

A Message from the President & CEO of Mizuho Corporate Bank, Ltd.



I would like to start my message with my deepest thanks to the international community, including our customers and relevant parties, for the support, assistance and warm encouraging messages following the Great East Japan Earthquake in March 2011.

I would also like to take this opportunity to reiterate our deepest and sincerest apologies to all of our customers, our shareholders and to everyone who has experienced any inconvenience caused by the recent computer system failures of Mizuho Bank. With a strong resolution to prevent its recurrence, we will focus all of our energy to restore customer confidence.

Under Mizuho's Transformation Program, Mizuho Corporate Bank is collaborating with Mizuho's group companies to strengthen and combine commercial banking and traditional investment banking, including M&A, advisory services, and the underwriting of bonds and equities, as well as sales and trading activities. This is enabling us to take our place as a "top corporate finance provider" and offer optimal global financial solutions that meet the needs of our customers in Japan and overseas.

Also, in order to seamlessly integrate banking and securities business by turning Mizuho Securities into our wholly-owned subsidiary, we will further promote the formulation of the global strategy for securities

transactions and the improvement of the operation system. Moreover, as we have decided that we will further strengthen the unified management of the group and thereby substantively transform Mizuho into "one bank" with a view towards integration by merger, etc. of our banking subsidiaries in the future, we will thoroughly implement rationalization of operational processing and IT systems. In addition, we will work toward unification of our front-line business areas, such as Customer Groups and Trading segment. Through these initiatives, we will focus our energy on being "customer-oriented" to strengthen Mizuho's advantage.

In Japan, due to the impact of the Great East Japan Earthquake, constraints to production activities and a sharp decline in personal consumption appear to be unavoidable, at least in the short term. Meanwhile, the global economy has been led by emerging countries, but the risk remains of a slowing in the economy due to factors including the rise in commodity prices and the fiscal problems affecting certain countries in Europe. We aim to build a "leading presence as a financial institution in Asia" that wins the trust and strong support of our customers and the market by performing a bridging role between Japan and the rest of Asia, as well as a role linking Asia to the Americas and Europe.

Our overseas strategy is to fully utilize our overseas network, which comprises 68 offices located in 30 countries and regions, to meet the needs not only of Japanese corporations but also non-Japanese companies in a timely manner. Especially in Asia, we now have 33 offices outside Japan and we will continue to strengthen our network in the years ahead.

Among other services, in the asset management business, in addition to acquiring EurekaHedge, a company providing hedge fund research and data services in March 2011, we are working to strengthen our sales and trading business as well as transaction business.

In addition to these activities, we have positioned drawing aggressively on our financial intermediary functions, developing stronger and more reliable risk management and compliance systems as high priority management issues. We are focusing on substantially upgrading the sophistication of these capabilities going forward.

We will work to identify the various structural changes taking place, and, by mobilizing our knowledge and understanding of industries and all our capabilities, we aim to be the financial institution as the “best possible partner” to work with our customers in implementing their strategies. We will also work to contribute aggressively to the creation of new industrial structures, not to speak of Japan's recovery from the Great East Japan Earthquake, and fulfill our social mission as a supplier of global industrial finance to facilitate the development of corporations and industries.

July 2011

A handwritten signature in black ink, appearing to read 'Yasuhiro Sato', with a stylized, overlapping loop at the end.

Yasuhiro Sato
President & CEO
Mizuho Corporate Bank, Ltd.



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I would also like to take this opportunity to reiterate our deepest and sincerest apologies to all of our customers, our shareholders and to everyone who has experienced any inconvenience caused by the recent computer system failures of Mizuho Bank. With a strong resolution to prevent its recurrence, we will focus all of our energy to restore customer confidence while implementing improvement and response measures.

Becoming the Most Trusted Financial Institution

In May 2010, Mizuho announced “Mizuho’s Transformation Program,” which is aimed at enhancing its strengths in three areas; namely, “profitability,” “financial base,” and “front-line business capabilities.” Since then, we at Mizuho Bank have focused our initiatives on increasing the satisfaction of individual customers as well as our customers among small and medium-sized enterprises (SMEs) and middle-market corporations and their senior management. In view of the recent computer system failures we experienced,

we have renewed our awareness of the social responsibilities of financial institutions and the importance of our public mission. We have made an absolute commitment to regaining the trust and confidence of our customers and society as a whole.

First, in May 2010, we announced our “Actions to Restore Customer Confidence,” a set of measures that calls for the thoroughgoing implementation of our “customer first policy.” To put these measures into action, we believe that the most important course of action as a retail bank, barring none, is to direct our fullest capabilities and energy to the task of recovering customer confidence. Every member of the management and all officers and employees will always implement our “customer first policy” where we adopt a basic and unwavering stance of thinking and behaving from our customer’s standpoint.

Second, as specific initiatives to put our “customer first policy” into action, we spare no effort to strengthen our front-line business capabilities.

Initial steps will include the unification of corporate planning and management units, the full integration of human resource management, and other measures to streamline and rationalize the corporate planning and management functions. The objectives of these steps will be to accelerate the deployment of staff to the marketing front-line to strengthen customer relationships and restore customer confidence.

Together with these measures, we will review the deployment of our staff and branch network based on market characteristics and improve the sophistication of our marketing skills responding to characteristics of each area and branch. We will also further evolve our usage of remote channels to develop system that can respond more appropriately to customers’ actual needs. To fulfill our mission in society as a financial institution, we will first contribute to Japan’s recovery from the earthquake disaster as we also devote our fullest efforts to provide a smooth supply of funds to customers.

By putting our “customer first policy” into action throughout our business and “strengthening front-line business capabilities,” we will move toward our objective of becoming the “most trusted financial institution.” Every member of the management and

all officers and employees will work together as one in our persistent effort toward “transformation” and our focus on speedy results. We look forward to your continuing understanding and support.

