

For Immediate Release :

**Consolidated Financial Statements for the First Half of Fiscal 2002**

Company name: **Mizuho Holdings, Inc. (“MHHD”)**  
 Stock code number: 8305  
 URL: <http://www.mizuho-fg.co.jp/english>  
 Stock Exchanges: Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section)  
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 Representative: Name: Terunobu Maeda  
 Title: President & CEO  
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 Date of Approval by the Board of Directors: November 25, 2002  
 Trading Accounts: Established  
 US GAAP: Not applied

**1 . Financial Highlights for the First Half of Fiscal 2002 (from April 1, 2002 to September 30, 2002 )****(1) Consolidated Operating Results**

Amounts less than one million yen are rounded down.

	Ordinary Income		Ordinary Profits/Loss		Net Income/Loss		Net Income/Loss per Share of Common Stock	Net Income per Share of Common Stock Assuming Dilution
	¥ million	%	¥ million	%	¥ million	%	¥	¥
First Half of Fiscal 2002	1,809,113	(34.8)	122,232		39,029		4,139.97	3,234.08
First Half of Fiscal 2001	2,773,713	(17.2)	(391,022)		(264,637)		(28,753.61)	
Fiscal 2001	5,182,183	(9.9)	(1,349,850)		(976,044)		(108,003.27)	

Note: 1. Equity in Earnings (Losses) from Investments in Affiliates

First Half of Fiscal 2002 ¥ (6,875)million, First Half of Fiscal 2001 ¥ (1,089)million, Fiscal 2001 ¥ (6,771) million

2. Average Outstanding Balance of Stocks (consolidated basis)

First Half of Fiscal 2002 9,427,485 shares, First Half of Fiscal 2001 9,203,618 shares, Fiscal 2001 9,240,697 shares

3. Change of Accounting Method: None

4. Percentages on the above table represent changes of Operating Income, Net Operating Income, Ordinary Profits and Net Income to the respective amounts of the corresponding period of the previous year.

**(2) Consolidated Financial Conditions**

	Total Assets	Total Shareholders' Equity	Total Shareholders' Equity to Total Assets	Total Shareholders' Equity per Share of Common Stock	Consolidated Risk-based Capital Ratio (BIS Capital Ratio)
	¥ million	¥ million	%	¥	%
First Half of Fiscal 2002	143,047,455	3,715,697	2.6	187,411.97	10.42 (*)
First Half of Fiscal 2001	163,736,959	5,301,350	3.2	347,158.69	10.53
Fiscal 2001	151,312,427	4,731,420	3.1	295,093.14	10.56

\* Tentative figure.

Note: Outstanding balance of Shares at End of Term (Consolidated)

First Half of Fiscal 2002 9,426,810 shares, First Half of Fiscal 2001 9,203,621 shares, Fiscal 2001 9,428,955 shares

**(3) Conditions of Consolidated Cash Flows**

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash & Cash Equivalents at End of Period
	¥ million	¥ million	¥ million	¥ million
First Half of Fiscal 2002	(1,968,482)	(2,022,088)	(429,490)	5,426,647
First Half of Fiscal 2001	1,151,524	(267,101)	(242,025)	2,869,251
Fiscal 2001	6,776,438	1,530,751	(697,401)	9,847,366

**(4) Scope of Consolidation and Application of the Equity Method**

Number of Consolidated Subsidiaries:	160
Non-consolidated subsidiaries accounted for by the Equity Method:	0
Affiliates accounted for by the Equity Method:	34

**(5) Change in Scope of Consolidation and application of the Equity Method**

Consolidation	Newly Consolidated:	7	Equity Method Newly Applied:	6
	Excluded:	18	Excluded:	2

**2 . Consolidated Earnings Performance Projection for the Fiscal Year ending March 31, 2003  
( from April 1, 2002 to March 31, 2003 )**

	Ordinary Income	Ordinary Profits	Net Income
Fiscal 2002	¥ million 3,500,000	¥ million (210,000)	¥ million (220,000)

Note : Net Income per Share of Common Stock (fiscal 2002 projection) : ¥ (25,669.41) (Consolidated Basis)

The above projection is based on information which is available at this moment, and assumptions of uncertain factors which may have an influence on future operating results. Actual results may differ materially from this projection, depending on future events.

**(Reference)****Calculation formulae for indices****(1) Formula for indices - Financial Data for the First Half of Fiscal 2002**

- a. Net Income/Loss per Share of Common Stock

$$\frac{\text{Net Income} - \text{Cash Dividends Declared (Preferred Stock)}}{\text{Average Outstanding Shares of Common Stock} (*)}$$

- b. Net Income/Loss per Share of Common Stock Assuming Dilution

$$\frac{\text{Net Income} - \text{Cash Dividends Declared (Preferred Stock)} + \text{Adjustment to Net Income}}{\text{Average Outstanding Shares of Common Stock} (*) + \text{Number of Shares Assuming Dilution}}$$

- c. Total Shareholders' Equity to Total Assets

$$\frac{\text{Total Shareholders' Equity}}{\text{Total Debt} + \text{Stock held by Minority Shareholders} + \text{Shareholders' Equity (September 30, 2002)}} \times 100$$

- d. Total Shareholders' Equity per Share of Common Stock

$$\frac{\text{Total Shareholders' Equity} - \text{Shares of Preferred Stock} \times \text{Issue Price}}{\text{Shares of Common Stock} (*)}$$

**(2) Formula for index - Forecast for the Fiscal Year ending March 31, 2003**

Net Income per Share of Common Stock (Fiscal 2002 forecast)

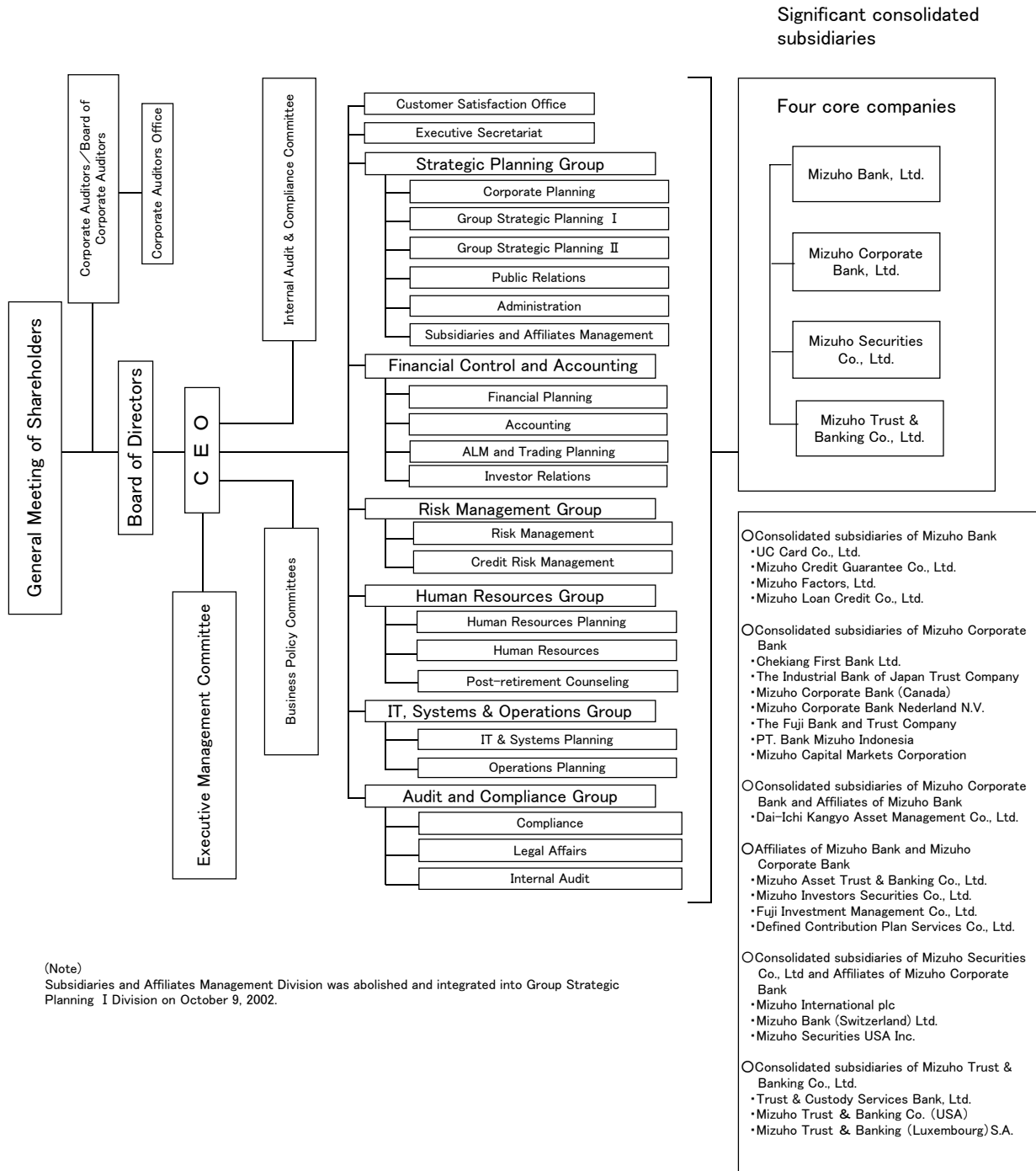
$$\frac{\text{Net Income (forecast)} - \text{Cash Dividends (Preferred Stock) (forecast)}}{\text{Shares of Common Stock} (*)}$$

\* Excluding Treasury Stock and Shares of Parent Company held by subsidiaries.

# 1. Organization structure of Mizuho Financial Group (MHFG)

The Mizuho Financial Group provides financial services; such as Banking as main business, Securities business, Trust and Asset Management services business.

(as of September 30, 2002)



(Note)  
Subsidiaries and Affiliates Management Division was abolished and integrated into Group Strategic Planning I Division on October 9, 2002.

(Note)  
The Fuji Bank and Trust Company will merge The Industrial Bank of Japan Trust Company and be renamed Mizuho Corporate Bank (USA) on December 1, 2002.

Of the major domestic subsidiaries, the following companies are listed on Japanese domestic stock exchanges.

Company Name	Location	Main Business	Ownership Percentage %	Listed Stock Exchanges
Mizuho Asset Trust & Banking Co., Ltd.	Chuo-Ku, Tokyo	Trust and Banking Business	61.5 (61.5)	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section)
Mizuho Investors Securities Co., Ltd.	Chuo-Ku, Tokyo	Securities Business	66.5 (66.5)	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section) Nagoya Stock Exchange(First Section)

1 .( ): Percentage interest held by subsidiaries

2 . "Ownership Percentage" for Mizuho Asset Trust & Banking Co., Ltd. includes 300,000 voting rights, which arise from First Series Class I Preferred Stock, and 800,000 voting rights, which arise from Third Series Class Preferred Stock in accordance with provisional clause of Article 242, paragraph 1 of the Commercial Code of Japan.

## **2. Management Policies**

### **(1) Management Policies**

Through the corporate split and merger process, on April 1, 2002, Mizuho Financial Group consolidated and reorganized The Dai-Ichi Kangyo Bank, Limited, The Fuji Bank, Limited and The Industrial Bank of Japan, Limited (collectively, the “3 banks”) under Mizuho Holdings, Inc. (MHHD), a holding company for the 3 banks, to form Mizuho Bank, Ltd., whose main customers are individuals, domestic corporations and local public organizations, and Mizuho Corporate Bank, Ltd., whose main customers are large corporations, financial institutions and their group companies, public organizations (national government entities) and overseas customers.

