

Message from the Management



I would like to express our deep appreciation for your continued interest in and support of our group.

Domestic and International Economic Environment

Reviewing the recent economic environment, the global economy and the major industrialized countries in particular, have potential for continuing moderate recovery.

In the United States, moderate recovery in the economy continues; however, attention must be given to the impact of the tapering of the monetary easing policy, and other factors. In Europe, although the debt problem and high unemployment rates continue, economic conditions are recovering along with improvement in corporate performance in the Euro area as well as the continued firm recovery in the United Kingdom. In China, on the other hand, the economy is slowing compared to previous growth rates, and careful attention should be paid to future trends. The economies of some other emerging countries continue to report weak trends, and there are concerns that their growth may lose its momentum for the time being. This is because restrained monetary policies are likely to be undertaken due to currency depreciation and concern of inflation. We also need to continue to pay

attention to geopolitical risks as seen in the situation in Ukraine and other countries.

In Japan, corporate performance is improving, while moderate recovery in the economy continues due to the improved export cost-competitiveness following the depreciation of the yen against other currencies and the effects of economic measures and monetary policies as well as other factors. Although there may be a short-lived drop in the economy due to the rise in consumption tax, the Japanese economy is expected to pick up gradually.

Summary of Financial Results for Fiscal 2013

Amid this environment, with fiscal 2013 being the first year of our three-year medium-term business plan, the “One MIZUHO New Frontier Plan—Stepping up to the Next Challenge—,” we have been implementing an integrated strategy of our “banking, trust banking and securities functions.”

In terms of performance, we were able to make a favorable start suitable for the first year of the plan. Turning to the financial results for fiscal 2013, we reported the highest level of consolidated net income since the establishment of Mizuho, ¥688.4 billion, which represented an achievement ratio of 114% against our earning plans, and a 22.8% increase year on year. We made steady progress towards transforming qualitatively to a stable and sustainable profit structure centered on Customer Groups, as set forth in our medium-term business plan. We also made steady progress in Customer Groups, which reported increase in revenue both domestically and overseas. We also moved forward with the implementation of our integrated strategy of “banking, trust banking, and securities functions,” which Mizuho has been promoting ahead of other companies, and reported an achievement ratio of 170% against the earnings plan for the One MIZUHO Synergy.

Concerning capital adequacy, we have exceeded the Common Equity Tier 1 (CET 1) capital ratio (on a fully-effective basis, including the Eleventh Series Class XI Preferred Stocks*) of 8%, a target level we set in our medium-term business plan.

* Although preferred stocks are not classified as CET1 capital under Basel III, our calculation includes the Eleventh Series Class XI Preferred Stock (mandatory conversion date: July 2016) in CET1 capital.

Toward the Enhancement of Corporate Governance System

In order to fulfill our social responsibilities as a member of the global financial community, we are making further progress in implementing our business model as well as initiatives to enhance governance, which comprise mainly initiatives related to the Board of Directors. As a part of these initiatives, Mizuho Financial Group has transformed into a “Company with Committees” as defined in the Companies Act of Japan.

By ensuring the separation of supervision and management along with the transformation into a “Company with Committees,” we will enhance supervisory functions for management by the Board of Directors, and aim to improve the effectiveness of corporate governance. At the same time, the Board of Directors will delegate decisions on business execution to the executive officers who are responsible for realizing expeditious corporate management to the maximum extent possible. Furthermore, through our Committees; namely the Nominating Committee, the Compensation Committee and the Audit Committee, which are composed mainly of outside directors, we will secure transparency and fairness in decision-making processes and the effectiveness of management oversight. We are also actively adopting the global trends in governance even further through measures such as appointing an outside director as chairman of the Board.

Recently, we established and released the group's Corporate Governance Guidelines (“Guidelines”). These Guidelines set out the fundamental perspectives and framework of the corporate governance system. They also set forth the roles, composition, and governing policies regarding the Board of Directors, executive officers, the Nominating Committee, the Compensation Committee and the Audit Committee for Mizuho Financial Group as a “Company with Committees.”

In Conclusion

Under the slogan of “One MIZUHO,” we will continue to steadily implement our integrated strategy of “banking, trust banking, and securities functions.” We will endeavor to fulfill our social mission as a financial institution, and further meet our customers' needs accurately and with a sense of speed, including providing a smooth supply of funds as a financial services group with a global presence.

We sincerely appreciate your continuing support for these endeavors.

July 2014



Yasuhiro Sato
President & Group CEO
Member of the Board of Directors
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.