

A Message from the Group CEO



One year has passed since the Great East Japan Earthquake occurred. I would like to begin by expressing my deepest thanks once again to our customers and other members of the domestic and international communities for their support and warm words of encouragement following the disaster. We continue to devote our entire group strengths to the recovery of victims, industries and economies that have suffered damage as a result of the disaster, as well as support the revival of disaster-stricken areas and industries.

I would also like to report on the progress of our Business Improvement Plans which were submitted in June 2011, bearing in mind the computer system failures our group experienced in March 2011. We have implemented the plans right on schedule and developed countermeasures for our system functions, including the reorganization of large volume data processing capabilities. We have also improved our response mechanisms to deal with the occurrence of crises and verified their effectiveness through training, while improving our business administration, including implementation of Actions to Restore Customer Confidence, which were announced in May 2011 and conducted an overall risk evaluation of the system. We will continue to be keenly aware of our public mission as financial institutions that bear responsibilities for the settlement system and take all necessary measures to ensure their stable operations.

Turning next to the recent economic environment, in the United States, gradual recovery in the economy continues on the basis of positive trends in consumer spending. However, the risk remains of a slackening in the economy with rising oil prices and other factors. In addition, there is uncertainty as to a sustained economic recovery with the government pressed to implement a tight fiscal policy due to the constraints imposed by the debt ceiling. In Europe, the economies of the region have entered a slowdown phase, with the fiscal problems experienced by certain countries impacting the real economy. The Euro region's debt problems are expected to be prolonged, and it is difficult to predict the effects on the global economy. In Asia, although the region continues to maintain relatively strong economic growth, its economies are slowing as a whole due to the impact of the decline in exports associated with the economic stagnation in Europe and other factors.

In Japan, the gradual economic recovery continues owing to the demand for reconstruction from the impact of the Great East Japan Earthquake. Despite the temporary standstill in exports and production due to the impact of the floods in Thailand in early fall 2011, there are visible signs of recovery. As for the future direction of the economy, while there are positive factors, such as the growing demand related to reconstruction efforts, there are also several causes for concern, such as rising oil prices, the downturn in overseas economies and electricity shortages in Japan. There is a risk that these factors may act as a drag on economic growth.

Progress in "Mizuho's Transformation Program"

Reviewing the initiatives that we took during the second year of Mizuho's Transformation Program which was originally announced in May 2010, we believe we have made steady progress mainly in enhancing our "profitability" and "financial base" amid such a severe business environment. First, regarding our Program for Improving Profitability, our consolidated net income for fiscal 2011 amounted to ¥484.5 billion, which was 5% above our plan. This was mainly due to favorable results coming from our international and market operations of our banking subsidiaries. Under our Program for Enhancing the Financial Base, we made major progress in strengthening the quality and quantity of

capital. Our consolidated Tier 1 capital ratio was 12.76% as of March 31, 2012, achieving our medium-term target of a 12% level. We plan to make a cash dividend payment of ¥6 per share of common stock for fiscal 2012 as well as dividend payments on preferred stock as prescribed. We will continue to pay an interim dividend of ¥3 per share of common stock. As regards our Program for Strengthening Front-Line Business Capabilities, we have implemented various measures, including streamlining and rationalizing our corporate management functions and reforming the structure of our IT costs. Furthermore, in view of recent changes in the operating environment, we will continue to endeavor to increase management efficiency.

Fiscal 2012, ending March 31, 2013, is the final year of our Transformation Program. We make our fullest efforts to achieve the targeted ¥500.0 billion in consolidated net income, and also sincerely tackle all the remaining challenges.

Initiatives for Integrated Group Management

In the last fiscal year, we set the course of our management policy to establish a new corporate structure and strengthen corporate governance toward the “advanced and integrated group management.” More specifically, we have implemented a set of measures with the speed of action to maximize our differentiating feature and our advantage as the only financial group in Japan with banks, trust banks and securities companies under one umbrella. These include turning our trust banking and two securities subsidiaries into our wholly-owned subsidiaries. We also signed a memorandum of understanding on the merger between Mizuho Securities and Mizuho Investors Securities as well as that on the merger between Mizuho Corporate Bank and Mizuho Bank.

Regarding the merger of Mizuho Corporate Bank and Mizuho Bank, which constitutes the core of our establishment of an “advanced and integrated group management” structure, we implemented the “substantive one bank” structure in April 2012, prior to the effective date of the legal merger. Under this structure, Mizuho Corporate Bank and Mizuho Bank will be managed as if they were “one bank,” and we will work to create corporate structures that respond to all the needs of our customers more properly and flexibly than before. Over the coming year, we will establish these

new corporate structures, strive to facilitate the smooth legal merger of the banks and realize the synergies generated from the merger as soon as possible.

We plan to conduct a merger of our two securities companies in January 2013 and a merger between Mizuho Corporate Bank and Mizuho Bank in July. This realignment will enable us to realize our One Bank and One Securities Company structure, which will further strengthen collaboration among banking, trust banking and securities businesses of the group. Through these initiatives, we will provide an effective and multifaceted range of financial services directly and speedily to our customers. At the same time, we aim to maximize group profitability by enhancing further the integrated group-wide business operations and optimization of management resources through strengthening group governance and improving group management efficiency.

Mizuho is determined to make a fresh start by returning to the basics of our “customer first policy” as the core principle of our management. In order to become the most-trusted financial institution, serving society at large, the group will work on various issues as one under our new sub-slogan—“One MIZUHO: Building the future with you.” Furthermore, we will endeavor to fulfill our social mission as a financial institution, and, in the facilitation of financing, we will continue to devote our efforts to providing our customers with a smooth supply of funds.

We sincerely appreciate your continuing support for these endeavors.

July 2012



Yasuhiro Sato
President & CEO (Group CEO)
Mizuho Financial Group, Inc.

Note: The above 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.