In addition, MHFG’s second tier subsidiaries, Mizuho Securities Co., Ltd and Mizuho Trust & Banking Co., Ltd., became directly owned subsidiaries of MHHD. As a result of this, MHFG launched its new business structure with the four companies referred to above as the core of the revitalized MHFG.

MHFG will offer the highest-quality financial services to its customers by further enhancing the specialized capabilities of each group company. It aims to be a comprehensive financial services institution which can meet its customers’ various needs by strengthening the synergy among the group companies. In order to achieve this, MHFG manages the group companies according to customer segments while they continue to function as legally separate entities. Through the transactions carried out by these companies, MHFG hopes to achieve management commensurate with its business size and scope, and will be poised to respond flexibly and promptly to changes in its business environment such as structural shifts in the economy, in the financial, as well as other markets.

With this structure, MHHD will manage its business through a variety of activities such as planning group strategy and business portfolio strategy, enhancement to attain synergy among the group companies, strengthening risk management, compliance and internal audit and other activities to promote the full potential of MHFG on a group-wide basis.

### **(2) Policy on Profit Distribution**

MHHD intends to decide dividend policy considering its operational performance, while bearing in mind the need to increase retained earnings from the viewpoint of sound financial position.

### **(3) Issues to be Resolved**

MHFG deeply apologizes for inconveniencing its customers as a result of computer system disruptions such as delays in the processing of automatic debit transactions and trouble with its ATM services that occurred when MHBK and MHCB launched their new operations on April 1, 2002. After the disruptions occurred, MHHD, MHBK and MHCB formed an emergency task force to bring their systems and operations back in order. At the same time, MHFG strived to solve the cause of the disruption using all the resources of the entire group. The personnel of the group companies are doing their best to regain their customers’ trust by taking measures to avoid further disruption in operations and systems, and by improving their internal control structure.

MHFG will strive to build a new corporate culture and improve motivation of its managements and employees through the new Mizuho Group-wide Code of Conduct, the new performance review system including 360 Degree Performance Feedback, and more appropriate alignment of human resources in accordance with identified needs.

With respect to financial performance and condition, from the perspective of maintaining sound asset quality, MHBK and MHC B aim to resolve quickly the non-performing loan issue by conducting a strict self-assessment, accruing proper reserves and write-offs, and building an internal structure to implement corporate rehabilitation, reconstruction and resolution. MHFG will focus on corporate rehabilitation and reconstruction in particular in order to support the recovery of corporations from the viewpoint of avoiding any new non-performing loans by establishing Business Advisory Office in Mizuho Bank, Ltd in July 2002 and Corporate Restructuring Division No.1-5 and International Corporate Restructuring Division in Mizuho Corporate Bank in October 2002 and assigning personnel with appropriate knowledge and expertise to these departments.

MHFG also aims to meet the requirement for the limitation of stocks held on a consolidated basis a year earlier than mandated, by September 2003, by reducing stockholdings in order to build a sound corporate structure not affected by stock price fluctuations.

Furthermore, MHFG will proceed to strengthen its business base and to seek new opportunities to earn profits mainly by increasing non-interest income and improving asset efficiency, as well as by reducing expenses through thorough restructuring.

Specifically, MHFG will establish diversified revenue sources through increasing non-interest income by strengthening its capabilities in fee-generating businesses such as advisory and arranger services, and CMS, and being active in providing syndicated loans and project financing. MHFG is also aiming to improve asset efficiency by reducing less profitable and inefficient assets and increasing securitization of loans. With respect to the securities and investment banking businesses, and the asset management and trust businesses, MHFG considers these as strategically vital businesses and is making an effort to improve the quality of financial services and attain synergy among the group companies by enhancing their relationship within MHFG. MHFG will pursue efficiency in these areas and will develop these businesses as its core sources of revenue.

In response to the changing needs of our customers, the group companies of MHFG have been working together to increase the diversity of available products. For example, Mizuho Bank, Ltd., Mizuho Corporate Bank, Ltd., Mizuho Asset Trust & Banking Co., Ltd. and Mizuho Investors Securities, Ltd. are expanding joint-branches and Mizuho Bank Ltd. started distributing investment-type annuity products (variable annuity products). Also, as Japanese companies continue to expand in other Asian markets, especially China, MHFG continues to take the necessary actions to enhance our financial services in these regions.

Furthermore, MHFG will strive to realize synergy effect of our merger and enhance its management and renovate its cost structure by the thorough complete restructuring of various areas, paying attention to maintaining convenience for its customers. The management and employees of MHFG will continue their sincere effort to regain their customers' trust and improving our performance through offering prompt and comprehensive high value-added financial services.

### **3. Consolidated Results of Operations**

(1) For this interim period (From April 1,2002 to September 30,2002)

a. Scope of Consolidation

As discussed in BASIS FOR PRESENTATION AND PRINCIPLES OF CONSOLIDATION section of this document, the number of subsidiaries included in the consolidated financial statements for the first half of fiscal 2002 was 160, decreasing by 11 from the end of fiscal 2001. The number of companies accounted for by the equity method was 34, increasing by 4 from the end of fiscal 2001.

b. Results of Operations

Ordinary Income, Ordinary Profit and Net Income for the first half of fiscal 2002 were ¥1,809.1 billion, ¥122.2 billion and ¥39.0 billion, respectively.

Net Interest Income was ¥654.6 billion, decreasing by ¥91.6 billion from the corresponding interim period of fiscal 2001, as a result of the weak demands for fund in the domestic market etc.

Net Fiduciary Income was ¥22.5 billion, increasing by ¥0.4 billion from the corresponding interim period of fiscal 2001. Net Fee and Commissions Income was ¥180.7 billion, decreasing by ¥36.9 billion from the corresponding interim period of fiscal 2001, mainly due to the decrease in remittance commission.

Net Trading Income was ¥123.6 billion, increasing by ¥23.6 billion from the corresponding interim period of fiscal 2001, mainly by the increase in Net Gains on Derivatives for Trading Transactions, etc. Net Other Operating Income was ¥116.7 billion, decreasing by 34.6 billion from the corresponding interim period of fiscal 2001.

As a result, Consolidated Gross Profits was ¥1,098.3billion, decreasing by ¥139.1 billion from the corresponding interim period of fiscal 2001.

General and Administrative Expenses amounted to ¥651.5 billion, increasing by ¥13.6 billion from the corresponding interim period of fiscal 2001, mainly due to the increase in depreciation expenses, although personnel expenses decreased.

Credit Related Costs amounted to ¥300.7 billion, decreasing by ¥736.8 billion from the corresponding interim period of fiscal 2001, resulting from deceleration of arising new problem loans and decrease in loan balances to be provided reserves.

Net Losses Related to Stocks and Other Securities amounted to ¥55.3 billion, decreasing by ¥120.9 billion from the corresponding interim period of fiscal 2001, mainly as a result of the devaluation of stocks amounting to ¥76.3 billion due to sags in stock markets.

Consolidated Ordinary Profit amounted to ¥122.2 billion, increasing by ¥513.2 billion from the corresponding interim period of fiscal 2001, which are comprised of Consolidated Gross Profit, General and Administrative Expenses, Credit Related Costs, Net Gains/Losses Related to Stocks and Other Securities, Equity in Losses from Investments in Affiliates and so on.

Net Extraordinary Loss was ¥23.0 billion, mainly due to the amortization of unrecognized net obligation at

date of initial application of the new accounting standard for employee retirement benefits.

Income before Income Taxes and Minority Interests was ¥99.1 billion by reflecting Net Extraordinary Gains/Loss to Consolidated Ordinary Profit.

Net Profit was ¥39.0 billion by reflecting "Income Tax Expenses-Current", "Income Tax Expenses-Deferred" and "Minority Interests in Net Income" to "Income before Income Taxes and Minority Interests."

Total Assets amounted to ¥143,047.4 billion, decreasing by ¥8,264.9 billion from the corresponding interim period of fiscal 2001, as a result of accelerated disposition of problem loans, liquidation of loans, and reduction of less performing assets.

Total Shareholders' Equity amounted to ¥3,715.6 billion.

c. Consolidated Capital Adequacy Ratio

The Consolidated Capital Adequacy Ratio (Uniform International Standards) was still in high level of 10.42% (a preliminary basis), decreasing by 0.14% from the end of the fiscal 2001.

d. Cash Flows

Cash Flows from Operating Activities, Investing Activities and Financing Activities were ¥(1,968.4) billion, ¥(2,022.0) billion, and ¥(429.4) billion, respectively.

As a result, Cash and Cash Equivalents at end of the interim period was ¥5,426.6 billion.

e. Segment Information

Mizuho Financial Group's segments of operations by geographic area are Japan, Americas, Europe and Asia / Oceania. Ordinary Income from International Operations of ¥428.6 billion was comprised in Consolidated Ordinary Income of ¥1,809.1 billion.

Mizuho Financial Group is engaged in activities other than banking, however, such segment information is not presented, as the percentages for those activities are insignificant.

(2) Forecast for the Fiscal 2002 (From April 1, 2002 to March 31, 2003)

As for the operating forecast for the year ending March 31, 2003, we anticipate Ordinary Income of ¥ 3,500.0 billion, Ordinary Loss of ¥ 210.0 billion and Net Loss of ¥220.0 billion on a consolidated basis.

We apologize to shareholders because we have planned not to distribute any dividend on ordinary stocks for March 31, 2003 in order to further strengthen the bank's financial robustness. Dividends on the various preferred stocks are expected to be as designated.



## **Basis for Presentation and Principles of Consolidation**

### 1. Scope of Consolidation

#### 1) Number of consolidated subsidiaries: 160

Names of principal companies:

Mizuho Bank, Limited  
Mizuho Corporate Bank, Limited  
Mizuho Securities Co., Ltd.  
Mizuho Trust & Banking Co., Ltd.

Dai-ichi Kangyo Bank, Fuji Bank and Industrial Bank of Japan, which are subsidiaries of MHHD, were combined and reorganized as Mizuho Bank and Mizuho Corporate Bank by means of split and merger. Simultaneously, Dai-ichi Kangyo Bank changed its name to Mizuho Bank and Fuji Bank to Mizuho Corporate Bank.

In this interim period, Mizuho Preferred Capital (Cayman) 5 Limited and six other companies were newly incorporated and consolidated, and Dai-ichi Kangyo Card Co., Ltd. and seventeen other companies were excluded from the scope of consolidation as a result of merger with other subsidiary and other reasons.

#### 2) Non-consolidated subsidiaries

Names of principal subsidiaries:

ONKD, Inc.  
FIMCO SPC(Cayman) Limited

Non-consolidated subsidiaries were excluded from the scope of consolidation because they do not have such a material effect as to hinder the rational assessment of the financial position and business performance of the corporate group in terms of total assets, ordinary income, net income (the amounts corresponding to MHHD's equity position), and retained earnings (the amounts corresponding to MHHD's equity position), when excluded from the scope of consolidation.

### 2. Application of the Equity Method

#### 1) Number of affiliates accounted for by the equity method: 34

Names of principal companies:

The Chiba Kogyo Bank, Ltd.  
Shinko Securities Co., Ltd.

IBJ Leasing Co., Ltd. and five other companies were newly accounted for by the equity method due to the increase of MHHD's interests in these companies.

Investments in IBJ Nomura Financial Products Holdings plc and one other company are not accounted for by the equity method as they are considered immaterial in terms of their Net Income / Loss (the amounts corresponding to MHHD's equity position) and Retained Earnings (the amounts corresponding to MHHD's equity position).

