recent years and MHC B plays a leading role in driving market growth and providing high value-added services by making active use of the syndication function to meet a variety of corporate financial needs in all sectors. Examples include cross-border syndicated loans ("Ninja Loans") for foreign companies and sovereign entities raising funds in the Japanese market, large LBO deals using M&A finance, and earthquake disaster response deals ("Renaissance Commitment Lines") to facilitate financing when disastrous earthquakes occur. MHC B also made a major contribution to the development of the loan trading market, handling deals amounting to over ¥1 trillion in fiscal 2006.

To provide appropriate solutions for clients expanding their global businesses in a wide range of areas, it has deployed expert staff at its offices in New York, London, Shanghai, Hong Kong and Singapore. In addition to further strengthening its global syndication framework, this enables it to promote its comprehensive, worldwide investment banking business through tie-ups with various services centered on financial products.

Through its commitment to a proactive involvement in the syndication business as a means of satisfying the needs of both corporate clients and financial institutions, MHC B is seeking new modes of corporate finance that go beyond traditional methodologies. It is also determined to contribute to further market development in its role as a market leader in market-oriented indirect financing.

## Promoting the Global Market Business

### ● Strategic Reinforcement of Sales and Trading Capabilities

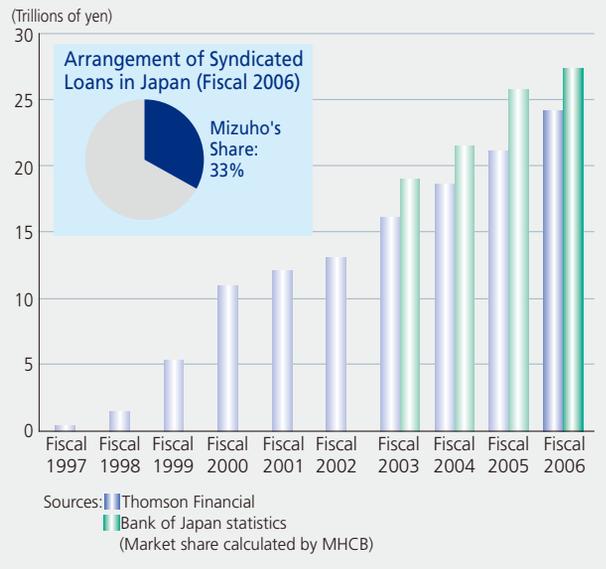
MHC B has expanded its product lineup from basic areas such as interest rates and foreign exchange to oil, metals, weather and other commodity derivatives, and ultra-long-term, low-liquidity currency derivatives. For local currency transactions in countries around the world, it continues to expand its product range, strengthen its trading capabilities, and offer high-quality solutions to increasingly globalized clients, thus maintaining its efforts to become the most relied-on "bank of choice."

It is also strengthening its tie-up with Mizuho-DL Financial Technology (a group company specializing in the development of financial technology) and is introducing sophisticated risk control methodologies that incorporate dynamic foreign exchange hedging — a statistical/probabilistic exchange risk hedging method that eliminates market views and arbitrariness — and loans that incorporate commodity derivatives, to take care of areas that are not covered by existing risk management methods.

### ● Full-Scale Involvement in the Credit Market

MHC B is determined to make a full-scale entry into the credit market. Starting with its investment in Mizuho Alternative Investments, an asset management company established in the U.S. to manage credit arbitrage transaction funds, it is diversifying its credit investment management style and expanding the size of its investments. It is also expanding its credit derivatives trading in areas like correlation trades, which focus on the correlations between multiple issues in credit default swaps (CDS).

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



## Promoting the Transaction Business at the Global Level

### ● e-Business

MHCB responds to clients' needs for greater efficiency in fund operations by offering the Mizuho Advanced CMS cash management system as its core solution product for pooling, agency payment services and other solutions for managing funds.

It also offers sophisticated cash management solutions at a global level to clients with overseas offices through the Mizuho Global CMS and the Mizuho Global Pooling Service.

### ● Exchange and Trade Finance

Specialist divisions and domestic and overseas offices cooperate in business promotion by proposing global-based solutions. MHCB responds to clients' overall finance needs in the area of trade and overseas investments through currency options, NDF (Non-Deliverable Forwards) and other forms of exchange hedges, issues of guarantees for large exports centered on emerging markets, structured trade finance, commodity finance and advanced trade finance, including ECA finance (finance provided principally to developing countries in cooperation with public Export Credit Agencies).

### ● Yen Cash and Securities Settlements Business

MHCB has been offering comprehensive yen cash and securities clearing services to global financial institutions. In order to make operations more efficient and solid and to meet sophisticated clients' needs, we continue to upgrade our systems and implement everyday "Kaizen (improvement)" process into our operations. Recently, Euroclear, the world's largest international securities settlement service provider, has designated MHCB as the sole custodian for JGB transactions.

### ● Pensions Business

Drawing on total group strengths to offer comprehensive pension services, MHCB has a top class number of participants in the field of defined contribution pension plans in Japan. MHCB also acts as a trust agent for MHTB.

## Credit Portfolio Management

MHCB has been proactively engaged in credit portfolio management (CPM) as part of its efforts to promote its "originate to distribute" business model. It is working to maintain and enhance the soundness and profitability of its credit portfolio by strategically rebalancing its assets and controlling credit risk by utilizing the credit market to respond to changes in the status of the bank's entire credit portfolio and the macro economic situation.

