



I positioned fiscal 2009, when I was appointed CEO, as a year to solidify our foothold and implemented three initiatives, namely, managing risks, strengthening capital base, and enhancing profitability, under the management policy of proactively addressing the issues that confront the group as well as building the foundations for future development. The major achievements of these initiatives were:

First, in “managing risks,” we successfully controlled the three key loss generating factors in the previous fiscal year: credit costs, net losses related to stocks, and the impact of the financial market dislocation.

Second, in “strengthening capital base,” we endeavored to strengthen the quality and quantity of our capital base by issuing common stock with a total paid-in amount of over ¥500 billion and other measures. As a result, our capital ratios showed significant improvements.

Third, in “enhancing profitability,” we recorded consolidated net income of ¥239.4 billion, considerably exceeding our estimate at the beginning of the term. Although performance improved significantly,

the status of recovery is still unsatisfactory, and we are aware that we should make continuous efforts to enhance profitability.

The business environment surrounding financial institutions is about to undergo drastic change in the wake of the repercussions of the global financial crisis, changes in social and economic structures, and revisions of financial regulations. Even though having emerged from the worst phases of the downturn, in a situation where causes of concern exist, such as the aggravation of the fiscal condition of certain nations in Europe and the appreciation of the yen for the Japanese economy, the global and Japanese economies remain in the grips of uncertainty toward their recovery trend going forward.

Amid these circumstances, Mizuho will mark its 10th anniversary this year. At this turning point, in May 2010, we launched the “Mizuho’s Transformation Program” as the Medium-term Management Policy of the group over the next three fiscal years. This program was formulated, under my strong leadership, through a fundamental review of our current profitability, financial base, and front-line business capabilities, and it identified a series of initiatives for further enhancement of these areas in order to respond promptly and appropriately to the new business environment, as well as to put the group’s “customer first policy” into practice.

Moreover, in July 2010, we issued common stock with a total paid-in amount over ¥750 billion as part of the implementation of the Transformation Program. This issuance is aimed at responding to the revision of capital regulations, as well as establishing our capital base as a cornerstone for our sustainable growth for the future.

These were the major achievements in my first year as CEO. I will continue striving to further increase Mizuho’s corporate value through the implementation of our Transformation Program.

In the following sections, I would like to explain our accomplishments and management strategies in more detail.

Looking back over the recent economic conditions, the actions taken to stabilize the financial system and stimulate the economy by major countries in cooperation with each other in response to the financial crisis have been effective, and the global economy has emerged from its worst and is recovering moderately. Similarly, the Japanese economy is showing a steady upward trend, with positive real GDP growth maintained, reflecting improvements in the foreign economic environment, especially in the emerging countries, and the effectiveness of economic stimulus policies. Nevertheless, in a situation where causes of concern exist, such as the effects of the cessation of economic stimulus packages, worsening employment, and the aggravation of the fiscal condition of certain nations in Europe and other areas, it remains uncertain whether the global economy is capable of maintaining its recovery going forward.

Financial Results for Fiscal 2009

Amid these conditions, we positioned fiscal 2009, ended March 31, 2010, as a year to solidify our foothold and worked on initiatives to manage risks, strengthen capital base, and enhance profitability, under the policy of proactively addressing the issues that confront the group as well as building the foundations for future development.

First, in “managing risks,” consolidated credit-related costs decreased by ¥317.4 billion on a year-on-year basis, to ¥219.3 billion, primarily due to our efforts for appropriate credit management while responding to our customers' funding needs in addition to an improvement in economic conditions. The credit cost ratio*¹ of Mizuho Corporate Bank, Mizuho Bank, and Mizuho Trust & Banking (the Three Banks) was 22 basis points (bps), a significant improvement from 69bps for the previous fiscal year. Our non-performing loan (NPL) ratio and our net NPL ratio*² of the Three Banks remained at low levels of 1.91% and 0.79%, respectively. The balance of disclosed claims under Japan's Financial Reconstruction Law of the Three Banks decreased by ¥64.8 billion from the level of March 31, 2009, to ¥1,319.9 billion, and we maintained sufficient

financial soundness. Consolidated net gains related to stocks amounted to ¥4.2 billion, a year-on-year improvement of ¥404.5 billion, as a consequence of a significant decrease in the devaluation loss reflecting the stock market recovery, and recording gains on sales through our efforts to reduce our stock portfolio. Consolidated unrealized gains (losses) on other securities*³ improved ¥840.0 billion, to ¥267.6 billion, driven mainly by the recovery in the stock markets.