#### 2) Non-consolidated subsidiaries and affiliates not accounted for by the equity method:

Names of principal companies:

ONKD , Inc.  
FIMCO SPC (Cayman) Limited

The equity method was not applied to the above non-consolidated subsidiaries and affiliates because their net income (the amounts corresponding to MHHD's equity position) and retained earnings (the amounts corresponding to the Bank's equity position) do not have a material effect on MHHD's interim consolidated financial statements when excluded from the scope of companies accounted for by the equity method.

### 3. Interim Balance Sheet Dates of Consolidated Subsidiaries

#### 1) Interim balance sheet dates of consolidated subsidiaries are as follows:

April 30	1 company
June 30	90 companies

July 31	1 company
August 31	1 company
September 30	52 companies
The day before the last business day of December	14 companies
December 31	1 company

- 2) Consolidated subsidiaries with interim period ends on April 30 or December 31 and nine subsidiaries with interim period ends at the day before the last business day of December closed their books and prepared financial statements as of and for the period ended June 30, 2002, for consolidation purposes. Other subsidiaries with interim period ends at the day before the last business day of December, that were all incorporated in July 2002, closed their books and prepared financial statements as of the period ended September 30, 2002, for consolidation purposes. Other consolidated subsidiaries and affiliates are consolidated based on respective period ends. Necessary adjustments have been made to interim financial statements for significant transactions recorded during the period between these subsidiaries' interim period ends and the interim period end for the consolidated financial statements.

# Consolidated Balance Sheet

September 30, 2002

**Mizuho Holdings, Inc.**

(in millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Cash and Due from Banks	6,326,761	Deposits	68,396,196
Call Loans and Bills Purchased	1,821,161	Negotiable Certificates of Deposit	9,533,567
Receivables Under Resale Agreements	5,110,620	Debentures	13,783,539
Guarantee Deposit Paid under Securities Borrowing Transactions	4,637,828	Call Money and Bills Sold	10,380,132
Other Debt Purchased	1,729,902	Payables Under Repurchase Agreements	8,494,440
Trading Assets	9,098,107	Guarantee Deposit Received under Securities Lending Transactions	4,099,757
Money Held in Trust	48,096	Commercial Paper	378,125
Securities	25,520,325	Trading Liabilities	6,598,423
Loans and Bills Discounted	76,118,242	Borrowed Money	2,434,959
Foreign Exchange Assets	681,242	Foreign Exchange Liabilities	245,629
Other Assets	4,866,637	Bonds and Notes	2,776,592
Premises and Equipment	1,715,324	Bonds with Stock Option	3,599
Deferred Debenture Charges	2,021	Due to Trust Account	1,460,322
Deferred Tax Assets	2,186,442	Other Liabilities	4,242,000
Consolidation Differences	56,024	Reserve for Bonus Payment	23,370
Customers' Liabilities for Acceptances and Guarantees	4,948,881	Reserve for Employee Retirement Benefit	24,250
Reserve for Possible Losses on Loans	(1,815,665)	Reserve for Possible Losses on Loans Sold	47,838
Reserve for Possible Losses on Securities	(4,499)	Reserve for Contingencies	138,700
		Reserve under Special Laws	768
		Deferred Tax Liabilities	8,089
		Deferred Tax Liabilities for Revaluation Reserve for Land	262,305
		Acceptances and Guarantees	4,948,881
		<b>Total Liabilities</b>	<b>138,281,492</b>
		<b>Minority Interests</b>	
		Minority Interests	1,050,265
		<b>Shareholders' Equity</b>	
		Common Stock and Preferred Stock	2,572,000
		Capital Surplus	353,765
		Retained Earnings	983,536
		Revaluation Reserve for Land, net of Taxes	422,905
		Net Unrealized Losses on Securities Available for Sale, net of Taxes	(513,863)
		Foreign Currency Translation Adjustments	(101,626)
		Treasury Common Stock	(1,019)
		<b>Total Shareholders' Equity</b>	<b>3,715,697</b>
<b>Total Assets</b>	<b>143,047,455</b>	<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	<b>143,047,455</b>

**Notes to Consolidated Balance Sheet**

1. Amounts less than one million yen are rounded down.
2. **Trading Transactions**  
Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of securities and related indices are recognized on a trade date basis and recorded in Trading Assets or Trading Liabilities on the interim consolidated balance sheet.  
Trading Assets and Trading Liabilities are valued as follows. Securities and Monetary Claims are stated at fair value at the interim consolidated balance sheet date. Derivative financial products, such as swaps, forward contracts and option transactions are stated at their theoretical values, assuming that such transactions were settled at the interim consolidated balance sheet date.
3. **Securities**  
Investments in stocks of non-consolidated subsidiaries and affiliates, which are not accounted for by the equity method, are valued on a cost basis using the moving average method. Regarding Securities Available for Sale, Japanese stocks with a market price are valued on a mark-to-market basis using the average market price over the month preceding the interim consolidated balance sheet date, others with a market price are valued on a mark-to-market basis at the interim consolidated balance sheet date (cost of securities sold is calculated primarily by the moving average method) and securities without a market price are stated at cost as determined by the moving average method or amortized cost. The total unrealized gains (losses) on Securities Available for Sale are booked directly to Shareholders' Equity, after tax adjustments.
4. Securities which are held as trust assets in individually managed Money Held in Trust accounts, in which the principal objective is investment, are valued on the same basis as per paragraph 2. and 3.
5. Derivative transactions (other than transactions for trading purposes as per paragraph 2.) are valued on a mark-to-market basis.
6. Depreciation method of Premises and Equipment is as follows:  
Buildings : Depreciation of buildings is computed mainly by the straight-line method over the estimated useful lives (3 to 50 years).  
Equipment : Depreciation of equipment is computed mainly by the declining-balance method over the estimated useful lives (2 to 20 years).
7. Development costs for software internally-used are capitalized and amortized using the straight-line method over the estimated useful life determined by MHHD and its consolidated subsidiaries (primarily 5 years).
8. Deferred Debenture Charges are amortized as follows:  
(1) Discounts of debentures are amortized over the term of the debenture.  
(2) Debenture issuance costs are amortized over the term of the debentures up to a maximum of 3 years, which is the longest period permitted under the Commercial Code of Japan.
9. **Foreign Currency Items**  
Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of domestic subsidiaries are translated into Japanese yen primarily at the exchange rates in effect at the interim consolidated balance sheet date, with the exception of the stocks of non-consolidated subsidiaries and affiliates, to which are applied the yen exchange rates prevailing at the time of acquisition.  
In prior years, MHHD and subsidiaries had adopted "Tentative Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks"(JICPA Industry Audit Committee Report No.20). Effective this fiscal year, MHHD and subsidiaries adopted "Accounting and Auditing Treatment Relating to Accounting Standards for Foreign Currency Transactions for Banks"(JICPA Industry Audit Committee Report No.25). As permitted in the transitional treatment of the JICPA Industry Audit Committee Report No.25,

fund swap transactions, currency swap transactions, and internal contracts are treated in accordance with prior report (JICPA Industry Audit Committee Report No.20). Revaluation gains and losses of foreign exchange contracts are presented on a net basis on the balance sheet.

In accordance with the transitional treatment of the JICPA Industry Audit Committee Report No.25, fund swap transactions are accounted for as follows;

Amount corresponding to principal amounts of lending and borrowing transactions are translated into yen using the exchange rates in effect at the end of the interim period and the net of translated amount is recorded on the balance sheet. Difference between spot and forward exchange rates, which represents difference between interest rates of two currencies, are charged to income over the period from the settlement date of spot exchange contract to that of forward exchange contract. Related accrued income or expense is recorded on the balance sheet.

A fund-related swap transaction is a swap transaction involving the borrowing of funds in one currency and the lending of funds in another currency. An amount equivalent to the principal of the funds borrowed and funds lent is exchanged at the spot rate into another currency. A forward exchange contract is concluded to buy or sell foreign currency equivalent to the principal and related interest receivable/payable relating to the said principal accrued and the said date during the swap period.

Currency swap transactions in which the transactions are (1) originated for the purpose of lending and borrowing in different currencies, (2) amounts payable/receivable at the maturity date are equal to amounts receivable /payable at the contract date and (3) the swap rates applied to principal and interest are rational, were accounted for in accordance with the transitional treatment of the JICPA Industry Audit Committee Report No.25 as follows (These currency swap transactions include transactions that renew one currency's equivalent amount of principal on every payment day of interest, using the current exchange rate of the day.):

Amount corresponding to principal amounts of lending and borrowing transactions are translated into yen using the exchange rates in effect at the end of the interim period and the net of translated amount is recorded on the balance sheet. Exchange of coupons is charged to income over the life of the contract on an accrual basis and related accrued income or expense is recorded on the balance sheet.

Assets/liabilities denominated in foreign currencies of other consolidated subsidiaries are translated into yen primarily using the exchange rates in effect at the end of the interim period of these subsidiaries.

#### 10. Reserves for Possible Losses on Loans

Reserves for Possible Losses on Loans of the major domestic consolidated subsidiaries are provided as follows in accordance with internally-developed standards for write-offs and providing reserves for possible losses on loans.

The reserve for loans to obligors which are classified as substantially bankrupt ("substantially bankrupt obligors") or which are legally bankrupt, as evidenced by a declaration of bankruptcy, special liquidation, or other similar circumstances ("bankrupt obligors"), is provided based on the amount remaining after deduction of the amount expected to be collected from the disposal of collateral and the amount recoverable from guarantees. Also a reserve is provided for loans to obligors, which are not currently bankrupt but are likely to become bankrupt. In this case, the reserve is provided based on the amount the obligor is capable of repaying of the loan amount remaining after deducting the expected amount recoverable from disposal of collateral and amounts under guarantees. In the case of all other loans to such borrowers, a reserve is provided on the basis of the loan failure rates calculated using the amount of actual loan failures etc. during a fixed period in the past.

The Reserve for Loans to Restructuring Countries is provided based on the prospective loss after consideration of the relevant country's political and economic situation, etc.

All loans are assessed by the business promotion division, office or branch where the credit originated based on the internal rules for self-assessment of assets. A credit review and auditing section, which is independent of the originating sections, reviews the results of the self-assessment of assets for all loans based on the internal rules. The above Reserves for Possible Losses on Loans are provided based on the results of the review.

For loans to bankrupt obligors and substantially bankrupt obligors etc. which are collateralized or guaranteed by a third party etc., the amounts deemed uncollectible (calculated by deducting the anticipated proceeds from the sale of collateral pledged against the claims and amounts that are expected to be recovered from guarantors of the claims) are charged off against the respective loan balances. The total charged-off amounts are ¥ 2,719,184 million.

Reserves for Possible Losses on Loans provided by other consolidated subsidiaries are maintained as follows:

- For general claims, reserves are maintained at the amount deemed necessary based on historical credit loss experiences, etc.
- For doubtful claims, reserves are maintained at the amount deemed uncollectible based on respective assessment of

collectability.

11. Reserve for Possible Losses on Securities

This reserve is provided to cover any future potential losses on investment securities in other companies. It is booked as the amount deemed necessary taking into consideration the financial situation and other relevant factors of the investment securities' issuers.

12. Reserve for Bonus Payments

This reserve is provided for future bonus payments to employees. It is booked as the amount deemed necessary for employees' bonuses at the end of the interim consolidated fiscal term.

13. Reserve for Employee Retirement Benefits, and Prepaid Pension Cost

This reserve and prepaid pension cost are provided for future pension payments to employees. It is recorded as the amounts deemed to have arisen at the end of the interim consolidated fiscal term, based on the projected benefit obligation and the pension asset amounts at the end of the consolidated fiscal year.

Unrecognized actuarial gains (losses) are recognized as income or expenses from the following consolidated fiscal year and amortized over a fixed number of years within the average remaining service period of the current employees using the straight-line method.