Specifically, it is expanding its efforts in loan sales and hedging through CDS and securitization targeting domestic and foreign companies. For instance, in March 2007 it arranged synthetic CLOs, a new securitization scheme hedging only the subordinated portion of loans, which pose high credit risk. All these steps were taken with a view to managing its credit portfolio more actively on a global basis.

In order to respond more flexibly and timely to its clients' increasingly global and diversified finance needs, it intends to strengthen its efforts in the area of CPM.

## Seeking to Become Japan's Leading Investment Bank

Since its founding in October 2000, MHSC has made steady progress in its transformation into a full-scale investment bank as a wholesale securities company. Since fiscal 2007, it has adopted "Seeking to Become Japan's Leading Investment Bank" as a key theme of its mission, and is now implementing an action plan to realize it. The plan's management objectives call for a stronger market presence, a higher profile as a global investment bank, a robust business structure more fitting for a market leader, and the training and long-term employment of professional human resources.

### Strategic Reorganization

To strengthen its product development and deal execution abilities, MHSC introduced a divisional system, establishing the Global Investment Banking Groups to consolidate its primary market operations, and its Global Markets & Products Groups to consolidate its secondary market operations. The Global Investment Banking Groups were further reorganized to extend its coverage in order to enhance its ability to put forward comprehensive solutions for clients and thus strengthen its ability to satisfy their needs.

### Global Investment Banking Groups

The reorganization of the Global Investment Banking Groups functionally separated the "coverage organization," which serves as the overall interface with clients, from the "products organization." Enhancing the expertise of each organization enables them to offer a wide range of solutions.

In the area of bond underwriting operations, one of its long-standing strengths, MHSC has sustained its sector-leading performance. It is also building long-term relationships of trust with its clients as a result of its powerful bond selling capabilities, its ability to set prices to reflect clients' demand with precision, and respond rapidly to changes in the market. MHSC is strengthening its initiatives in the equities underwriting business, which it sees as a strategic sector, and has grown to occupy a place as a major player by winning mandates as the lead manager in some major finance deals.

MHSC has used its personnel resources and know-how to compile an impressive record that puts it among the market leaders in Japan. Among other things, it has maintained its position as the top overall ABS bookrunner for the sixth consecutive year, underscoring its high profile in the structured finance sector, notably in securitizing real estate and monetary claims.

In the area of M&A advisory services, it draws on its advanced sectoral knowledge and know-how to provide advice that suits clients' management strategies, winning a top-class reputation for its capabilities that consistently places it on the top rungs of the advisory rankings.

#### Total SB League Table

(including samurai bonds and municipal bonds, and excluding subsidiary debt issue, self-led issue, and retail-targeted)  
\*Lead managing amount basis. Total amount of issues: ¥8,362.1 billion.  
(April 2006-March 2007)

Rank	Company name	Amount (billions of yen)	Share (%)
1	Daiwa Securities SMBC	1,723.5	20.61
2	<b>Mizuho Securities</b>	1,617.8	19.35
3	Mitsubishi UFJ Securities	1,267.1	15.15
4	Nomura Securities	1,197.5	14.32
5	Nikko Citigroup	990.8	11.85

Source: Calculated by MHSC, based on data of I-N Information Systems

#### Overall ABS Bookrunner League Table

(Domestic public and private bonds and Eurobonds)  
\*Closing date basis. (April 2006-March 2007)

Rank	Company name	No. of issues	Amount (billions of yen)	Share (%)
1	<b>Mizuho Financial Group</b>	18	678.4	20.8
2	Daiwa Securities SMBC	8	578.2	17.8
3	Nomura Securities	5	523.1	16.1
4	Goldman Sachs	3	366.3	11.3
5	Citigroup	2	336.2	10.3

Source: Thomson Financial

#### M&A Advisory Ranking

(Japanese target, any acquirer nation, deals completed)  
(January to December 2006)

Rank	Advisor	Amount (millions of U.S. dollars)	Share (%)
1	Goldman Sachs	36,882	34.3
2	Nomura	35,840	33.3
3	Citigroup	33,624	31.2
4	Daiwa Securities SMBC	27,539	25.6
5	<b>Mizuho Financial Group</b>	26,230	24.4

Source: Thomson Financial

Looking ahead, it will reinforce its ability to put forward and execute proposals in line with clients' business strategy needs and create new business opportunities, while striving to further expand its M&A business.

## ***Global Markets & Products Groups***

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Having carved for itself a position as a market leader in the bond business from the beginning, MHSC provides products that suit its clients' investment strategies, engaging proactively in market-making and offering high-quality information. It is also channeling its management resources into the equities business, rapidly enhancing its market presence and responding appropriately to clients' increasingly sophisticated needs. It will further respond to its clients' needs and expand its market presence at home and overseas by strengthening its ability such as selling to overseas investors, engaging in trading in overseas stocks, and arranging and offering a variety of high value-added products.

It will also channel its management resources into the middle retail business to respond to the change in money flow as the shift away from savings and towards investments spreads to individuals as well as institutional investments and industrial corporations, proactively engaging in the securities sales agency business through regional financial institutions.