*1. Credit cost ratio = Credit-related costs / Total claims under the Financial Reconstruction Law (aggregated amount of banking account and trust account)

*2. Net NPL ratio = (Disclosed claims under the Financial Reconstruction Law (FRL) – Reserves for possible losses on loans) / (Total claims – Reserves for possible losses on loans)

*3. The base amount to be recorded directly to net assets after tax and other necessary adjustments.

Second, in “strengthening capital base,” we have endeavored to strengthen the quality and quantity of our capital base. For instance, in the first half of fiscal 2009, we issued common stock (the number of shares issued: 3.0 billion shares, total amount paid: ¥529.2 billion). As a result, our consolidated capital adequacy ratio, Tier 1 capital ratio, and prime capital*⁴ ratio as of March 31, 2010 were 13.46%, 9.09%, and 5.62%, respectively, all representing significant improvements over the year. We paid a year-end cash dividend of ¥8 per share of common stock for fiscal 2009 and made dividend payments on preferred stock as prescribed.

*4. Prime capital: Tier 1 capital – Preferred debt securities – Preferred stock (excluding mandatory convertible preferred stock) represents capital items of Tier 1 with a stronger ability to absorb losses.

Third, in “enhancing profitability,” consolidated gross profits for fiscal 2009 increased by ¥189.6 billion on a year-on-year basis, to ¥1,996.6 billion.

Gross profits of the Three Banks increased by ¥107.1 billion on a year-on-year basis, to ¥1,593.1 billion, due to an increase in income derived from flexible and timely operations in the Trading segment and other factors, which was partly offset by a decrease in income from Customer Groups, mainly due to a decline in deposit income reflecting the drop in market interest rates. Despite a year-on-year increase of ¥37.2 billion in expenses associated with employee retirement

benefits, general and administrative (G&A) expenses of the Three Banks decreased by ¥2.0 billion on a year-on-year basis, to ¥907.2 billion, due to our overall cost-reduction efforts.

Aggregated consolidated gross profits (net operating revenues) of our two securities subsidiaries (Mizuho Securities*⁵ and Mizuho Investors Securities) increased by ¥167.6 billion on a year-on-year basis, to ¥300.6 billion, mainly due to, in addition to an increase in commission income, the effect of the merger with Shinko Securities.

As a result, consolidated net business profits*⁶ amounted to ¥702.6 billion, and consolidated net income was ¥239.4 billion, both representing considerable improvements compared with the previous fiscal year.

*5. Our financial results for fiscal 2008 did not include the results of Shinko Securities (net operating revenues of ¥93.5 billion and ordinary losses of ¥14.2 billion), since Shinko Securities was an affiliate under the equity method of the Mizuho Group at that time.

*6. Consolidated net business profits = Consolidated gross profits – G&A expenses (excluding non-recurring losses) + Equity in income from investments in affiliates and certain other consolidation adjustments

● Net Interest Income

The average loan balance of the Three Banks for the second half of fiscal 2009 decreased by ¥3.7 trillion, to ¥63.0 trillion, compared with the first half due to a significant decrease of ¥1.8 trillion in loans to the Deposit Insurance Corporation of Japan and the Japanese

government as well as a decrease in loans to large corporate customers and others. Meanwhile, the loan balance of the Three Banks, as of the end of fiscal 2009, declined by ¥1.9 trillion, to ¥61.5 trillion, from the level at the end of the first half (¥0.8 trillion of this decline was due to a decrease in loans to the Deposit Insurance Corporation of Japan and the Japanese government).