With respect to the unrecognized net obligation of the domestic consolidated subsidiaries, the amount is to be amortized primarily over 5 years. For the interim consolidated fiscal term, half of the amount to be amortized primarily during the year is charged to current expenses.

14. Reserve for Possible Losses on Loans Sold

This reserve is provided to cover contingent losses on loans sold to the Cooperative Credit Purchasing Company Limited (CCPC), taking into account the value of the collateral pledged. This reserve is provided in accordance with Article 287-2 of the Commercial Code of Japan.

15. Reserve for Contingencies

This reserve is provided to cover possible losses arising from matters not covered by specific reserves which are likely to occur and regarding which losses are reasonably determinable. This reserve is provided in accordance with Article 287-2 of the Commercial Code of Japan.

16. MHHD and its domestic consolidated subsidiaries treat finance leases which do not involve the transfer of ownership to the lessee as operating leases.

17. In accordance with the transitional treatment of "Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks" (JICPA Industry Audit Committee Report No.24), domestic consolidated banking subsidiaries and certain of domestic consolidated trust banking subsidiaries apply the macro-hedge method as a hedge accounting for the overall interest rate risk involved in various financial assets and liabilities, such as loans and deposits, etc. using derivatives. This is the risk management method stipulated in "Temporary Treatment for Accounting and Auditing Application of Accounting Standards for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 15) as the "Risk Adjusted Approach", and uses the deferral method of hedge accounting. Hedge effectiveness is assessed by checking (1) whether the total risk amount of derivative instruments, used as the risk adjusting measure, is within the established risk limit as set out in the risk management policy and (2) whether interest risks from hedged items have been eliminated.

In applying hedge accounting to hedging instruments for foreign currency denominated securities, the securities being hedged are identified and the foreign currency payables of hedging instruments are compared with the balances of the securities being hedged to confirm there is no over hedge. The qualified hedges are designated as a portfolio hedge and accounted for under either of the deferral hedge method or the fair value hedge method.

The deferral method, the mark-to-market method or the special accrual method (for interest rate swaps) is alternatives that are used for hedge accounting applicable to certain assets and liabilities.

The hedge accounting similar to the above-mentioned is adopted by other subsidiaries.

18. Consumption Taxes and Local Taxes

With respect to MHHD and its domestic consolidated subsidiaries, Consumption taxes and local taxes are excluded from the transaction amounts.

19. Reserve under Special Laws is recorded as follows:  
Reserve for Contingent Liabilities from Broking of Financial Futures Transactions: ¥ 53 million.  
This reserve is maintained pursuant to Article 82 of the Financial Futures Transaction Law.  
Reserve for Contingent Liabilities from Broking of Securities Transactions: ¥ 715 million.  
This reserve is maintained pursuant to Article 51 of the Securities & Exchange Law.
20. Loans to Directors and Corporate Auditors of MHHD amounted to ¥ 15 million.
21. Accumulated depreciation of Premises and Equipment amounted to ¥ 752,521 million.
22. The book value of Premises and Equipment adjusted for gains on sales of replaced assets amounted to ¥ 141,918 million.
23. Loans and Bills Discounted are recorded as follows:  
Balance of Loans to Bankrupt Borrowers: ¥ 558,004 million.  
Balance of Non-accrual Delinquent Loans: ¥ 2,332,405 million.  
Of the above loan amounts, ¥ 567 million comprises loans to be disposed of through sales to the Resolution and Collection Corporation (“RCC”) which leads to the final step of disposal under the management-consignment system.  
Loans to Bankrupt Borrowers are loans, excluding loans written-off, on which delinquencies in payment of principal and/or interest have continued for a significant period of time or for some other reasons there is no prospect of collecting principal and/or interest (“Non-Accrual Loans”), as per Article 96 Paragraph 1 No. 3, subsections 1 to 5 or No. 4 of the Implementation Ordinances for the Corporate Tax Law (Government Ordinance No. 97, 1965).  
Non-accrual Delinquent Loans represent non-accrual loans other than (1) Loans to Bankrupt Borrowers and (2) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the borrowers.
24. Balance of Loans Past Due for 3 Months or More: ¥ 85,758 million.  
Loans Past Due for 3 Months or More are those loans for which payments of principal and/or interest have not been received for a period of three months or more beginning with the next day following the last due date for such payments, and are not included in Loans to Bankrupt Borrowers, or Non-accrual Delinquent Loans.
25. Balance of Restructured Loans: ¥ 2,448,692 million.  
Loans and Bills Discounted also include the above balance of Restructured Loans. Restructured Loans represent loans on which contracts were amended in favor of borrowers (e.g. reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate the restructuring of the borrowers. Loans to Bankrupt Borrowers, Non-accrual Delinquent Loans and Loans Past Due for 3 Months or More are not included.
26. Total balance of Loans to Bankrupt Borrowers, Non-accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans: ¥ 5,424,860 million.  
Of the above loan amounts, ¥ 567 million comprises loans to be disposed of through sales to the Resolution and Collection Corporation (“RCC”) which leads to the final step of disposal under the management-consignment system.  
The amounts given in the paragraphs 23. through 26. are gross amounts before deduction of amounts for the Reserve for Possible Losses on Loans.
27. In accordance with the JICPA Industry Audit Committee Report No.24, Bills Discounted is accounted for as financing transactions although subsidiary banks have rights to sell or pledge certain commercial bills and foreign exchange bills discounted. The principal amount of these bills is amounting to ¥ 1,192,840 million at this fiscal term end.

28. Breakdown of assets pledged as collateral

The following assets have been pledged as collateral:

Trading Assets:	¥ 1,750,805 million
Securities:	¥ 11,468,035 million
Loans and Bills Discounted:	¥ 5,467,159 million
Premises and Equipment	¥ 247 million

The following liabilities are collateralized by the above assets:

Deposits:	¥ 629,955 million
Call Money and Bills Sold:	¥ 5,913,100 million
Payables under Repurchase Agreements:	¥ 4,642,246 million
Guarantee Deposits Received under Securities Lending Transactions:	¥ 2,186,697 million
Borrowed Money:	¥ 607,072 million
Other Liabilities	¥ 45 million

In addition to the above, Borrowed Money amounting to ¥ 3,645 million is secured by stocks which are deposited by customers as a collateral for loan transactions in relation to sales of securities on margin. Deposits with Banks amounting to ¥ 44,359 million, Trading Assets amounting to ¥ 11,403 million, Securities amounting to ¥ 2,928,602 million, Loans and Bills Discounted amounting to ¥ 195,192 million and Other Assets amounting to ¥ 26 million are pledged as collateral in connection with exchange settlement, or as a substitute for margin payments for future transactions. None of the assets has been pledged as collateral in connection with borrowings by non-consolidated subsidiaries or affiliates.

Premises and Equipment include Security Deposits of ¥ 151,951 million and Other Assets include Margin Payments for Future Transactions of ¥ 59,285 million.

Bills re-discounted are treated as financial transactions on the basis of “Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry” (Industry Audit Committee Report No. 24). The total face value of commercial bills and foreign bills of exchange bought as a result of re-discounting: ¥ 18,259 million.

29. The net realized and unrealized gains (losses) from hedging instruments are included in Other Assets as Deferred Hedge Losses. The gross amounts of deferred hedge losses and gains before netting were as follows:

Total deferred hedge losses:	¥ 1,892,282 million
Total deferred hedge gains:	¥ 1,725,199 million

30. In accordance with the Law Concerning Land Revaluation (Proclamation No. 34 dated March 31, 1998), land used for business activities has been revalued. The amount of tax payable on the amount of the revaluation differences has been shown in the item Deferred Tax Liabilities for Revaluation Reserve for Land indicated under Liabilities. In addition, the amount of revaluation differences less this tax liability has been shown in the item Revaluation Reserve for Land, net of Taxes indicated under Shareholders’ Equity.

Revaluation Date: March 31, 1998

Revaluation method as stated in Article 3-3 of the above law:

Land used for business activities was revalued by calculating the value on the basis of the valuation by road rating stipulated in Article 2-4 of the Enforcement Ordinance relating to the Land Revaluation Law (Government Ordinance No. 119 promulgated on March 31, 1998) with reasonable adjustments to compensate for sites with long depth, etc. and also on the basis of the appraisal valuation stipulated in Article 2-5.

Certain of overseas consolidated subsidiaries revalue land used for their business activities in the same way.



31. Borrowed Money includes subordinated borrowings of ¥ 1,376,258 million.
32. Bonds and Notes includes subordinated bonds of ¥ 2,659,843 million.
33. The principal amounts indemnified for jointly operated designated money trusts and loan trusts, which are entrusted to domestic consolidated trust banking subsidiaries, are ¥ 934,446 million and ¥1,323,606 million, respectively.
34. Net asset per share: ¥ 187,411.97
35. Figures for the market price and unrealized gains (losses) on securities are as follows. In addition to Securities, Trading Securities, Securities Held for Hedged Trading Transactions, NCDs and Commercial Paper in Trading Assets, NCDs in Cash and Due from Banks, and Commercial Paper etc. in Other Debt Purchased are also included. The same applies up to and including paragraph 38.

## Trading Securities

Balance of trading securities at the interim consolidated balance sheet date: ¥ 5,331,148 million

Unrealized gains (losses) recorded on the interim consolidated statement of income: ¥ 3,479 million

Securities Available for Sale which have a market price:

(Millions of yen)

	Acquisition Cost	Amount on Interim Consolidated BS	Unrealized Gains (Losses)	Unrealized Gains (Losses)	
				Gains	Losses
<b>Japanese Stocks</b>	<b>5,886,345</b>	<b>5,220,307</b>	<b>(666,038)</b>	<b>216,902</b>	<b>882,940</b>
<b>Japanese Bonds Total</b>	<b>12,886,624</b>	<b>12,912,574</b>	<b>25,949</b>	<b>36,573</b>	<b>10,623</b>
Japanese Government Bonds	12,450,395	12,466,067	15,671	24,946	9,274
Japanese Municipal Bonds	186,709	195,617	8,907	8,934	27
Japanese Corporate Bonds	249,518	250,889	1,370	2,692	1,322
<b>Other</b>	<b>5,343,065</b>	<b>5,456,927</b>	<b>113,861</b>	<b>145,169</b>	<b>31,307</b>
<b>Total</b>	<b>24,116,035</b>	<b>23,589,809</b>	<b>(526,226)</b>	<b>398,645</b>	<b>924,871</b>

The following amounts are included in Net Unrealized Gains (Losses) on Securities Available for Sale, net of Taxes:

Net Unrealized Losses:	¥ (526,226) million
Amount corresponding to Deferred Tax Assets:	¥ 21,981 million
Amount corresponding to Deferred Tax Liabilities (-):	¥ 5,700 million
Amount corresponding to Minority Interests (-):	¥ 4,599 million
Amount corresponding to Net Unrealized Losses on Securities Available for Sale owned by affiliates, which corresponds to the holding shares of their investor companies:	¥ 724 million
Amount included in Net Unrealized Gains (Losses) on Other Securities, net of Taxes:	¥ (513,819) million

36. Securities Available for Sale sold during this interim consolidated fiscal term are as follows:

Amount Sold	Gains on Sales	Losses on Sales
¥ 22,600,718 million	¥ 150,901 million	¥ 29,967 million

37. Major components of securities without a market price and their book value are as follows:

(Millions of yen)

Details	Amount on Interim Consolidated BS
<u>Securities Available for Sale:</u>	
Unlisted Stocks (other than OTC stocks)	538,493
Private Bonds	1,000,052

38. The redemption schedule by term for Securities Available for Sale with maturities is as follows:

(Millions of yen)

	1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years
<b>Japanese Bonds Total</b>	<b>3,789,631</b>	<b>5,831,104</b>	<b>4,254,968</b>	<b>36,922</b>
Japanese Government Bonds	3,678,299	4,843,358	3,944,409	-
Japanese Municipal Bonds	17,751	122,705	181,369	13,124
Japanese Corporate Bonds	93,580	865,041	129,189	23,798
<b>Other</b>	<b>750,352</b>	<b>2,428,724</b>	<b>1,291,254</b>	<b>1,152,205</b>
<b>Total</b>	<b>4,539,983</b>	<b>8,259,829</b>	<b>5,546,222</b>	<b>1,189,128</b>

39. Details of Money Held in Trust, by the purpose of holding, are as follows:

Investment purposes:

Book Value	¥ 45,905 million
Revaluation loss recognized in profits or losses for this interim period	¥ (490) million

Other Money Held in Trust:

Cost	¥ 2,109 million
Book Value	¥ 2,191 million
Net unrealized gain	¥ 81 million
Gross gain	¥ 81 million

The above amounts are included in "Net unrealized losses on Other securities, net of taxes."