## ***Further Strengthening Global Operations***

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As a core company responsible for the Global Corporate Group's securities business, MHSC has deployed securities subsidiaries in the U.K., the U.S., Hong Kong, Switzerland, China and other overseas financial markets. This has strengthened its operating structure as a global investment bank that underwrites and sells equities and corporate bonds and engages in the M&A advisory business. When MHCB obtained FHC status in the U.S. on December 18, it became possible for it to engage in the broadly based investment banking business in the U.S. With Mizuho Securities USA. as its core entity, it now aspires to create new business opportunities.

## ***Merger with Shinko Securities***

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Based on the judgment that it is essential to restructure to allow for the provision of competitive, cutting-edge comprehensive financial services on a global basis, the decision was taken to merge MHSC and Shinko Securities. "Basic Agreement for Merger" was signed on January 10, 2007, and the merger agreement was concluded on March 29, 2007. Subject to the approval from the relevant authorities, the merger will take place as of a target date of January 1, 2008. This will result in the fusion of MHSC's global platform in the investment banking sector incorporating Shinko Securities' nationwide customer base and comprehensive securities network. Combining these two strengths should prove to be extremely important in boosting MHSC's standing still further.

After the merger, the new company Mizuho Securities will not only quickly establish high-level strengths in product development, financial expertise and sales, but will also exploit Mizuho's robust client base and global network as much as possible. In this way, it will aim to maximize the synergies of the merger as it aims to become one of the top investment bank operating in the global arena.

## Global Retail Group

— Targeting Individuals, SMEs and Middle-Market Corporations —



### *Business Environment and Overview of the Global Retail Group*

#### ● The Environment Facing Individual Customers

Against the background of an aging society with falling birthrates and other societal changes, as well as recent trends in interest rates and post-deflationary changes in the economic environment, customers' needs have diversified and become more sophisticated, while progress in deregulation has engendered new banking products and services. Furthermore, although technological developments like the Internet have encouraged these trends, new issues have arisen in such areas as the handling of personal information and security. In this more complex financial society, banks must offer products that better match the customer's life stage, superior security functions, and convenient channel networks. They must also build up relationships of even greater trust with customers through sincere communications based on accountability.

#### ● The Environment Facing SMEs and Middle-Market Corporations

As corporate earnings continue firm, it is essential to instill a new sense of vitality into the Japanese economy by promoting the creation and development of SMEs and middle-market corporations with growth potential, and venture businesses with a revolutionary, challenging spirit.

Banks are strongly required to respond to these corporate customers' needs for stable lending services and management issue resolution.

With the close cooperation of the group companies of Mizuho and leading domestic and international companies, the Global Retail Group provides top-level products and services on a global scale in response to the increasingly diversified and globalized needs of individuals, SMEs and middle-market companies.

## Key Group Companies

### ● Mizuho Bank

MHBK is proactively establishing “Mizuho Personal Squares” — branches with a greater focus on convenience for individual customers — as part of its services for individuals. It is training up more financial consultants to strengthen its consulting services, and expanding its framework for providing more competitive products through tie-ups with companies inside and outside the group. In the area of personal loans, it is reinforcing its abilities to develop products that will enable it to respond more flexibly to customers' needs. It is also encouraging customers to deepen and expand their banking transactions through the “Mizuho Mileage Club,” which allows them to accumulate points according to their usage of MHBK services, while improving the convenience of settlement channels using ATMs, and strengthening security.

As for the needs of SMEs and middle-market corporations for funding and resolution of management issues, it makes use of the financial functions and networks of Mizuho and business tie-ups to offer optimal products, services and solutions to customers ranging from those who are just starting up in business to those who seek to expand.

### ● Mizuho Investors Securities

In line with its aspirations to become “the securities company that customers know and trust most,” MHIS is working with MHBK to establish joint branches and promote securities sales agency business while cooperating with Mizuho's group companies to satisfy wide-ranging securities transaction needs in areas like IPOs.

### ● UC Card

Through its strategic tie-up with Credit Saison, UC Card has built the strongest business structure in the credit card sector by becoming the first company in Japan to specialize in both the management business of affiliated merchants and the processing business, offering highly convenient and innovative services.

### ● Mizuho Capital

Mizuho Capital ranks among the top domestic venture capital companies in performance, making full use of its rich pool of know-how and Mizuho's domestic and overseas network in its proactive approach to investment and consulting.

## Highlights

### ● Mizuho Bank

#### *Approaches to Individual Customers*

- Membership of the “Mizuho Mileage Club” has topped the 3.5 million mark.
- There are now 90 branches with “Mizuho Personal Squares” offering greater focus on individual customers.
- The number of “Planet Booths” jointly established by MHBK and MHIS has reached 100.
- “Special Consulting Program for Retirees” are offered to provide comprehensive retirement allowance management proposals to people planning to make a new start in life following retirement.
- Biometric identification based on finger vein authentication has been introduced to enhance the security of ATM card transactions.
- In the credit card business, an agreement was concluded with UC Card and Credit Saison to establish a joint processing company and take other steps toward full-scale consolidation and reorganization.

#### *Approaches to SMEs and Middle-Market Corporations*

- Mizuho e-Business Site opened for business as an Internet banking service for corporate customers.
- Reorganization of the Corporate Banking Group strengthened the solution support framework.
- Strengthened contacts with customers by redeploying head office personnel to branches.