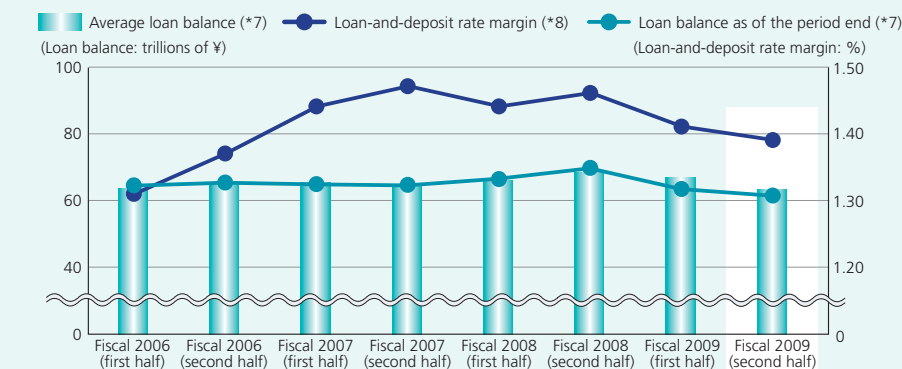
The domestic loan-and-deposit rate margin (please refer to *8 shown on the graph below) for the fourth quarter of fiscal 2009 (the three-month period from January to March 2010) was 1.39%, having remained flat since the second quarter (the three-month period from July to September 2009).

Net interest income on a consolidated basis for fiscal 2009 increased by ¥82.8 billion on a year-on-year basis, to ¥1,151.7 billion, with an increase in net interest income in the Trading segment and other factors.

● Non-Interest Income

Net fee and commission income of the Three Banks for fiscal 2009 amounted to ¥289.0 billion, a year-on-year decrease of ¥10.1 billion. This was primarily due to a decrease in fee and commission income from solution-related business and overseas business with corporate customers as well as a decrease in profits from the trust and asset management business of Mizuho Trust & Banking. Fee income associated with sales of investment trusts to individual customers increased on a year-on-year basis.

Loan Balance



Loan balance	¥63.5 tn.	¥65.0 tn.	¥65.1 tn.	¥64.3 tn.	¥65.8 tn.	¥68.0 tn.	¥66.7 tn.	¥63.0 tn.
Loan-and-deposit rate margin (*9)	1.31%	1.37%	1.44%	1.47%	1.44%	1.46%	1.41%	1.39%
1Q	1.29%	1.35%	1.44%	1.47%	1.46%	1.45%	1.44%	1.40%
2Q	1.32%	1.39%	1.44%	1.48%	1.43%	1.46%	1.39%	1.39%
3Q								
4Q								

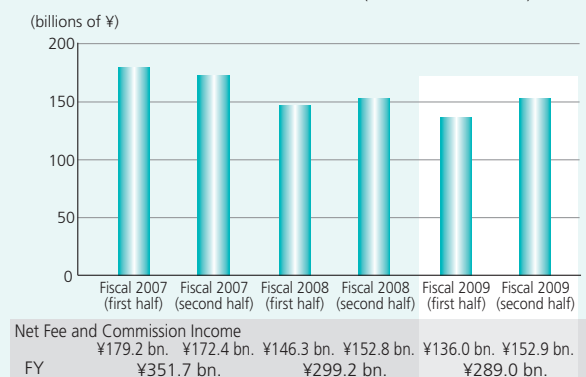
*7. Aggregate of the Three Banks, excluding Trust Account and loans to Mizuho Financial Group. Balance for overseas branches includes foreign exchange translation impact.

*8. Aggregate figures of domestic operations of Mizuho Corporate Bank and Mizuho Bank after excluding loans to Mizuho Financial Group, the Deposit Insurance Corporation of Japan, and the Japanese government.

*9. 1Q: the first quarter, 2Q: the second quarter, 3Q: the third quarter, 4Q: the fourth quarter

Meanwhile, net fee and commission income of the Three Banks for the second half of fiscal 2009 increased by ¥16.9 billion, to ¥152.9 billion, compared with the first half. This was due to increases in fee and commission income from solution-related business and overseas business with corporate customers, profits from the trust and asset management business, fee income associated with sales of investment trusts, and others.