40. Securities lending transactions which allow borrowers to resale, amounting to ¥ 1,424,261 million, are included in trading securities under "Trading Assets." Securities lending transactions which do not allow borrowers to resale, amounting to ¥ 1,476 million, are included in Japanese Government Bonds, Japanese Local Government Bonds, etc under "Securities."

Subsidiaries have rights to re-sell or re-pledge securities held under securities borrowing agreements and cash-collateralized securities borrowing agreements and securities purchased with resale agreements. These securities re-pledged as collateral, re-sold, and held without being re-pledged or re-sold are amounted to ¥ 1,100,906 million, ¥ 83,133 million, and ¥ 4,269,395 million, respectively.

In prior years, these securities had been presented on the balance sheet as separate components of Other Assets (Securities in Custody) or Other Liabilities (Trading Bonds Borrowed, Trading Securities Borrowed or Securities Borrowed). Effective current interim period, these securities are not presented on the balance sheet and disclosed in the footnotes to the financial statements in accordance with "Implementation Guidelines to Accounting Standards for Financial Instruments (JICPA Accounting Standard Committee Report No. 14)." This change decreased "Other Assets" and "Other Liabilities" by ¥ 5,453,435 million, respectively.

41. Overdraft facilities and commitment line agreements relating to loans are agreements which oblige consolidated subsidiaries to lend funds up to a certain limit agreed in advance. The loan is made upon the request of an obligor to draw down funds under such a loan agreement, as long as there is no breach of the various terms and conditions stipulated in the relevant loan agreement. The unused commitment balance relating to these loan agreements at the interim consolidated balance sheet date amounted to ¥ 41,891,518 million. Of this amount, ¥ 37,245,355 million relates to loans where the term of the agreement is one year or less, or unconditional cancellation of the agreement is

allowed at any time.

In many cases the term of the agreement runs its course without the loan ever being drawn down. Therefore the unused loan commitment will not necessarily affect future cash flows of the subsidiaries. Conditions are included in certain loan agreements which allow the subsidiaries either to decline the request for a loan draw down or to reduce the agreed limit amount where there is due cause to do so, such as when there is a change in the financial conditions, or when it is necessary to do so in order to protect the subsidiaries credit. The subsidiaries take various measures to protect their credit. Such measures include having the obligor pledge collateral in the form of real estate, securities, etc. on signing the loan agreement, or in accordance with the subsidiaries' established internal procedures confirming the obligor's financial condition etc. at regular intervals after signing, and where necessary amending the agreement conditions accordingly.

42. Other Assets include provisional tax payments of ¥ 222,682 million made by a certain domestic banking subsidiary. These tax payments were made upon receipt of a Correction Notice from the Tokyo Regional Taxation Bureau ("TRTB") on August 23, 1996 in connection with the write-off of credits due from Japan Housing Loan, Inc. amounting to ¥ 376,055 million recorded in the consolidated fiscal year ended March 1996.

The subsidiary disputed the rationale for the proposed correction and filed an application seeking to void the proposed correction to the National Tax Tribunal for administrative review, but this was dismissed. On October 30, 1997 the subsidiary filed a lawsuit with the Tokyo District Court seeking to void the TRTB's administrative action against the subsidiary and won the case entirely on March 2, 2001. However this was appealed to the Tokyo High Court on March 16, 2001 and the subsidiary lost the case on March 14, 2002. On March 27, 2002 the subsidiary filed an appeal to the Supreme Court.

The subsidiary believes that its claim is appropriate. Nevertheless, the subsidiary provided a Reserve for Contingencies amounting to ¥ 134,852 million from the standpoint of sound financial practice. (Please refer to paragraph 15.)

43. As the result of a judgment in the English law courts on November 19, 2002 (local time), liquidation procedures were initiated in relation to one of a certain consolidated banking subsidiary's clients, TXU Europe Ltd. The subsidiary's outstanding loan balance to TXU Europe is ¥ 9,247 million. It is not possible at present to determine the resulting loss.

44. Effective current interim period, MHHD and subsidiaries accounts for securities borrowing and lending transactions with cash collateral in accordance with the Accounting Standards for Financial Instruments (The Business Accounting Deliberation Council, January 1998) as follows:

In prior years, cash collateral balances received or paid under securities borrowing and lending transactions had been recorded as Cash Collateral Paid Under Securities Borrowing Transactions in Other Assets and Cash Collateral received Under Securities Lending Transactions in Other Liabilities. Effective current interim period, in accordance with the JICPA Accounting Standard Committee Report No. 14, these transactions are presented as lending and borrowing transactions secured by securities, and related cash collateral balances are presented as Guarantee Deposit Paid under Securities Borrowing Transactions or Guarantee Deposits Received under Securities Lending Transactions, respectively. This change decreased Other Assets and Other Liabilities by ¥ 4,637,828 million and ¥ 4,099,757 million, respectively and increased Guarantee Deposit Paid under Securities Borrowing Transactions or Guarantee Deposits Received under Securities Lending Transactions by ¥ 4,637,828 million and ¥ 4,099,757 million, respectively.

45. In accordance with the revision of standard reporting formats in line with "Cabinet Office Ordinance to Amend the Former Cabinet Office Ordinance of the Bank Law (Cabinet Office, October 15, 2002)", the presentation of the balance sheet has been changed effective current interim period end as follows:

- (1) Convertible Bonds presented on the balance sheet at the prior interim period end is included in "Bond with Stock Purchase Options" at current interim period end,
- (2) Revaluation Reserve presented on the balance sheet at prior interim period end is included in Revaluation Reserve for Land at current interim period end,
- (3) Net Unrealized Losses on Other Securities presented on the balance sheet at prior interim period end is included in Net Unrealized Losses on Other Securities at current interim period end,

- (4) Common Stock and Preferred Stock, Capital Surplus and Retained Earnings presented on the balance sheet at prior interim period end is included in Common Stock and Preferred Stock, Capital Surplus and Retained Earnings at current interim period end, respectively.

# Consolidated Statement of Operations

April 1,2002-September 30,2002

**Mizuho Holdings, Inc**

(In millions of yen)

<b>Ordinary Income</b>		1,809,113
Interest Income	1,085,681	
<i>Interest on Loans and Bills Discounted</i>	765,529	
<i>Interest and Dividends on Securities</i>	177,495	
Fiduciary Income	22,569	
Fee and Commissions Income	213,275	
Trading Income	123,658	
Other Operating Income	183,209	
Other Income	180,717	
<b>Ordinary Expenses</b>		1,686,880
Interest Expenses	431,061	
<i>Interest on Deposits</i>	106,972	
<i>Interest on Debentures</i>	66,400	
<i>Amortization of Deferred Debenture Charges</i>	1,955	
Fee and Commissions Expenses	32,530	
Other Operating Expenses	66,498	
General and Administrative Expenses	651,558	
Other Expenses	505,231	
<b>Ordinary Profit</b>		122,232
Extraordinary Gains		3,779
Extraordinary Losses		26,844
<b>Income before Income Taxes and Minority Interests</b>		99,167
Income Tax Expenses:		
Current		15,674
Deferred		12,836
Minority Interests in Net Income		31,626
<b>Net Income</b>		39,029

*Notes to Consolidated Statement of Income*

1. Amounts less than one million yen are rounded down.
2. Net income per share of Capital Stock: ¥ 4,139.96
3. Net income per share of Capital Stock assuming dilution: ¥ 3,234.08
4. Income or expenses on trading transactions are recognized on a trade date basis and recorded in Trading Income or Trading Expenses on the interim consolidated statement of income. Trading Income and Trading Expenses represent the interest received/paid during the interim consolidated fiscal term plus (1) the gains or losses resulting from any change in the value of securities and monetary claims between the beginning of the interim consolidated fiscal term and the end of the interim consolidated fiscal term and (2) the gains or losses resulting from any change in the value of derivative financial instruments between the beginning of the interim consolidated fiscal term and the end of the interim consolidated fiscal term, assuming that they were settled at term end.
5. Other Income includes Gains on Sales of Stocks and Other Securities of ¥ 35,429 million, Accrued Refund Related to Foreign Corporation Tax of ¥ 34,338 million, and Gains on Establishment of Retirement Benefit Trusts of ¥ 45,769 million.
6. Other Expenses include Write-offs of Claims of ¥ 228,596 million, and Losses on Devaluation of Stocks and Other Securities of ¥ 76,331 million.
7. Extraordinary Losses include amortization of unrecognized net obligation at date of initial application of the new accounting standard for employee retirement benefits of ¥ 16,487 million.

# **Consolidated Statement of Capital Surplus and Retained Earnings**

April 1, 2002-September 30, 2002

Mizuho Holdings, Inc

(in millions of yen)

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## **Capital Surplus**

<b>Balance at April 1, 2002</b>	353,765
<b>Balance at September 30, 2002</b>	353,765

## **Retained Earnings**

<b>Balance at April 1, 2002</b>	997,265
<b>Increase</b>	41,256
Net Income	39,029
Transfer from Revaluation Reserve for Land, net of Taxes	2,227
<b>Decrease</b>	54,986
Dividends	54,985
Bonuses to Directors and Corporate Auditors	0
<b>Balance at September 30, 2002</b>	983,536

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- Notes
1. Amounts less than one million yen are rounded down.
  2. The balance of Capital Surplus at April 1, 2002 includes decrease of ¥1,849,982 million arising from the split and merger process of The Dai-Ichi Kangyo Bank, Ltd., The Fuji Bank, Ltd. and The Industrial Bank of Japan, Ltd. which took place on that date.
  3. The balance of Retained Earnings at April 1, 2002 includes increase of ¥896,131 million arising from the split and merger process of The Dai-Ichi Kangyo Bank, Ltd., The Fuji Bank, Ltd. and The Industrial Bank of Japan, Ltd. which took place on that date.

# Consolidated Statement of Cash Flows

April 1, 2002-September 30, 2002

Mizuho Holdings, Inc.