## Approaches to Individual Customers

### *Encouraging Customers to Use Mizuho as Their Main Bank*

#### Mizuho Mileage Club

By May 2007, over 3.5 million people had signed up for MHBK's "Mizuho Mileage Club" membership service, which allows members to accumulate points according to their usage of MHBK services. In addition to conventional services, for example, allowing members to use ATMs in convenience stores as well as MHBK branches free of charge around the clock depending on their transaction status, membership offers new services as follows. To make it easier for members to accumulate points, the number of points collected for using the "Mizuho Mileage Club" credit cards was doubled based on usage. Then in March 2007, a new campaign was launched for a limited time to quintuple the number of mileage points according to the customer's time deposit balance and holdings of bank debentures and public bonds. Additionally, the bank launched a number of initiatives aimed at expanding its transactions with the younger generation, including a new account opening campaign with "BEAMS," which has won popular support from younger people, and the introduction of original mobile phone sites.

### *Personal Loans*

#### Housing Loans

To satisfy its customers' diversifying interest rate needs in respect of housing loans, MHBK has started handling its own super long-term fixed-rate housing loans, which can accommodate refinancing, as well as the "Flat 35" long-term fixed-interest rate product, which it offers in a tie-up with Japan Housing Finance Agency (JHF). In fiscal 2006, it also proactively increased the number of housing loan consultations held on weekday evenings, holidays and weekends at head office and branches throughout Japan to enable customers who are busy working during the daytime to discuss loan issues in a more relaxed atmosphere. To better accommodate customers' schedules when they need to visit a branch to sign contracts, it has set up "My Home Plazas," which offer extended office hours and specialize in completing contract procedures. It has also expanded its "Housing Loan Business Promotion Centers," which serve as specialist channels where customers consult or apply for housing loans through housing sales companies.

#### Unsecured Loans

MHBK offers customers "Mizuho Orico Card Loans" in cooperation with Orient Corporation (Orico) to satisfy customers' more immediate funding needs, and has simplified procedures even further by starting to accept applications via the Internet and allowing paperless contracts\*. To better accommodate children's educational loan needs, it carried out a campaign offering preferential rates on such loans to coincide with the schools admissions season.

\*Paperless contracts are limited to certain products.

### *Consulting Services that Win the Customer's Confidence*

#### Strengthening Consulting Services

MHBK is putting a great deal of effort into strengthening consulting services, designed to build long-term relationships with customers based on trust by responding more precisely to their diverse consulting needs centered on asset management. For this reason, it has trained personnel specializing as financial consultants who are extremely familiar with customers' needs

and can provide specialist consultations. It expects to increase the number of financial consultants from 2,300 as of the end of May 2007 to 3,000, and to strengthen its training program. As of the end of May 2007, it had established “Premium Salons” to provide customers with exclusive space for consultations at 259 branches throughout the country as part of its efforts to create an atmosphere where customers can consult its staff in a relaxed and comfortable atmosphere. In February 2007, it introduced life plan simulations as a consulting tool to allow it to estimate expenses associated with key life events, such as education, housing and leisure, and to simulate asset plans for customers of all generations. It holds seminars on asset management, inheritance and wills and other relevant subjects in response to the interest and concern of a wide range of customers. At irregular intervals, it also holds weekend/holiday consultations on asset management, and weekday after-work consultations on asset management for people who are busy in the daytime on weekdays.

### “Special Consulting Program for Retirees” Launched

MHBK has started offering services under the “Special Consulting Program for Retirees,” which provides comprehensive retirement allowance management proposals to members of the generation who are planning to make a new start in life following retirement. It responds to the needs of customers who are anxious about post-retirement lifestyle planning or concerned about managing their retirement allowances by offering “Money Life Simulations” and the informational magazine “*The Second Act*.” For customers who are considering asset investment for the first time, it offers the “Mizuho Basic Asset Investment Package” as well as various plans, including the “Mizuho Money Plan Set — Retirement Allowance Investment Plan” and the “Special Interest Rate Plan for Retirement Allowance Time Deposits,” which offer an additional preferential interest rate when making retirement allowance investments. The “Special Consulting Program for Retirees” is offered by MHTB and MHIS as well as MHBK, and the three companies held a joint seminar in March 2007.

### Expanding Asset Management Products

To support customers' asset investment needs, MHBK is endeavoring to expand its product lineup in such areas as investment trusts, insurance and foreign currency deposits. It has started selling several products in the area of investment trusts. In the second half of fiscal 2006, it launched the “Japan 3 Asset Balanced Fund (Stable Course / Growth Course)” (“Yen no Megumi”), which diversifies its investments into Japanese equities, bonds and REITs (real estate investment trusts), and the “Mizuho Fund Series — Euro Monthly Income Fund” (“Euro no Minori”), a euro-denominated monthly diversified-type foreign investment trust that mostly makes diversified investments in Europe's bond markets. Responding to the recent increasing need for investments in emerging markets, it started handling the “HSBC China Equity Fund Quarterly Type” and the “Shinko Pure India Equity Fund.” In the area of insurance, it has started handling the “The Five-Year Plan” total annuity receipt amount guaranteed type variable personal pension insurance, and “Everybody” lump-sum whole life insurance. It also handles special interest rate plans for foreign currency time deposits, and gift card presents for purchasers of “Japanese Government Bonds (JGBs) for Individuals.”