July 2011

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

Takashi Tsukamoto
President & CEO
Mizuho Bank, Ltd.

Turning Mizuho Trust & Banking, Mizuho Securities and Mizuho Investors Securities into a Wholly-owned Subsidiary

For the purpose of integrating group-wide business operations, optimizing management resources, such as workforce and branch network, and accelerating the implementation of the Mizuho's Transformation Program, in April 2011, the respective share exchange agreements were entered whereby (i) Mizuho Trust & Banking (MHTB) would be turned into the wholly-owned subsidiary of Mizuho Financial Group (MHFG), (ii) Mizuho Securities (MHSC) would be turned into the wholly-owned subsidiary of Mizuho Corporate Bank (MHCB), and (iii) Mizuho Investors Securities (MHIS) would be turned into the wholly-owned subsidiary of Mizuho Bank (MHBK) (the "Transactions").

Through the Transactions, the group aims to (i) ensure a prompt decision making process and flexibility of strategies and establish a group management structure that can respond with greater flexibility to the changes in the extended business environment, etc., (ii) further enhance its comprehensive financial services capabilities and reinforce group collaboration that provides seamless full-line services that include banking, trust and securities functions and (iii) pursue improvement of group management efficiency by thoroughly promoting the consolidation of operations and the cost structure reforms.

Basic Strategy for the Securities Business

To pursue synergies by strengthening ties between the group's banks and securities companies, Mizuho is creating an organization that utilizes and integrates its banking and securities functions to provide customers with comprehensive solutions based on customer segmentations. To this end, MHSC handles securities business for the Global Corporate Group, and MHIS handles securities business for the Global Retail Group.

In respect of the securities business, the group will consider the integration of MHSC and MHIS by merger or other methods after the completion of the Transactions in September 2011 in order to enhance the retail business in Japan, rationalize and streamline management infrastructure, and provide securities functions in a unified manner through the group's full-line securities company.

Mizuho Securities

MHSC is working closely with MHCB and other group companies to fulfill its aspiration of becoming "the most reliable investment bank with global reach."

MHSC provides customers with all-round support through its investment banking business, proposing management strategies and procuring funding. It has already secured a position as a market leader in the bond underwriting business and structured finance. It has also occupied a top position in M&A and other financial advisory services. These constitute its main businesses, along with providing solutions through underwriting equities, support for IPOs, IR consulting, and financial and capital management advisory services. In some business promotion sections, MHSC introduced a "double-hat" structure allowing its staff to hold posts concurrently in business promotion divisions of MHCB. This allows them to provide customers with the best possible financial services for their needs on a one-stop basis.

In providing and selling products, its principal operations cover sales and trading of bonds and equities, research and funds (investment trusts). It provides timely, high-quality information and offers high-value-added products and solutions to meet the varied investment needs of a wide range of customers at home and overseas.

It is also making efforts to utilize its network of overseas subsidiaries for the integrated development of domestic and overseas business.

Mizuho Investors Securities

In addition to building a powerful cooperative network with MHBK, MHIS is working closely with other group companies to achieve its goal of becoming "the securities company that customers trust most to be close to them."

To expand its cooperative channels with MHBK, it is deploying joint branches known as Planet Booths. Among other things, it is also proactively strengthening ties with the group through a financial instruments intermediary service with MHBK and trust agent business with MHTB. In some capital markets sections, MHIS introduced a "double-hat" structure allowing its staff to hold posts concurrently in MHBK. This allows them to provide financial services to customers with IPO needs on a one-stop basis.

With this as its business promotion base, MHIS responds to customers' asset management needs through various securities-related solutions, to their funding needs through equity and bond underwriting services, and to their capital management needs through consulting services, thus provides carefully tailored, high-quality products and securities services in a speedy manner.

Basic Strategy for the Trust Business

MHTB offers a wide range of trust services and the Trust & Custody Services Bank (TCSB) offers high-quality, high-value-added custody services. Through these two companies, the group is working to make the most of its trust functions to deliver optimal solutions to customers of the entire group, whether they belong to the Global Corporate Group or the Global Retail Group. By positioning the creation of stronger ties with group companies as a basic strategy, MHTB and TCSB will offer high-quality products and services which are chosen by customers.

Mizuho Trust & Banking

MHTB provides most advanced trust functions and solutions to its customers and aims to become “the best and the most excellent trust bank, placing emphasis on the trust business.”

For individual customers, it offers various services pertaining to wealth management, from consulting in connection with overall asset management and custody to services relating to asset transfers—especially inheritance and wills—loan products, deposits and investment trusts, and asset management products that utilize its trust functions.

MHTB offers its corporate customers a wide range of services and optimal solutions pertaining to asset management. These cover brokerage, securitization, and other aspects of the real estate business; structured products business offering new services in the area of asset securitization using trust schemes; pension and other asset management business; pension business ranging from pension trusts and consulting to actuarial and management services; asset custody business such as custody of investment trusts; and stock strategy business providing advisory services in connection with stock transfer agency operations and administrative matters affecting stocks. Other solutions include deposits and loans.

Trust & Custody Services Bank

Based on its advanced operations and IT infrastructure, its rigorous internal control structure, and its customer-oriented philosophy, TCSB provides a wide range of products, from trust to custody services, and quickly satisfies the increasingly varied needs of financial institutions, institutional investors and other customers as a trust bank specializing in asset administration.

Basic Strategy for the Asset Management Business

In the investment trust and pensions markets, the group aims to become one of the world's leading players in terms of both quality of services and volume of assets under management.

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

In the Japanese defined contribution pension business, the group supports the formation of assets for individuals to enjoy in their retirement, and provides solutions pertaining to the management issues of companies.