(In millions of yen)

## I. Cash Flows from Operating Activities

Income before Income Taxes and Minority Interests	99,167
Depreciation	52,912
Amortization of Consolidation Differences	7,765
Equity in Losses from Investments in Affiliates	6,875
Decrease in Reserve for Possible Losses on Loans	(133,898)
Decrease in Reserve for Possible Losses on Securities	(2,261)
Decrease in Reserve for Possible Losses on Loans Sold	(1,808)
Increase in Reserve for Contingencies	4,496
Increase in Reserve for Bonus Payments	1,568
Decrease in Reserve for Employee Retirement Benefits	(11,709)
Interest Income - accrual basis	(1,085,681)
Interest Expense - accrual basis	431,061
Gains on Securities	(22,730)
Losses from Money Held in Trust	1,062
Foreign Exchange Losses - Net	135,468
Losses on Dispositions of Premises and Equipment	9,704
Gains on Establishment of Retirement Benefit Trust	(45,769)
Net Increase in Trading Assets	(1,328,334)
Net Increase in Trading Liabilities	1,861,049
Net Decrease in Loans and Bills Discounted	8,250,101
Net Decrease in Deposits	(5,757,558)
Net Decrease in Negotiable Certificates of Deposit (Liabilities)	(1,943,489)
Net Decrease in Debentures	(1,527,350)
Net Increase in Borrowed Money (excluding Subordinated Borrowed Money)	249,633
Net Decrease in Due from Banks (excluding Deposits with Central Banks)	940,153
Net Increase in Call Loans	(5,604,645)
Net Decrease in Cash Placed as Collateral on Securities Borrowed	3,313,727
Net Increase in Guarantee Deposits Paid under Securities Borrowing Transactions	(4,637,828)
Net Increase in Call Money	4,821,877
Net Decrease in Commercial Paper	(330,432)
Net Decrease in Cash Received as Collateral for Securities Lent	(4,050,050)
Net Increase in Guarantee Deposits Received under Securities Lending Transactions	4,099,757
Net Decrease in Foreign Exchange (Assets)	505,438
Net Decrease in Foreign Exchange (Liabilities)	(462,452)
Net Decrease in Issuance, Redemption of Bonds and Notes	(58,776)
Net Decrease in Due to Trust Account	(316,082)
Interest and Dividends Income - cash basis	1,127,696
Interest Expense - cash basis	(516,472)
Others	45,404
Sub - Total	(1,872,409)
Income Taxes Paid	(96,073)
Net Cash Used in Operating Activities	(1,968,482)

## II. Cash Flows from Investing Activities

Payments for Purchase of Securities	(31,062,410)
Proceeds from Sale of Securities	22,316,262
Proceeds from Redemption of Securities	6,747,494
Payments for Increase in Money Held in Trust	(733)
Proceeds from Decrease in Money Held in Trust	18,796
Payments for Purchase of Premises and Equipment	(51,281)
Proceeds from Sale of Premises and Equipment	9,783
Net Cash Used in Investing Activities	(2,022,088)

## III. Cash Flows from Financing Activities

Proceeds from Issuance of Subordinated Borrowed Money	159,000
Repayments of Subordinated Borrowed Money	(522,000)
Proceeds from Issuance of Subordinated Bonds, Notes and Bonds with Stock Option	73,000
Repayments from Redemption of Subordinated Bonds, Notes and Bonds with Stock Option	(181,322)
Proceeds from Investment of Minority Interests	118,500
Dividends Paid	(54,985)
Dividends Paid for Minority Interests	(21,594)
Payments for Purchase of Treasury Stock	(88)
Net Cash Used in Financing Activities	(429,490)

## IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents (657)

## V. Net Decrease in Cash and Cash Equivalents (4,420,719)

## VI. Cash and Cash Equivalents at Beginning of Interim Period 9,847,366

## VII. Cash and Cash Equivalents at End of Interim Period 5,426,647



**NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS**

- 1 Amounts less than one million yen are rounded down.
- 2 For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and deposits with central banks included in "Cash and Due from Banks" on the Consolidated Balance
- 3 Cash and Cash Equivalents at the end of the interim period were reconciled to Cash and Due from Banks on the Consolidated Balance Sheet as follows:

	(in millions of yen)
Cash and Due from Banks	6,326,761
<u>Due from banks except for deposits with the central banks</u>	<u>(900,113)</u>
Cash and Cash Equivalents	5,426,647

## Comparison of Consolidated Balance Sheets (Selected Items)

**Mizuho Holdings, Inc.**  
(in millions of yen)

Balance Sheets	Sept. 30, 2002(A)	Sept. 30, 2001(B)	Comparison ( A - B )	March 31, 2002(C)	Comparison ( A - C )
<b>ASSETS</b>					
Cash and Due from Banks	6,326,761	5,848,953	477,807	11,720,134	(5,393,373)
Call Loans and Bills Purchased	1,821,161	1,463,670	357,491	942,285	878,876
Receivables Under Resale Agreements	5,110,620	3,609,184	1,501,436	1,768,766	3,341,854
Guarantee Deposit Paid under Securities Borrowing Transactions	4,637,828	—	4,637,828	—	4,637,828
Other Debt Purchased	1,729,902	669,465	1,060,437	604,395	1,125,506
Trading Assets	9,098,107	11,019,131	(1,921,024)	7,951,419	1,146,687
Money Held in Trust	48,096	251,165	(203,068)	69,762	(21,666)
Securities	25,520,325	25,801,785	(281,460)	24,108,931	1,411,394
Loans and Bills Discounted	76,118,242	90,587,678	(14,469,436)	84,593,656	(8,475,414)
Foreign Exchanges Assets	681,242	1,181,338	(500,096)	1,186,977	(505,735)
Other Assets	4,865,256	15,219,025	(10,353,768)	11,067,767	(6,202,510)
Premises and Equipment	1,715,324	1,735,351	(20,027)	1,753,497	(38,173)
Deferred Debenture Charges	3,401	5,544	(2,143)	4,843	(1,441)
Deferred Tax Assets	2,186,442	2,253,622	(67,179)	2,509,110	(322,668)
Consolidation Differences	56,024	107,996	(51,971)	64,296	(8,271)
Customer's Liabilities for Acceptances and Guarantees	4,948,881	5,896,764	(947,882)	4,923,244	25,637
Reserve for Possible Losses on Loans	(1,815,665)	(1,909,131)	93,466	(1,949,819)	134,154
Reserve for Possible Losses on Securities	(4,499)	(4,587)	87	(6,841)	2,342
<b>Total Assets</b>	<b>143,047,455</b>	<b>163,736,959</b>	<b>(20,689,504)</b>	<b>151,312,427</b>	<b>(8,264,972)</b>
<b>LIABILITIES</b>					
Deposits	68,396,196	70,016,895	(1,620,698)	74,129,456	(5,733,260)
Negotiable Certificates of Deposit	9,533,567	15,181,513	(5,647,946)	11,476,779	(1,943,212)
Debentures	13,783,539	16,715,716	(2,932,176)	15,310,890	(1,527,350)
Call Money and Bills Sold	10,380,132	7,867,022	2,513,110	9,453,692	926,440
Payables Under Repurchase Agreements	8,494,440	6,513,491	1,980,948	4,855,073	3,639,366
Guarantee Deposit Received under Securities Lending Transactions	4,099,757	—	4,099,757	—	4,099,757
Commercial Paper	378,125	1,306,389	(928,264)	711,382	(333,256)
Trading Liabilities	6,598,423	6,373,495	224,928	4,883,842	1,714,580
Borrowed Money	2,434,959	3,787,083	(1,352,124)	2,553,382	(118,423)
Foreign Exchanges Liabilities	245,629	631,221	(385,592)	708,231	(462,602)
Bonds and Notes	2,776,592	4,097,149	(1,320,556)	2,966,847	(190,254)
Bonds with Stock Option	3,599	—	3,599	—	3,599
Convertible Bonds	—	7,436	(7,436)	8,432	(8,432)
Due to Trust Account	1,460,322	1,530,204	(69,882)	1,776,404	(316,082)
Other Liabilities	4,242,000	16,957,429	(12,715,429)	11,278,184	(7,036,184)
Reserve for Bonus Payment	23,370	23,554	(184)	21,801	1,568
Reserve for Employee Retirement Benefits	24,250	80,184	(55,933)	36,619	(12,368)
Reserve for Possible Losses on Loans Sold	47,838	121,972	(74,133)	49,647	(1,808)
Reserve for Possible Losses on Support of Specific Borrowers	—	195,512	(195,512)	—	—
Reserve for Contingencies	138,700	8,180	130,520	134,203	4,496
Reserve under Special Laws	768	884	(116)	950	(182)
Deferred Tax Liabilities	8,089	15,531	(7,441)	15,741	(7,651)
Deferred Tax Liabilities for Revaluation Reserve for Land	262,305	342,213	(79,908)	335,108	(72,803)
Acceptances and Guarantees	4,948,881	5,896,764	(947,882)	4,923,244	25,637
<b>Total Liabilities</b>	<b>138,281,492</b>	<b>157,669,847</b>	<b>(19,388,354)</b>	<b>145,629,916</b>	<b>(7,348,423)</b>
<b>MINORITY INTERESTS</b>					
Minority Interests	1,050,265	765,762	284,503	951,091	(99,174)
<b>SHAREHOLDERS' EQUITY</b>					
Total Shareholders' Equity	3,715,697	5,301,350	(1,585,653)	4,731,420	(1,015,722)
<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	<b>143,047,455</b>	<b>163,736,959</b>	<b>(20,689,504)</b>	<b>151,312,427</b>	<b>(8,264,972)</b>

(Notes) Amounts less than one million yen are rounded down.

## Comparison of Consolidated Statements of Operations (Selected Items)

**Mizuho Holdings, Inc.**  
(in millions of yen)

Statements of Operations	Six months ended September 30, 2002 (A)	Six months ended September 30, 2001 (B)	Comparison (A-B)	Year ended March 31,2002
Ordinary Income	1,809,113	2,773,713	(964,600)	5,182,183
Interest Income :	1,085,681	1,616,091	(530,410)	3,020,489
<i>Interest on Loans and Discounts</i>	765,529	1,096,127	(330,597)	2,059,125
<i>Interest and Dividends on Securities</i>	177,495	277,346	(99,851)	516,308
Fiduciary Income	22,569	22,123	446	54,443
Fee and Commissions Income	213,275	264,567	(51,292)	544,238
Trading Income	123,658	100,004	23,653	178,884
Other Operating Income	183,209	358,268	(175,059)	651,035
Other Income	180,717	412,656	(231,938)	733,092
Ordinary Expenses	1,686,880	3,164,735	(1,477,854)	6,532,033
Interest Expenses :	431,061	869,835	(438,774)	1,492,876
<i>Interest on Deposits</i>	106,972	283,865	(176,893)	470,458
<i>Interest on Debentures</i>	66,400	85,915	(19,515)	160,011
<i>Amortization of Deferred Debenture Charges</i>	1,955	6,598	(4,642)	10,388
Fee and Commissions Expenses	32,530	46,845	(14,314)	43,156
Other Operating Expenses	66,498	206,942	(140,443)	451,041
General and Administrative Expenses	651,558	637,874	13,683	1,368,206
Other Expenses	505,231	1,403,238	(898,006)	3,176,752
Ordinary Profit (Loss)	122,232	(391,022)	513,254	(1,349,850)
Extraordinary Gains	3,779	17,391	(13,611)	133,407
Extraordinary Losses	26,844	28,981	(2,136)	208,728
Income (Loss) before Income Taxes and Minority Interests	99,167	(402,612)	501,779	(1,425,170)
Income Tax Expenses :				
Current	15,674	18,892	(3,217)	110,498
Deferred	12,836	(136,169)	149,005	(545,923)
Minority Interests in Net Income (Loss)	31,626	(20,698)	52,324	(13,701)
Net Income (Loss)	39,029	(264,637)	303,666	(976,044)

(Notes) Amounts less than one million yen are rounded down.