### Enhancing Comprehensive Financial Services through Cooperation with Group Companies

To satisfy various needs through one-stop shopping, MHBK is working to enhance its comprehensive financial services by strengthening its ties with the group's securities companies and trust bank. As part of its response to the need for securities services, MHIS has been setting up “Planet Booths” in the lobbies of MHBK branches, and the establishment of a booth at the Oji Branch in February 2007 brought the total to 100. It will continue to open such booths as centers for offering a full range of securities services. MHBK also responds to the need for trust services by handling a variety of MHTB trust products at head office and all of its branches using the agent system for trust banking business. In particular, demand is growing year by year for testamentary trust services, which provide help in preparing, keeping and executing wills, and estate distribution services, through which it undertakes complicated inheritance procedures on behalf of customers. Its seminars on inheritance and wills are always well attended.

## *Expanded Channels and New Services Bring Greater Convenience*

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### **Improved Branch and ATM Services**

MHBK's proactive approach has resulted in the deployment of "Mizuho Personal Squares" offering greater focus on individual customers at 90 branches as of the end of June 2007. In the largest redevelopment project in Toyosu currently underway in the Tokyo Metropolitan Area, the Toyosu Branch "Mizuho Personal Square Toyosu" became MHBK's first branch in the area when it opened in March 2007. In the Kansai region, new openings took place at the Ashiya Branch in July ("Mizuho Personal Square Ashiya") and the Gakuen-mae Branch in August ("Mizuho Personal Square Gakuen-mae"). As part of its efforts to make ATMs more convenient, MHBK has in principle extended the opening hours of Mizuho ATM Corners to 07:00-24:00. With a few exceptions, Mizuho ATMs are open during Japan's year-end and Golden Week holidays.

### **Approach to i-Appli Banking**

In May 2007, MHBK worked together with NTT DoCoMo to launch its response to "i-Appli Banking," a mobile banking system that uses a specialist mobile phone software known as "i-Appli®." Utilizing the features of i-Appli to realize colorful, easy-to-understand screen displays and high operability levels allows customers to accomplish mobile banking operations such as account balance checks and money transfers quickly and simply. Some mobile phone models come with i-Appli Banking pre-installed as standard. MHBK is now looking into gradually extending banking services that use specialist mobile phone applications to other mobile phone companies in the future.

\*"i-Appli" is a registered trademark of NTT DoCoMo and "i-Appli Banking" is an "i-Appli" provided by NTT DoCoMo.

### **Foreign Currency Conversion Service Offered in Cooperation with ANA**

MHBK has tied up with All Nippon Airways (ANA) in offering a foreign money exchange service whereby customers can obtain U.S. dollars, euros and Chinese yuan from foreign currency change machines installed in the ANA Lounge for passengers departing on ANA international flights at Narita International Airport's Terminal 1.

## *Responses to Changes in the Social Environment*

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### **Website Renewal**

MHBK is promoting the Heartful Project with a view to "becoming a bank that is user-friendly to everybody." As part of this, it renewed its website in December 2006 to increase its accessibility and usability for all. To enable users with disabilities and the elderly to make use of the website without difficulty, it equipped the site to support "talking browsers" and changes in font size, and moved frequently-used information to the top of the page to allow speedier access. In March 2007, it also renewed its websites for mobile phones of i-Mode, EZweb and Yahoo!, and started introducing new information and providing more detailed information concerning products and services.

## Targeting SMEs and Middle-Market Corporations

By strengthening its efforts to further promote its solutions businesses in response to customers' diverse needs, and to create a larger and more stable profit base for the future, MHBK aims to become the top bank in terms of both share of transactions with SMEs and middle-market corporations, and providing solutions for them.

### *Strengthening Proposal Capabilities and Customer Contact Points*

MHBK has established a solutions business promotion framework to enable it to respond to the varied and sophisticated needs of SMEs and middle-market corporations, and offer highly specialized services. By reviewing its existing branch network and redeploying its highly specialized RMs (relationship managers), it will build up a framework that will allow it to offer even more expert services. At the same time, it will further strengthen its points of contact with customers by strategically redeploying head office personnel with rich operational experience to branches. It believes that building this kind of proactive business promotion framework will enable it to make the most of its strengths in a wide range of areas, from consulting on asset management to improving the efficiency of settlement operations and making proposals on management issues, as well as funding.

### *Approach to Funding Needs*

In order to respond proactively to funding demand among SMEs and middle-market corporations, MHBK is working to expand the ¥1 trillion “Super Wide” strategic loan fund and other products in the “Partner Series” of unsecured loan products as a means of satisfying the varied needs of companies of all sizes. It is making every effort to develop products that respond precisely to customers' needs. These include “earthquake disaster finance,” which makes funding lines available in response to the type of funding demand envisaged at times of earthquakes and other disasters, and “environmentally aware finance schemes” that offer preferential interest rates to support environmentally conscious customers. It is also developing and offering new loan products that do not rely excessively on real estate collateral or personal guarantees, proposing loan asset securitization schemes from the perspective of balance sheet controls and making asset-based lendings that use accounts receivable or inventories and other operating revenue assets as collateral. Additionally, it is improving its responses to new business funding needs by, for example, devising schemes to exploit intellectual property rights.