Net Fee and Commission Income (The Three Banks)



As these results suggest, although performance improved significantly on a year-on-year basis, the status of recovery is still unsatisfactory, and we are aware of the need to make further efforts to improve our profitability.

In addition, we are keenly aware of the responsibilities of financial institutions in providing a smooth supply of funds to customers. Accordingly, we have drawn up a basic policy regarding the facilitation of financing and have created the necessary framework and systems to provide a smooth flow of financing, including the formation of our Financing Facilitation Management Committee. Even more so than previously, we are responding quickly and politely to requests for advice from our customers, and, as in the past, the entire group is taking the initiative in fulfilling its role as a responsible financial intermediary.

Mizuho's Medium-term Management Policy

Our group will mark our 10th anniversary this year. The business environment surrounding financial institutions is about to undergo drastic change in the wake of the

repercussions of the global financial crisis, changes in social and economic structures, and revisions of financial regulations.

At this turning point, our group released the “Mizuho's Transformation Program” in May 2010, as the Medium-term Management Policy of our group over the next three fiscal years ending March 31, 2013. We had conducted a fundamental review of the current profitability, financial base, and front-line business capabilities, and had identified a series of initiatives for further enhancement of these areas in order to respond promptly and appropriately to the new business environment, as well as to practice our group's “customer first policy.”

This Program consists of the following three programs:

- (1) Program for Improving Profitability: Strengthen top-line profits through enhancing focused business areas, and strategically reallocate management resources and reduce costs based on a vigorous business review,
- (2) Program for Enhancing the Financial Base: Strengthen the quality and quantity of capital and improve our asset portfolio, and
- (3) Program for Strengthening Front-line Business Capabilities: Redeploy personnel to the marketing front-line through downsizing and rationalization of corporate management functions, and improve the efficiency of the business infrastructure.

Program for Improving Profitability

Business Strategy

Strengthen top-line profits by thoroughly enhancing business areas where Mizuho has a competitive advantage and fields where growth potential is envisaged. In addition, strengthen fundamental profitability through capturing the various needs of our customers in and outside of Japan as their strategic business partner, while facilitating their financing. Aim to increase gross profits of the Three Banks by approximately ¥100.0 billion compared with fiscal 2009.

- Strategic expansion in business areas where Mizuho has strengths, including the Tokyo metropolitan area and large corporate customers.

[The Tokyo metropolitan area: Transactions with corporate customers]

- Strengthen initiatives for small and medium-sized enterprises (SMEs) and middle-market corporations through proposing comprehensive solutions in response to the management challenges of our customers.
- Specifically, increase loans and non-interest income

as well as enhance foreign exchange and remittance transactions by capturing customers' Japan-related cash inflows and outflows. Also, strengthen initiatives for business-owner customers and land and property owners, etc.

[The Tokyo metropolitan area: Transactions with individual customers]

- Strengthen initiatives for loans to individuals, including housing loans, and make Orient Corporation an affiliate of the group during the first half of fiscal 2010.

The Mizuho Vision : "Becoming the Most Trusted Financial Institution"

—Becoming the financial institution that is most trusted by our customers in and outside of Japan by focusing on our core function of contributing to social and economic development—

Focusing on the three programs to respond promptly and appropriately to the new business environment, as well as to practice our group's "customer first policy"

(1) Program for Improving Profitability

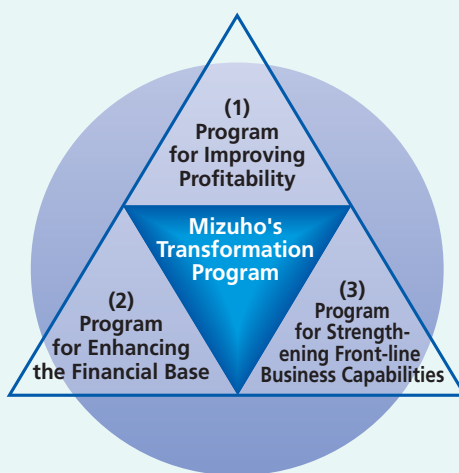
Establish competitive advantage through strengthening of focused business areas and strategic allocation of management resources.