**Comparison of Consolidated Statements of Capital Surplus  
and Retained Earnings (Selected Items)**

**Mizuho Holdings, Inc.**

(in millions of yen)

	Six months ended September 30, 2002 (A)	Six months ended September 30, 2001 (B)	Comparison (A-B)	Year ended March 31,2002
<b>Retained Earnings</b>				
Balance at beginning of Interim Period (the year)	—	1,107,231	(1,107,231)	1,107,231
Increase	—	2,426	(2,426)	13,560
Decrease	—	43,408	(43,408)	43,614
Net Income (Loss)	—	264,637	(264,637)	976,044
Balance at end of Interim Period (the year)	—	801,612	(801,612)	101,133
<b>Capital Surplus</b>				
Balance at beginning of Interim Period	353,765	—	353,765	—
Balance at end of Interim Period	353,765	—	353,765	—
<b>Retained Earnings</b>				
Balance at beginning of Interim Period (the year)	997,265	—	997,265	—
Increase	41,256	—	41,256	—
Decrease	54,986	—	54,986	—
Balance at end of Interim Period (the year)	983,536	—	983,536	—

(Notes) Amounts less than one million yen are rounded down.

## Comparison of Consolidated Statements of Cash Flows

Mizuho Holdings, Inc.

(in millions of Yen)

	Six months ended September 30, 2002 (A)	Six months ended September 30, 2001 (B)	Comparison (A-B)	Year ended March 31,2002
<b>I. Cash Flows from Operating Activities:</b>				
Income (Loss) before Income Taxes and Minority Interests	¥ 99,167	¥ (402,612)	¥ 501,779	¥ (1,425,170)
Depreciation	52,912	42,715	10,197	94,749
Amortization of Consolidation Differences	7,765	14,297	(6,532)	21,162
Equity in Losses (Gains) from Investments in Affiliates	6,875	1,089	5,785	6,771
Increase (Decrease) in Reserve for Possible Losses on Loans	(133,898)	276,525	(410,424)	361,543
Increase (Decrease) in Reserve for Possible Losses on Securities	(2,261)	354	(2,615)	2,771
Decrease in Reserve for Possible Losses on Loans Sold	(1,808)	(77,120)	75,312	(149,445)
Increase (Decrease) in Reserve for Contingencies	4,496	(15,852)	20,348	110,171
Increase (Decrease) in Reserve for Possible Losses on Support of Specific Borrowers	-	35,883	(35,883)	(159,628)
Increase in Reserve for Bonus Payments	1,568	23,554	(21,985)	21,790
Increase in Reserve for Employee Retirement Benefits	(11,709)	9,978	(21,688)	(35,370)
Interest Income - accrual basis	(1,085,681)	(1,616,091)	530,410	(3,020,489)
Interest Expenseses - accrual basis	431,061	869,835	(438,774)	1,492,876
Gains on Securities	(22,730)	(162,533)	139,803	(201,863)
Losses from Money Held in Trust	1,062	20,829	(19,767)	17,502
Foreign Exchange Losses - Net	135,468	84,400	51,068	(413,530)
Losses on Dispositions of Premises and Equipment	9,704	7,820	1,884	33,119
Losses (Gains) on Establishment of Retirement Benefit Trust	(45,769)	(74,592)	28,822	(89,036)
Net Decrease (Increase) in Trading Assets	(1,328,334)	(207)	(1,328,127)	3,150,206
Net Increase (Decrease) in Trading Liabilities	1,861,049	1,522,415	338,634	(46,227)
Net Decrease in Loans and Bills Discounted	8,250,101	2,025,650	6,224,451	6,394,050
Net Increase in Deposits	(5,757,558)	2,746,849	(8,504,408)	6,286,547
Net Increase (Decrease) in Negotiable Certificates of Deposit (Liabilities)	(1,943,489)	2,322,992	(4,266,482)	(1,405,177)
Net Decrease in Debentures	(1,527,350)	(1,130,040)	(397,309)	(2,537,366)
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)	249,633	73,299	176,334	411,237
Net Decrease (Increase) in Due from Banks (excluding Deposits with Central Banks)	940,153	(131,245)	1,071,399	1,055,250
Net Decrease (Increase) in Call Loans	(5,604,645)	(2,597,556)	(3,007,089)	1,319,767
Net Decrease (Increase) in Cash Placed as Collateral on Securities Borrowed	3,313,727	(281,736)	3,595,463	(528,551)
Net Decrease (Increase) in Guarantee Deposits Paid under Securities Borrowing Transactions	(4,637,828)	-	(4,637,828)	-
Net Increase (Decrease) in Call Money	4,821,877	1,080,810	3,741,067	(390,433)
Net Decrease (Increase) in Commercial Paper	(330,432)	(1,100,938)	770,506	(1,142,331)
Net Increase (Decrease) in Cash Received as Collateral for Securities Lent	(4,050,050)	511,690	(4,561,740)	(555,210)
Net Increase (Decrease) in Deposits Received under Securities Lending Transactions	4,099,757	-	4,099,757	-
Net Decrease (Increase) in Foreign Exchanges (Assets)	505,438	(347,219)	852,657	(315,128)
Net Increase (Decrease) in Foreign Exchanges (Liabilities)	(462,452)	360,304	(822,757)	424,834
Net Increase (Decrease) in Issuance, Redemption of Bonds and Notes	(58,776)	(80,799)	22,023	(102,909)
Net Increase (Decrease) in Due to Trust Account	(316,082)	(290,184)	(25,897)	(50,007)
Interest and Dividends Income - cash basis	1,127,696	1,668,846	(541,149)	3,095,889
Interest Expense - cash basis	(516,472)	(954,086)	437,614	(1,603,992)
Others	45,404	(3,248,304)	3,293,708	(3,220,239)
Subtotal	(1,872,409)	1,189,021	(3,061,430)	6,908,130
Income Taxes Paid	(96,073)	(37,497)	(58,576)	(131,692)
<b>Net Cash Used in Operating Activities</b>	<b>(1,968,482)</b>	<b>1,151,524</b>	<b>(3,120,007)</b>	<b>6,776,438</b>
<b>II. Cash Flows from Investment Activities:</b>				
Payments for Purchase of Securities	(31,062,410)	(34,377,074)	3,314,664	(58,967,968)
Proceeds from Sale of Securities	22,316,262	24,930,313	(2,614,050)	40,450,103
Proceeds from Redemption of Securities	6,747,494	9,102,528	(2,355,034)	19,571,083
Payments for Increase in Money Held in Trust	(733)	(48,844)	48,111	(109,999)
Proceeds from Decrease in Money Held in Trust	18,796	171,652	(152,855)	429,371
Payments for Purchase of Premises and Equipment	(51,281)	(77,655)	26,373	(193,154)
Proceeds from Sale of Premises and Equipment	9,783	33,999	(24,216)	35,109
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)	-	(935)	935	(1,064)
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)	-	-	-	318,553
Payments for Sales of Stocks of Subsidiaries (not affecting the scope of consolidation)	-	(1,085)	1,085	(1,282)
<b>Net Cash Used in Investment Activities</b>	<b>(2,022,088)</b>	<b>(267,101)</b>	<b>(1,754,986)</b>	<b>1,530,751</b>
<b>III. Cash Flows from Financing Activities:</b>				
Proceeds from Issuance of Subordinated Borrowed Money	159,000	116,000	43,000	116,000
Repayments of Subordinated Borrowed Money	(522,000)	(402,700)	(119,299)	(644,800)
Proceeds from Issuance of Subordinated Bonds, Notes and Bonds with Stock Option	73,000	263,800	(190,800)	274,033
Repayments of Subordinated Bonds, Notes and Bonds with Stock Option	(181,322)	(159,558)	(21,763)	(719,117)
Proceeds from Investment of Minority Interests	118,500	21,856	96,643	379,874
Repayments of Minority Interests	-	(15,568)	15,568	(16,487)
Dividends Paid	(54,985)	(43,364)	(11,620)	(43,393)
Dividends Paid for Minority Interests	(21,594)	(22,480)	885	(43,421)
Payments for Purchase of Treasury Stock	(88)	(243)	154	(323)
Proceeds from Sales of Treasury Stock	-	233	(233)	233
<b>Net Cash Used in Financing Activities</b>	<b>(429,490)</b>	<b>(242,025)</b>	<b>(187,465)</b>	<b>(697,401)</b>
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(657)</b>	<b>7,001</b>	<b>(7,659)</b>	<b>17,731</b>
<b>V. Net Increase in Cash and Cash Equivalents</b>	<b>(4,420,719)</b>	<b>649,399</b>	<b>(5,070,118)</b>	<b>7,627,520</b>
<b>VI. Cash and Cash Equivalents at Beginning of Interim Period (the year)</b>	<b>9,847,366</b>	<b>2,219,805</b>	<b>7,627,560</b>	<b>2,219,805</b>
<b>VII. Net Increase in Cash and Cash Equivalents Resulting from Inclusion of Subsidiaries for Consolidation</b>	<b>-</b>	<b>46</b>	<b>(46)</b>	<b>46</b>
<b>VIII. Net Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>
<b>IX. Cash and Cash Equivalent at End of Interim Period (the year)</b>	<b>¥ 5,426,647</b>	<b>¥ 2,869,251</b>	<b>¥ 2,557,395</b>	<b>¥ 9,847,366</b>

(Notes) Amounts less than one million yen are rounded down.

## Segment Information

### 1. Segment Information by Type of Business

The Mizuho Financial Group is engaged in securities, trust, leasing and other activities. Such segment information, however, has not been presented, as the percentages of those activities are insignificant.

### 2. Segment Information by Geographic Area

For the Interim period of Fiscal 2001 (from April 1, 2001 to September 30, 2001)

( in millions of yen )

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
Ordinary Income							
(1) Ordinary Income to outside customers	2,048,264	434,578	163,926	126,944	2,773,713	-	2,773,713
(2) Inter-segment Ordinary Income	64,706	89,911	21,451	24,208	200,278	(200,278)	-
Total	2,112,970	524,490	185,378	151,152	2,973,991	(200,278)	2,773,713
Ordinary Expenses	2,480,017	503,767	176,618	163,919	3,324,323	(159,587)	3,164,735
Ordinary Profit (Loss)	(367,047)	20,722	8,759	(12,767)	(350,331)	(40,690)	(391,022)

For the Interim period of Fiscal 2002 (from April 1, 2002 to September 30, 2002)

( in millions of yen )

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
Ordinary Income							
(1) Ordinary Income to outside customers	1,380,459	198,375	188,193	42,084	1,809,113	-	1,809,113
(2) Inter-segment Ordinary Income	36,543	17,216	9,265	30,595	93,621	(93,621)	-
Total	1,417,003	215,591	197,458	72,680	1,902,734	(93,621)	1,809,113
Ordinary Expenses	1,363,058	175,555	178,927	55,309	1,772,850	(85,969)	1,686,880
Ordinary Profit	53,944	40,036	18,531	17,371	129,884	(7,651)	122,232

For the Fiscal 2001 (from April 1, 2001 to March 31, 2002)

( in millions of yen )

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
Ordinary Income							
(1) Ordinary Income to outside customers	3,570,407	1,021,454	354,392	235,929	5,182,183	-	5,182,183
(2) Inter-segment Ordinary Income	150,725	164,690	43,540	59,817	418,773	(418,773)	-
Total	3,721,132	1,186,144	397,932	295,747	5,600,956	(418,773)	5,182,183
Ordinary Expenses	5,156,794	1,012,734	381,442	313,293	6,864,264	(332,230)	6,532,033
Ordinary Profit (Loss)	(1,435,661)	173,409	16,490	(17,545)	(1,263,307)	(86,542)	(1,349,850)

Notes: 1. Geographic analyses of the Mizuho Financial Group's operations are presented based on geographic contiguity, similarities in economic activities, and relation of business operations. Ordinary Income and Ordinary Profit/Loss are presented in lieu of Sales and Operating Profit/Loss as is the case for non-financial companies.