### **Alliance with Orient Corporation**

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 unsecured loan products for SME customers and respond promptly to their borrowing needs.

### *Approach to Small-Scale Corporate Customers*

MHBK is proactively engaged in the lending business, and has concentrated its overall lending operations for small-scale companies in Mizuho Business Financial Center, a subsidiary specializing in lending. Mizuho Business Financial Center has increased its staff to 600, most of them veterans who are well versed in the lending business, and works proactively to

satisfy the funding needs of small-scale customers through loans with guarantees from the Credit Guarantee Corporation and unsecured loan products in cooperation with Orico. Together with MHRI, it has also started the Mizuho Business Channel, a service for providing useful management information to customers of the Mizuho Business Financial Center.

## *Solutions Business for SMEs and Middle-Market Corporations*

### **Further Promoting the Solutions Business**

A team of approximately 350 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 business inheritance, M&As and business matching, and advisory services on overseas business expansion. In April 2007, MHBK reorganized its Corporate Banking Group to enable it to offer solutions to customers' increasingly diverse and sophisticated management issues and needs more rapidly. More specifically, it concentrated its customer business strategy support functions into the ALC Advisory Division, creating a more centralized organization for dealing with M&A and MBO needs associated with business inheritance. It has brought together its functions for providing solutions to foreign currency transactions in the International Operations Division, creating a domestic/overseas support organization that can seamlessly handle customers' overseas business expansion needs as well. Organizational improvements like this leave MHBK better able to offer highly specialized solutions more proactively than before.

### **Sales Launched at Mizuho e-Business Site**

MHBK is using IT and the Internet proactively to create and develop new business areas from a medium- to long-term perspective, and thus meet customers' needs for more efficient settlement operations. Mizuho e-Business Site opened for business as an Internet banking service for corporate customers in fiscal 2006. Its service content has been enhanced to cover overseas remittances, foreign currency deposits, import letters of credit and foreign exchange contracts, as well as domestic transactions such as general remittance and balance checking services. It has also strengthened its security functions, adopting electronic certification to confirm customer identities and other measures when using the services.

### **Business Matching**

MHBK is proactively engaged in business matching services for introducing customers of Mizuho who best satisfy the business needs of other customers. These include introducing new sales and purchasing partners, and partners who will help in reducing costs. Whether it is a matter of developing new products, diversifying the business, increasing logistical efficiency, computerizing operations, or creating an environmentally-friendly system within the company, MHBK delivers strategic business solutions by using its extensive network and experience to provide truly effective advice and support in connection with the various management issues customers face. "Business Matching Forums" are designed to bring corporate customers together to engage in individual business negotiations, and have been extremely well received.

### **Defined Contribution Pensions**

Environmental changes arising from the scheduled abolition of Tax-Qualified Pension Plans and the consolidation of pension schemes through M&A have presented customers with the need to restructure their corporate pension schemes. In response, the Corporate Planning Division's Defined Contribution Pension Office offers integrated services extending from feasibility studies to actual introduction, management and administration. These services cover pension consulting centered on defined contribution pension schemes, support for introducing these schemes, investment products and aftercare for

policyholders. MHBK also provides support for various defined contribution pension schemes to suit a variety of requirements, including the Mizuho “SogoGata (comprehensive package) DC Plan” for SMEs and the “Mizuho Personal DC Plan” for individuals.

### Securities Sales Agency Business

Now that MHBK handles securities sales agency business aimed at corporate customers, the bank itself is able to respond proactively to customers' diversifying investment needs by engaging in areas that were once the exclusive province of securities companies, such as solicitation and agency business in connection with structured bonds and other instruments. The Asset Management Office for Corporate proposes solutions to corporate customers' investment needs, and its expert staff offer securities and other investment products to suit customers' requirements.

### Mobilizing Group Strengths

#### ● Responding to Business Inheritance Needs

Business inheritance is an extremely important management issue for the owner-managers of SMEs and middle-market corporations. In October 2005, MHBK set up the Corporate Consulting Office within the Corporate Banking Group to specialize in providing consultation on business inheritance. In cooperation with MHTB and other group companies, it offers bold, high-quality proposals for dealing with customers' individual needs in such areas as the inheritance of management rights and business restructuring.

#### ● IPO Support

MHBK responds to the needs of customers planning IPOs through organized collaboration 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 sharply improved its performance in fiscal 2006 as it served as lead manager for a total of 22 companies and was involved in underwriting approximately 40% of the 187 new listing companies.

#### ● Support for New Businesses

In the new business market, MHBK's know-how is far superior to that of other banks. Specialist staff with expert knowledge concerning advanced technologies, intellectual property rights and other areas of the new business market conduct analyses from various perspectives, including the future potential of the customer's business itself. Based on a true understanding of the situation, they then provide proactive support for the business growth and funding of those customers who will become the next generation of businesses.

#### ● Support for Overseas Business Expansion

Japanese companies are increasingly looking abroad and while some are just moving into overseas markets, others are developing businesses they have already established there. In order to satisfy these diverse needs, the bank provides proactive support for customers' local overseas projects through the group's Asian network, which is the most extensive of any Japanese bank. Specialist staff in Japan and overseas who are well versed in overseas business provide the best possible information accurately and quickly according to the needs and stage of development of the business in question, for example, local feasibility study, establishment of local subsidiary, or start of operations. Its specialist staff cooperate with the relevant divisions to offer wide-ranging solutions pertaining to customers' overseas business operations, including the Mizuho Global CMS, operational support for imports and exports, and exchange risk mitigation needs.