(2) Program for Enhancing the Financial Base

Strengthen the quality and quantity of capital and improve asset efficiency.

(3) Program for Strengthening Front-line Business Capabilities

Strengthen front-line business capabilities through downsizing and rationalization of corporate management functions and improvement of the business infrastructure efficiency.



Key Target Figures for Fiscal 2012 (Ending March 31, 2013)*10,11

Profitability

- Consolidated net business profits: ¥900 billion
- Consolidated net income: ¥500 billion

Efficiency

- Expense ratio*12: Lower 50% level
- ROE*13: 10% level

Soundness

- Tier 1 capital ratio: 12% level
- Prime capital ratio: 8% or above
- Equity portfolio: Reduce by ¥1 trillion (compared with March 2010)

*10. The assumptions regarding the economic environment towards March 2013 are as follows: Interest rates: Uncollateralized overnight call rate; approximately 0.1%, 10-year Japanese government bond (JGB) yield; approximately 1.3%, Nikkei 225: approximately ¥11,000, ¥/US\$ exchange rate: approximately ¥90

*11. Figures above are on a consolidated basis except for the expense ratio, which is on the Three Banks basis.

*12. Expense ratio (the Three Banks) = G&A expenses / gross profits

*13. ROE (return on equity) = Net income / (((total shareholders' equity + total valuation and translation adjustments) <at the beginning of the fiscal year> + (total shareholders' equity + total valuation and translation adjustments) <at the end of the fiscal year>) / 2) x 100

- Increase assets under management of individual customers through collaboration among banking, trust, and securities functions.
- Significantly improve services and accessibility of the retail business of Mizuho Trust & Banking through utilization of Mizuho Bank's network.

[Transactions with large corporate customers]

- Proactively be involved in corporate customers' business and financial strategies taken in response to changes in industrial structure.
- Enhance fundamental profitability, including foreign exchange, remittance and other non-interest income, as well as further strengthen the delivery of comprehensive solutions by fully utilizing the product functions of our group companies.

- **Strengthen initiatives for capturing business in the high-growth Asia region.**

Strengthen initiatives for business in Asia, which is a strategic region for our customers in Japan, the Americas, and Europe, by leveraging Mizuho's total global network.

[Business with Japanese customers]

- Provide various solutions for global strategies of our customers, including SMEs and middle-market corporations.
- Enhance businesses focused on our customers' cash flows and trade finance.
- Promote export credit agency (ECA) finance and other businesses in capturing infrastructure projects.
- Improve capabilities for emerging currencies in Asia.

[Business with non-Japanese customers]

- Pursue lending opportunities with blue-chip customers in response to the needs of their financial strategies.
- Enhance capabilities for securities business.

- **Strengthen asset management business, mainly targeting individual financial assets and pension assets.**

- Increase market share based on balance of investment products (assets under management) by stepping up sales activities toward individual customers mainly through group collaboration.
- Strengthen initiatives primarily for corporate pensions and public corporations through share-up and

share-in in existing commissioned pension trusts, primarily among our main-bank customers.

- **Utilize the full range of services of the group's banking, trust, and securities functions.**
- Provide sophisticated financial solutions through seamless utilization of the full-line services of banking, trust, and securities functions.
- Focus on global collaboration, marketing of M&A advisory services, capital management solicitation, etc.

Cost Reduction through Vigorous Review of Businesses and Reallocation of Management Resources to Focused Strategic Business Areas

Take measures to reduce costs through unification and optimization of the group's management infrastructure. Aim to decrease G&A expenses of the Three Banks by approximately ¥50.0 billion compared with fiscal 2009, and reallocate management resources, such as approximately 1,000 staff, to strategic areas, including the Tokyo metropolitan area and Customer Groups in Asia.

Program for Enhancing the Financial Base Strengthening of the Capital Base

Maintain our current priority on "strengthening of stable capital base" in light of ongoing global discussions on the revision of capital regulations.