2. Americas includes the United States of America and Canada, etc., Europe includes the United Kingdom, etc. and Asia/Oceania includes Hong Kong and the Republic of Singapore, etc.

3. Ordinary Income from Overseas Entities

( in millions of yen )

Period	Ordinary Income from Overseas Entities	Consolidated Ordinary Income	Ordinary Income from Overseas Entities / Consolidated Ordinary Income
For the Interim period of Fiscal 2001 (from April 1, 2001 to September 30, 2001)	725,449	2,773,713	% 26.15
For the Interim period of Fiscal 2002 (from April 1, 2002 to September 30, 2002)	428,653	1,809,113	% 23.69
For the Fiscal 2001 (from April 1, 2001 to March 31, 2002)	1,611,776	5,182,183	% 31.10

- Notes: 1. Ordinary Income from Overseas Entities is presented in lieu of Sales as is the case for non-financial companies.
2. Ordinary Income from Overseas Entities represents Ordinary Income recorded by overseas branches of domestic subsidiaries and overseas subsidiaries excluding inter-segment Ordinary Income. Geographical analyses of Ordinary Income from Overseas Entities are not presented as no such information is available.

**Manufacturing, order-book and retail situation**

There is no information on manufacturing, order-book and retail situation.

## Contract Amount, Fair Value and Valuation Gain/Loss of Derivatives Transaction

(Derivatives) - Current fiscal year

## (1) Interest Rate Related Transactions

(in millions of Yen)

Type of Transactions	September 30, 2001			September 30, 2002		
	Contract Amount	Fair Value	Revaluation Gain (Loss)	Contract Amount	Fair Value	Revaluation Gain (Loss)
Listed						
Futures	51,126,992	13,947	13,947	45,235,529	66,696	66,696
Options	23,864,285	29,879	1,471	27,992,447	22,720	6,077
Over the Counter						
FRAs	53,639,206	7,220	7,220	56,506,701	655	655
Swaps	523,481,249	34,490	34,490	529,459,149	394,318	394,318
Options	22,757,424	66,350	15,120	19,233,937	6,208	5,873
Total			72,250			473,622

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo International Financial Futures Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

## (2) Currency-Related Transactions

(in millions of Yen)

Type of Transactions	September 30, 2001			September 30, 2002		
	Contract Amount	Fair Value	Revaluation Gain (Loss)	Contract Amount	Fair Value	Revaluation Gain (Loss)
Over the Counter						
Currency Swaps	21,106,913	12,204	(17,238)	18,113,191	(246,390)	(284,824)
Others	—	—	—	137,116	126,894	420
Total			(17,238)			(284,403)

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items and the following transactions described in Note 3 are excluded from above table.

2 Fair values of transactions are calculated by the discounted value of future cash flows.

3 Currency Swap Transactions which adopt accrual accounting in accordance with "Tentative Accounting and Auditing Treatment relating to Adoption of 'Accounting for Foreign Currency Transaction' for Banks" (JICPA Industry Audit Committee Report No. 20) or "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No.25), are excluded from the above table.

Currency Swap transactions which are accounted by the accrual method are as follows:

(in millions of Yen)

Type of Transactions	September 30, 2001			September 30, 2002		
	Contract Amount	Fair Value	Revaluation Gain (Loss)	Contract Amount	Fair Value	Revaluation Gain (Loss)
Currency Swaps	1,013,760	(236)	(12,475)	573,456	608	(8,108)

Similarly, the following currency related derivatives transactions (Forwards, options, etc.) are excluded from the

- Transactions which are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations
- Transactions which are specified for certain financial assets and liabilities denominated in foreign currencies and reflected on the Consolidated Balance Sheet
- Transactions denominated in foreign currencies which are eliminated in consolidation

Currency related derivatives stated at fair value are as follows:

(in millions of Yen)

Type of Transactions	September 30, 2001		September 30, 2002	
	Contract Amount		Contract Amount	
Listed				
Futures	1,365		—	
Over the Counter				
Forwards	47,938,873		33,488,760	
Options	7,762,618		10,382,849	



(Derivatives) - Current fiscal year

## (3) Stock-Related Transactions

(in millions of Yen)

Type of Transactions	September 30, 2001			September 30, 2002		
	Contract Amount	Fair Value	Revaluation Gain (Loss)	Contract Amount	Fair Value	Revaluation Gain (Loss)
Listed						
Index Futures	57,884	(124)	(124)	16,670	(15)	(15)
Index Options	29,959	356	(8)	20,018	205	5
Over the Counter						
Options	69,588	(1,149)	(1,524)	44,304	2,312	(472)
Total			(1,657)			(483)

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo Stock Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

## (4) Bond-Related Transactions

(in millions of Yen)

Type of Transactions	September 30, 2001			September 30, 2002		
	Contract Amount	Fair Value	Revaluation Gain (Loss)	Contract Amount	Fair Value	Revaluation Gain (Loss)
Listed						
Index Futures	1,881,667	(2,877)	(2,877)	1,786,152	8,458	8,458
Futures Options	3,361,832	1,816	135	329,629	1,557	220
Over the Counter						
Options	292,716	1,404	1,142	120,209	415	0
Total			(1,600)			8,678

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo Stock Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

(Derivatives) - Current fiscal year

(5) Commodity-Related Transactions

(in millions of Yen)

Type of Transactions	September 30, 2001			September 30, 2002		
	Contract Amount	Fair Value	Revaluation Gain (Loss)	Contract Amount	Fair Value	Revaluation Gain (Loss)
Over the Counter						
Options	80,836	9,343	291	87,347	6,824	1,130
Total			291			1,130

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 Underlying commodities are Oil, Copper, Aluminium and others.

(6) Credit Derivatives Transactions

(in millions of Yen)

Type of Transactions	September 30, 2001			September 30, 2002		
	Contract Amount	Fair Value	Revaluation Gain (Loss)	Contract Amount	Fair Value	Revaluation Gain (Loss)
Over the Counter						
Credit Derivatives	252,127	174	174	439,886	95,177	95,177
Total			174			95,177

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

(7) Weather Derivatives Transactions

(in millions of Yen)

Type of Transactions	September 30, 2001			September 30, 2002		
	Contract Amount	Fair Value	Revaluation Gain (Loss)	Contract Amount	Fair Value	Revaluation Gain (Loss)
Over the Counter						
Weather Derivatives (Options)	2,650	43	61	622	19	7
Total			61			7

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 Transactions are related to atmospheric temperature, precipitation and others.

(Derivatives) - Previous fiscal year

## (1) Interest Rate Related Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Listed					
Futures	Sold	7,021,558	2,385,852	3,762	3,762
	Bought	3,746,983	2,313,561	1,522	1,522
Options	Sold	2,069,407	171,114	7,415	(2,803)
	Bought	1,929,895	229,219	5,784	1,633
Over the Counter					
FRAs	Sold	30,280,783	7,624,841	31,856	31,856
	Bought	29,398,902	7,682,984	(29,168)	(29,168)
Swaps	Fix receive/Flt Pay	259,228,559	161,909,892	7,685,119	7,685,119
	Flt receive/Fix Pay	256,258,811	156,719,785	(7,261,247)	(7,261,247)
	Fix receive/Fix Pay	15,335,921	10,765,936	(884)	(884)
	Flt receive/Fix Pay	3,070,125	2,764,976	1,274	1,274
Options	Sold	11,340,608	7,866,548	(43,415)	(67,579)
	Bought	10,252,957	7,524,157	84,616	72,765
Total					436,250

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo International Financial Futures Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

## (2) Currency-Related Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Over the Counter					
Currency Swaps		21,213,205	13,650,730	162,296	49,786
Others	Sold	13,956	13,956	(42)	(42)
	Bought	4,331	659	522	522
Total					50,266

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Derivatives transactions being designated as hedging items and the following transactions described in Note 4 are excluded from above table.

2 Fair values of transactions are calculated by the discounted value of future cash flows

3 "Others" denotes swaption transactions.

4 Currency Swap Transactions which adopt accrual accounting in accordance with "Tentative Accounting and Auditing Treatment relating to Adoption of 'Accounting for Foreign Currency Transaction' for Banks" (JICPA Industry Audit Committee Report No. 20), are excluded from the above table. Currency Swap transactions which are accounted by the accrual method are as follows:

(in millions of Yen)

Type of Transactions	March 31, 2002		
	Contract Amount	Fair Value	Unrealized Gain(Loss)
Currency Swaps	825,902	14,901	(9,790)

Similarly, the following currency related derivatives transactions (Forwards, options, etc.) are excluded from the above table.

- Transactions which are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Operations
- Transactions which are specified for certain financial assets and liabilities denominated in foreign currencies and reflected on the Consolidated Balance Sheet
- Transactions denominated in foreign currencies which are eliminated in consolidation

Currency related derivatives stated at fair value are as follows:

(in millions of Yen)

Type of Transactions		March 31, 2002	
		Contract Amount	
Over the Counter			
Forwards	Sold	14,927,469	
	Bought	19,822,319	
Options	Sold	4,987,169	
	Bought	4,830,134	

(Derivatives) - Previous fiscal year

## (3) Stock-Related Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Listed					
Index Futures	Sold	40,892	—	651	651
	Bought	44	—	(0)	(0)
Index Options	Sold	19,534	—	46	98
	Bought	10,225	—	195	72
Over the Counter					
Options	Sold	12,505	1,924	375	(54)
	Bought	18,031	5,311	1,394	576
Total					1,343

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo Stock Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

## (4) Bond-Related Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Listed					
Index Futures	Sold	513,612	—	1,993	1,993
	Bought	363,057	7,851	(763)	(763)
Futures Options	Sold	989,844	52,760	967	(855)
	Bought	931,012	105,520	1,435	1,012
Over the Counter					
Options	Sold	246,429	502	25	(98)
	Bought	246,715	—	100	22
Total					1,312

Notes 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of listed instruments are measured at the closing prices on the Tokyo Stock Exchange and others. Fair values of over-the-counter transactions are calculated by the discounted value of future cash flows or option pricing models.

(Derivatives) - Previous fiscal year

## (5) Commodity-Related Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Listed					
Futures	Sold	—	—	—	—
	Bought	—	—	—	—
Over the Counter					
Forwards	Sold	—	—	—	—
	Bought	—	—	—	—
Swaps		—	—	—	—
Options	Sold	39,159	22,088	3,754	(930)
	Bought	39,159	22,088	3,764	1,259
Total					329

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 Underlying commodities are Oil and Copper.

## (6) Credit Derivatives Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Over the Counter					
Credit Derivatives	Sold	68,987	43,999	(577)	(577)
	Bought	429,140	412,493	25,230	25,230
Total					24,652

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of Derivatives transactions being designated as hedging items are excluded from the above table.

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 "Sold" indicates assumption of credit risk, "Bought" indicates transfer of credit risk.

## (7) Weather Derivatives Transactions

(in millions of Yen)

Type of Transactions		March 31, 2002			
		Contract Amount		Fair Value	Revaluation Gain (Loss)
			Maturity over One Year		
Over the Counter					
Weather Derivatives (Options)	Sold	230	—	0	(0)
	Bought	230	—	0	0
Total					—

Note 1 The above transactions are valued by the mark-to-market method and revaluation gains/losses are recorded in the Consolidated Statement of

2 Fair values of above transactions are calculated depending on the factors of the contracts such as prices, terms and others.

3 Transactions are related to atmospheric temperature.