*Global Asset & Wealth Management Group*  
— Dealing with Clients' Demands for Asset Management and Administration —



***Business Environment and Overview of the Global Asset & Wealth Management Group***

Against the background of structural changes to society accompanying the dwindling birthrate and aging population, as well as reforms to legislative and accounting systems, the need for asset management and administration is increasing among individuals and corporates alike.

In the world of trusts, moreover, revisions to the Trust Business Law in December 2004 lifted restrictions limiting the assets that could be placed in trust, and expanded the scope for trust agents and the business they can handle. Revisions to the Trust Law in December 2006 allowed new formats, such as purpose trusts, leading to a steady increase in the number of opportunities to offer solutions that make use of trust functions.

The Global Asset & Wealth Management Group provides world-class products and services to meet diverse and sophisticated client needs in the areas of trust and custody services as well as private banking services.

## Key Group Companies

### ● Mizuho Trust & Banking

Trust banks may engage in trust business and related operations as well as banking business. One particular feature that sets trust banks apart from other banks is their asset management function, which allows them to manage and administer clients' assets.

MHTB offers a full range of trust services to individual and corporate clients, and is working on strengthening its asset administration divisions, handling pensions, asset management, real estate, securitization and stock transfer agency business.

### ● Trust & Custody Services Bank

TCSB is a highly specialized trust bank focusing on asset management services, offering high-quality, high value-added trust and custody services to financial institutions and institutional investors.

### ● Asset Management Companies

Mizuho's asset management companies Mizuho Asset Management (merger between Dai-Ichi Kangyo Asset Management and Fuji Investment Management) and DLIBJ Asset Management constantly pursue optimal investment results in both the investment trust and the investment advisory businesses as they strive to respond accurately to clients' increasingly diverse and sophisticated asset management needs.

### ● Mizuho Private Wealth Management

As a full-fledged private banking services company, MHPW provides optimal, high-quality comprehensive and integrative products and services tailored to the needs of individual clients.

## Highlights

### ● MHTB

- The number of testamentary trusts entrusted to MHTB increased steadily, exceeding 12,000 contracts as of the end of March 2007.
- The balance entrusted to the "Noteless" lump-sum accounts receivable trust scheme exceeded ¥1.5 trillion.
- The balance of securitized assets (real estate) under administration increased by ¥0.5 trillion to ¥4.7 trillion.

### ● TCSB

- The balance of assets under management exceeded ¥200 trillion as of the end of March 2007

### ● Asset Management Companies

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

## Expanding the Trust Market

In the years since the Trust Law and the Trust Business Law were enacted in 1922, money trusts, securities trusts and other forms of trusts have made an enormous contribution to the lives of the Japanese people.

In December 2004, the system underwent the change when the revised Trust Business Law was passed. This abolished restrictions that had originally limited the assets that could be placed in trust to six categories, including money and land, and made it possible to place intellectual property rights such as copyrights in trust. For all practical purposes, only financial institutions were originally allowed to participate in the trust business, but it has now been opened up to ordinary business corporations and the scope for adopting the agent system for trust businesses has been expanded. The revisions to the Trust Law of December 2006 rationalized the trustee's obligations, enhanced the effectiveness and flexibility of the beneficiary to exercise rights, took other steps to strengthen discipline, and allowed new formats, such as purpose trusts. This means the trust function has come into much more general use and the trust market is expected to grow further.

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

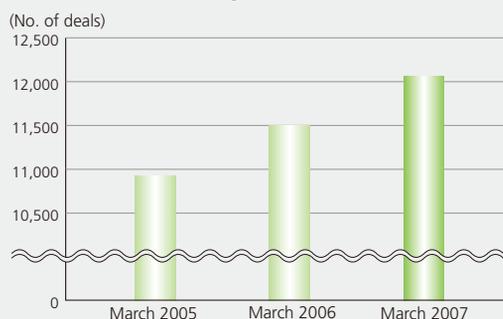
## Sophisticated Trust Solutions

### Testamentary Trusts

In contemporary Japan, the advent of an aging society with falling birthrates, and a heightened awareness of individual rights have fueled an increase in the number of inheritance problems. Each year, more and more clients are making use of the trust banks' testamentary trust business as a means of preventing such inheritance problems from arising.

MHTB's testamentary trust business covers three services: consent to allow the bank to undertake the execution of wills so that their provisions are fulfilled; will custody trust services; and entrustment by all heirs to allow the bank to act as their agent in the inheritance and thus the distribution of the estate. As of the end of March 2007, over 12,000 clients had entrusted MHTB with their wills, thereby placing the futures of their families in its hands where asset inheritance is concerned.

**MHTB's Testamentary Trusts Entrusted**



## Securitization of Monetary Claims and Other Claims

MHTB makes full use of its trust functions in developing and proposing stable asset securitization schemes on an order-made basis.

Utilizing the high-level structuring capabilities it has built up on the basis of its strong track record, MHTB offers various solutions to corporate clients' needs for fund procurement, cutbacks in assets and liabilities and better financial indices. As a result, the balance of monetary claims in trust stood at ¥7.0 trillion at the end of March 2007.