- Accumulate retained earnings through implementation of "Program for Improving Profitability."
- Implement appropriate capital management.
- Consider various measures in light of regulatory developments.

Improvement of the Asset Portfolio

Strategically reallocate risk-weighted assets in parallel with "improvement of asset efficiency" and "further strengthening of risk management."

- Allocate risk-weighted assets to focused strategic business areas through a thorough review of non-customer assets and low-return assets.
- Reduce equity portfolio by ¥1 trillion compared with the end of March 2010 balance.
- Improve asset quality and streamline balance sheet.

Program for Strengthening Front-line Business Capabilities

Redeployment of Personnel to the Marketing Front-line

Consolidate and reorganize corporate planning and product functions of each of our group companies.

- Unify group planning functions, including human resources, administration, IT systems, and operations.
- Review and reorganize overlapping functions in financial product areas at Mizuho Corporate Bank and Mizuho Bank.
- Strengthen the holding company's governing function over the group, improve efficiency of management controls, and expedite decision making.
- Deploy approximately 1,000 staff currently engaged mainly in corporate management functions to the marketing front-line through unification of functions.

Improvement of Business Infrastructure Efficiency

Facilitate consolidation of the group's operational processing functions under the "consolidation and efficiency improvement" policy. At the same time, realize fundamental streamlining of cost structure with a focus on IT systems-related costs.

While implementing this program, we will position ourselves to make robust progress by strengthening focused business areas where customer needs are strong and we have a competitive advantage, improving our financial soundness and asset efficiency, and further evolving our group's organization and business infrastructure.

Disciplined Capital Management

We are pursuing "strengthening of stable capital base" and "steady returns to shareholders as our "disciplined capital management" policy. However, in light of such factors as the financial market turmoil and the global economic downturn, we have been putting more priority on "strengthening of stable capital base" since the second half of fiscal 2008. As it has become increasingly important for financial institutions to strengthen

their capital base amid the ongoing global discussions on the revision of capital regulations, in July 2010, we issued 6.0 billion shares of common stock (total amount paid: ¥751.6 billion).

This issuance is aimed at establishing our capital base as a cornerstone for our sustainable growth for the future, in anticipation of the revision of capital regulations. This is to ensure capital flexibility for us to expand our business areas with high growth potential and to further promote customer-related businesses. In addition, pursuant to Mizuho's Transformation Program, we endeavor to strengthen our capital base through accumulating retained earnings by improvement in profitability and taking various measures in anticipation of the revision of capital regulations. And, thus, as our new medium-term target, we aim to increase our consolidated Tier 1 capital ratio to the 12% level and our prime capital ratio to 8% or above.

The business environment following the financial crisis has undergone a sea change, and financial institutions are being asked to rethink their *raison d'être*. We pursue being "customer-oriented," "frontline-oriented," and "future-minded" and endeavor to provide the highest-quality financial services to respond to the full range of customer needs by maximizing our capabilities as a diversified financial group through promoting collaboration among group companies. Moreover, we are addressing the issues we confront forthrightly, relentlessly striving to transform ourselves and to focus on further strengthening our management base for a new era of sustained growth.

The future vision of our group is to become "the most trusted financial institution by our customers by focusing on the core function of a financial institution, which is to contribute to social and economic development." In order to fulfill our mission as "A financial partner that helps customers shape their future and achieve their dreams" under the group's brand slogan "Channel to Discovery," we are working to steadily and surely implement our business strategies based on solid internal control systems. We also pursue corporate social responsibilities (CSR) through such activities

as providing support for financial education and implementing our environmental initiatives. Through these initiatives, we are working to further increase our group's corporate value while fulfilling our social responsibilities and accomplishing our public mission.

July 2010

A handwritten signature in black ink, appearing to read 'T. Tsukamoto', with a long horizontal flourish underneath.

Takashi Tsukamoto
President & CEO
Mizuho Financial Group, Inc.

Note: The above message contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. See the disclaimer at the bottom of page 1 of this Annual Review for information regarding factors that could cause actual results to differ from those in the forward-looking statements.