MHTB led the industry in developing the “Noteless” lump-sum accounts. The scheme is that accounts receivable are accepted in trust from clients who have transactions with large enterprises 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 2007, over 110,000 companies used “Noteless” accounts and the balance of funds in these accounts exceeded ¥1.5 trillion.

At the same time, MHTB provides new investment instruments in the form of asset securitization products to investors with asset investment needs. The “Chochiku no Tatsujin” automobile loan securitization product for individuals has been well-received because it focuses on balancing safety with profitability, and its outstanding sales topped the ¥700 billion mark as of the end of March 2007.

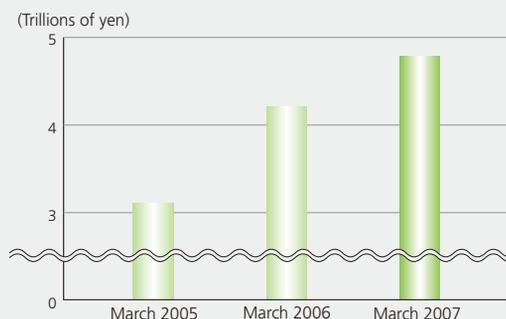
## Real Estate Securitization

In recent years, real estate securitization has come into increasingly active use because of the need to overhaul strategies relating to real estate holdings in response to changes in the business environment. These include the growing need to make more efficient use of assets, and the diversification of fund investment and procurement needs.

Fully utilizing the know-how it has built up over many years, MHTB is engaged in many 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 Japanese and overseas rating agencies and investors. As of the end of March 2007, it boasted a balance of over ¥4.7 trillion in securitized assets under administration.

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.

### MHTB's Securitized Assets (Real Estate) under Administration as Trustee



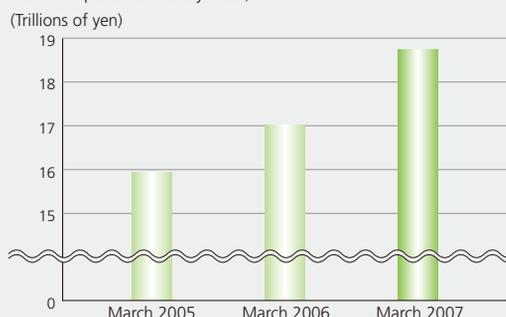
### Pensions Business

As the population ages and birthrates fall in Japan, Japanese companies now face massive retirements among baby boomers as well. Securing manpower has become a crucial issue, turning the spotlight once again on to the importance of corporate pension schemes.

MHTB offers the services and product packages needed for corporate pension schemes, which range from pension plan design and the management of pension policyholders and recipients, to asset investment and management. MHTB started offering defined contribution pension advisory services in fiscal 2006 in preparation for the switch to new pension schemes, which is due to get underway following the scheduled abolition of the Tax Qualified Pension System. In order to provide tailor-made responses to clients' increasingly diversified needs, it is strengthening its service lineup. In the area of comprehensive consulting services pertaining to defined benefit pension plans and defined contribution pension plans, it works to satisfy clients' demands in cooperation with Mizuho Pension Research Institute, which specializes in these areas.

#### Retirement Benefit Funds under Administration as Trustee

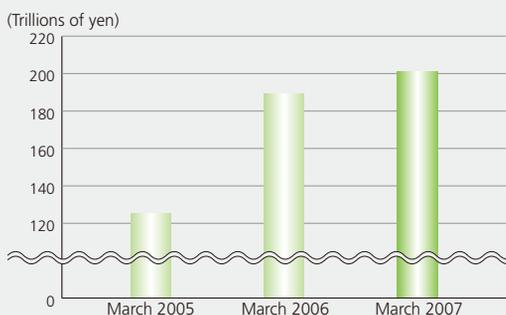
(Solely operated designated money trust + Pension trust + Pension specified money trust)



### TCSB Number One in Terms of Outstanding Assets under Management

In cooperation with the group companies of Mizuho, TCSB has worked to expand its transactions with clients among financial institutions and institutional investors. As a result, the balance of assets under management exceeded ¥200 trillion as of the end of March 2007, putting it in the number one position among trust banks specializing in asset management services. It will continue to exploit the economies of scale that result from its strong base of assets under management to provide high-quality, high value-added custody services that match the needs of its clients.

#### TCSB's Assets under Management



### Mizuho's Asset Management Performance Rated Highly

Mizuho's asset management companies have earned an excellent reputation among investment trust evaluation organizations for their investment expertise and unique product characteristics.

By offering investment products that make the most of the expertise of each company, they will continue to satisfy clients' asset management needs.

## ***Full-Scale Private Banking Services***

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Mizuho offers the best solutions to individual clients' diversified needs.

Mizuho Private Wealth Management is providing ultra-high-networth clients\* with comprehensive and integrative services similar to those available in the U.S. and Europe to the extent permitted under Japanese laws and regulations.

Based on the open-architecture concept of "providing clients with the best around the globe," it will continue to offer products and services of the highest level.

With regard to non-financial services, it will provide premium services to meet clients' diverse needs in relation to art, automobiles and similar areas, in collaboration with prestigious companies, as well as high-quality solutions in connection with areas such as philanthropy and concierge services.

\*Clients who have entrusted Mizuho with extremely large amounts of investment assets.